



1255 Imperial Avenue, #1000  
San Diego, CA 92101-7490  
619.231.1466 FAX 619.234.3407

## Agenda

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

April 11, 2013

Executive Conference Room  
9:00 a.m.

#### ACTION RECOMMENDED

- A. ROLL CALL
- B. APPROVAL OF MINUTES - February 14, 2013 Approve
- C. COMMITTEE DISCUSSION ITEMS
  - 1. Trolley Renewal Project Update (Wayne Terry & John Haggerty of SANDAG)  
Action would receive a report for information. Receive
  - 2. Bus Shelter Procurement (Rob Schupp)  
Action would provide direction on the following: (1) whether to utilize capital improvement project funds to purchase up to 500 bus shelters to be located throughout the MTS service territory beginning in January 2014 or thereabouts, and (2) selecting a style(s) of bus shelter amenity to be used in a Request for Proposals (RFPs). Possible  
Action
- D. REVIEW OF DRAFT APRIL 18, 2013, JOINT BOARD AGENDA
- E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA  
Review of SANDAG Transportation Committee Agenda and discussion regarding any items pertaining to MTS, San Diego Transit Corporation, or San Diego Trolley, Inc. Relevant excerpts will be provided during the meeting. Possible  
Action
- F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS
- G. PUBLIC COMMENTS
- H. NEXT MEETING DATE: May 9, 2013
- I. ADJOURNMENT

Please SILENCE electronics  
during the meeting

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • [www.sdmts.com](http://www.sdmts.com)

Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

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

February 14, 2013

DRAFT MINUTES

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:02 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Mr. Ovrom moved for approval of the minutes of the January 10, 2013, MTS Executive Committee meeting. Mr. Roberts seconded the motion, and the vote was 4 to 0 in favor (with Mr. Gloria absent).

C. COMMITTEE DISCUSSION ITEMS

1. East County Bus Maintenance Facility Expansion Project

Paul Jablonski, Chief Executive Officer updated the Executive Committee on the status of pursuing LEED Certification and the process required to obtain LEED certification. Mr. Jablonski advised MTS had met with their designer Parsons Brinckerhoff and their architects to discuss LEED Certification requirements. MTS has already complied with the CA equivalent of LEED Certification required in CA building code. MTS concluded that LEED Silver status will be pursued with regard to design. Mr. Jablonski advised a Complete Energy Modeling Audit was underway and takes approximately two weeks to complete. Once this audit is complete there will be a more definitive picture as to the savings the new MTS facility will incur. Mr. Jablonski discussed the LEED points system. A significant energy improvement would be solar panels constructed on the flat roof structure over the garage base. The entire process is expected to cost approximately \$1M. The photo's voltaic system would likely cost between \$600-700K. Mr. Jablonski explained that there will be a payback of these costs over period of time and possibly savings from a decrease in utility costs with any additional investment wiped out in savings.

Mr. Roberts advised it was a good strategy and questioned what type of savings is expected. Mr. Jablonski advised once the audit was complete and the certification process was finalized there would more definitive information available on what the potential savings will be.

Mr. Roberts questioned the orientation of the building. Mr. Jablonski advised it was North/South.

Mr. Roberts asked what it would take points wise to obtain LEED Gold status. Mr. Jablonski advised it was 60 points and he thought this was possible however it was estimated the investment required in order to achieve Gold status would be 70% higher than pursuing Silver status.

Claire Spielberg, Chief Operating Officer of Transit discussed aspects of Energy remodeling.

### Action Taken

Mr. Ovrom moved to receive a report for information on the East County Bus Maintenance Facility Expansion Project and provide comments. Mr. Roberts seconded the motion, and the vote was 4 to 0 in favor (with Mr. Gloria absent).

## 2. Gas Service Provider Agreement Extension

Mike Thompson, Budget Manager, discussed the program including the history and MTS's current gas service provider. Mr. Thompson advised MTS's current agreement with BP energy expires in the near future. Mr. Thompson discussed the Gas Service Provider bidding process, renewable energy and credits and Federal legislation. He explained the annual usage of renewable energy and traditional fuel replacements and discussed Renewable Identification Numbers (RINs) including one such renewable fuel called biogas. Mr. Thompson reviewed the state program with regard to renewable energy credits and advised that MTS is currently generating LCFS credits. Mr. Thompson stated that MTS would receive 3 times as many credits if biogas was purchased. Mr. Thompson discussed the Extension Proposal by BP to purchase biogas in lieu of natural gas and discussed credit usage by BP and MTS with regard to RIN credits and LCFS credit. BP would manage the EPA and CARB requirements. Mr. Thompson discussed the yearly savings and contract terms. Mr. Jablonski commented MTS's financial analysis has been very conservative. Mr. Thompson provided a staff recommendation to extend the agreement with BP.

In response to questions from Mr. Roberts Mr. Thompson described the national pipeline and fuel purchase process explaining that the gas MTS currently pays for at present time is not the specific gas MTS's fleet utilizes. Mr. Thompson further explained BP is obtaining credit for selling MTS biogas.

Ron Roberts asked if biogas and CNG interchangeable? Cliff Telfer, CFO responded they were interchangeable and the biogas goes back into the same tank as the CNG gas.

Mr. Ovrom questioned if there would be any adverse effects for operations and maintenance with regard to utilizing biogas. Mr. Telfer advised MTS could potentially use biogas at present time.

Jim Cunningham questioned why MTS did not obtain additional competitive bids for the contract. Ms. Karen Landers, General Counsel, advised MTS determined it is sole source supplier as MTS had surveyed additional suppliers and no other providers are offering this particular program and biogas option.

Mr. Cunningham questioned what percentage of the credits MTS would receive versus that of BP. Mr. Jablonski advised it is close to 50% and there are many variables. Mr. Jablonski advised MTS has negotiated with the main objective being that of revenue security.

Mr. Roberts asked what would happen if no savings were incurred. Mr. Jablonski advised MTS would continue to pay for gas as it does now so there is no downside.

Mr. Thompson advised there was an escape clause within the contract if savings doesn't materialize.

### Action Taken

Mr. Cunningham moved to forward a recommendation to the Board of Directors to authorize the CEO to: (1) extend the gas service provider agreement with BP Energy Company (BP) for a five-year base term with 2 one-year option terms; (2) exercise each option year at the CEO's discretion; and (3) execute any documents necessary for MTS to participate in the BP direct market, federal Renewable Identification Number (RIN), and state low-carbon fuel standard (LCFS) programs. Mr. Ovrom seconded the motion, and the vote was 5 to 0 in favor.

### 3. Bus Rapid Transit (BRT) Branding

Rob Schupp, Director of Marketing, provided a BRT branding update. Mr. Schupp gave an overview of the three projects being developed by SANDAG.

Harry Mathis asked if this brand would be used in the future. Mr. Schupp responded this brand would be used and carried forth on all BRT routes moving forward.

Mr. Schupp explained the service provided by the three routes and provided an image of downtown station simulation. Mr. Schupp discussed SANDAG Policy 18 and the collaborative process.

Harry Mathis asked if the Board makes final decision or does the decision rest with SANDAG. Paul Jablonski, Chief Executive Officer, advised that MTS makes final decision.

Mr. Schupp discussed naming conventions and the criteria used such as how well the name describes MTS's service as well as how memorable the name is. Mr. Schupp advised MTS decided to go with the name "Rapid". Mr. Schupp advised MTS was working on bus paint schemes. Mr. Schupp commented the goal of "Rapid" was to build on the equity existing in MTS's current branding. Mr. Schupp stated there is a need to differentiate BRT from MTS's existing brand while maintaining similar elements. Mr. Schupp reviewed MTS's current branding. Mr. Schupp discussed the SuperLoop and Trolley brands and how the brand connects all of MTS's services as there is a common theme. Mr. Schupp stated MTS utilized the services of Miriello Grafico in developing the final look and explained Miriello Grafico's creative process. Mr. Schupp provided images of all sides of a Rapid bus and the branding which has a common connecting theme and discussed the easily recognizable differences of a Rapid bus. Mr. Schupp reviewed the Pylon branding options.

Mr. Gloria questioned if it is a different vehicle than the vehicle MTS currently uses. Mr. Jablonski advised it was a different vehicle. Mr. Jablonski responded it is a different manufacturer from our current buses and the Rapid buses are New Flyer 60 foot CNG articulated buses. Mr. Jablonski explained that when you go through the BRT process for Federal grants separate branding is required to distinguish from the rest of the service fleet while at the same time maintaining brand consistency. Mr. Jablonski advised the interior would be different with regard to seating, etc.

Mr. Gloria questioned if the fare prices would be the same. Sharon Cooney, Chief of Staff responded the fares are not set yet. Ms. Cooney advised SANDAG conducted a fare study a few years ago and it was envisioned that it would be a higher fare and there might possibly be different price point zones. Ms. Cooney stated that should the fares be changed SANDAG would have to modify the Fare Ordinance.

Mr. Gloria asked when the Rapid buses would go into circulation. Mr. Jablonski advised they would likely be in service in the summer or fall of 2013.

Mr. Gloria questioned how the Rapid pylons would be distinguishable from the MTS pylons.

Mr. Schupp advised the pylons would have "Rapid" listed on them and they would be distinct for Rapid with the Rapid info panel included on the Pylon.

Mr. Gloria asked if the name "Rapid" would give the impression the rest of MTS's service is slow.

Mr. Jablonski advised the Rapid bus stops are further apart and they won't be stopping every block or every other block, therefore the operating speed would be quicker.

Ms. Spielberg commented it is the express vs. local theory of transit.

#### Action Taken

Mr. Cunningham moved to receive a report on Bus Rapid Transit (BRT) branding for buses procured for Interstate 15 (I-15), Mid-City, and South Bay BRT services. Mr. Gloria seconded the motion, and the vote was 5 to 0 in favor.

#### 4. Appointment of San Diego Association of Governments ("SANDAG") Transportation Committee Representative and Alternate (Sharon Cooney)

Ron Roberts made motion to appoint Harry Mathis as primary and Al Ovrom as alternate of the SANDAG Transportation Committee.

#### Action Taken

Mr. Cunningham moved to elect Harry Mathis, Chairman of the MTS Board of Directors, to serve on the SANDAG Transportation Committee for the 2013 calendar year as the primary member. Mr. Gloria seconded the motion, and the vote was 4 to 1 in favor (with Mr. Mathis abstaining).

Mr. Cunningham moved to elect Al Ovrom, MTS Board Member, to serve on the SANDAG Transportation Committee for the 2013 calendar year as the alternate member. Mr. Gloria seconded the motion, and the vote was 4 to 1 in favor (with Mr. Ovrom abstaining).

#### 5. Trolley Renewal Project Update

Mr. Jablonski provided a status update on the project advising the Green Line, Orange Line and Downtown stations were almost complete and MTS would start construction on the Blue Line fairly soon. Mr. Jablonski advised SANDAG had a protest on the Blue Line which would hopefully be resolved within the next few weeks with construction to commence in late April or early May of 2013. Mr. Jablonski advised MTS was researching with Siemens to investigate how MTS could contractually exercise an option for additional cars, but with this additional agreement MTS would not be committed with only the car price being preserved which would be very beneficial to the Mid-coast project. Mr. Jablonski advised on the status of the power substations and advised MTS was working with the City the on Mt.

Hope Cemetery and 25<sup>th</sup> and Commercial power substations.

Action Taken

Mr. Cunningham moved to receive a report for information. Mr. Gloria seconded the motion, and the vote was 5 to 0 in favor.

D. REVIEW OF DRAFT FEBRUARY 21, 2013, BOARD AGENDA (TAKEN OUT OF ORDER)

Recommended 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 15, 2013

Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Pacific Imperial Railroad, Inc. (PIR) quarterly reports for information; and (2) ratify actions taken by the SD&AE Board at its quarterly meeting on January 15, 2013.

7. Investment Report - November 2012

Action would receive a report for information.

8. Pay Phone Services - Contract Award

Action would authorize the CEO to: (1) execute MTS Doc. No. L1086.0-12 with Western Communication Systems, Inc. (WESCOMM) a revenue contract for pay phone services for a five-year base period with 2 one-year option terms; and (2) exercise each option year at the CEO's discretion.

9. 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, 2013, through March 1, 2014.

10. Fiber-Optics Link Project - Funds Transfer

Action would approve the transfer of funds from the Fiber-Optics Link Project (CIP 11340) to the Orange/Green Lines Fiber-Optics Cable Project (CIP 1144400) to complete the fiber loop from Old Town to Santa Fe Depot.

11. Investment Report - December 2012

Action would receive a report for information.

12. Kearny Mesa Division Garage Floor Epoxy Coating - Job Order Contract Work Order

Action would authorize the CEO to execute Job Order Contract (JOC) MTSJOC1431-04 with

ABC Construction for the Kearny Mesa Division (KMD) Garage Floor Epoxy Coating Project.

13. Onboard CCTV System Installation - Contract Amendment

Action would authorize the CEO to execute MTS Doc. No. L0955.2-10 with UTC Fire and Security for the provision of onboard video surveillance systems on 8 additional S70 light rail vehicles (LRVs).

14. Proposed Revisions to MTS Policy No. 50 (Engineering and Construction Expense Cost Recovery for Plan Review, Real Estate Actions, and Right of Entry Permits)

Action would approve revisions to MTS Policy No. 50 (Engineering and Construction Expense Cost Recovery for Plan Review, Real Estate Actions, and Right of Entry Permits) to increase the current right of entry permit fee as recommended by the San Diego and Arizona Eastern Railway Company (SD&AE) Board of Directors at its quarterly meeting on January 15, 2013.

15. California Department of Transportation (Caltrans) Program of Projects for Federal Transit Administration (FTA) Section 5311 Funding - Fiscal Year 2013

Action would approve Resolution No. 13-3 authorizing the application for and use of FTA Section 5311 funding for operating assistance and miscellaneous improvements in nonurbanized areas.

BOARD MEMBER QUESTIONS & COMMENTS ON FEBRUARY 21, 2013 BOARD AGENDA:

Mr. Cunningham asked if there would be a discussion on updating the Board on LOSSAN at the next Board meeting. Ms. Cooney advised there would be an update on LOSSAN and the recommendation would not be to take an action, but to provide a report.

Mr. Jablonski advised that after the Board took action and approved the amended JPA with the three add-ons which would go to the LOSSAN board in a few days to get ruled upon, NCTD has concluded they will not support MTS as Managing Agency of LOSSAN. Mr. Jablonski stated that NCTD conveyed that they do not want to give SANDAG the ability to vote as a party to the LOSSAN JPA therefore NCTD will provide an opposing vote. Mr. Jablonski explained if this happens the current version of the JPA will be quashed as it has to be approved unanimously and substitute legislation is expected to be implemented to eliminate the need for unanimous support. The revised JPA will come back to Board for review.

Mr. Jablonski provided the Executive Committee a report on the MTS office renovation and advised 3 out of 4 sections of the building were remodeled previously with the final section not yet renovated. Mr. Jablonski advised this renovation's primary goal is to create more space to include the Compass staff to consolidate this function in one area to make the office space more efficient. Mr. Jablonski advised the project will be approximately \$30,000 with regard to cosmetic upgrades and they are still waiting on a construction estimate and once received MTS will bring to the Executive Committee for review.

Ms. Cooney stated that MTS is hoping to hear from the City of San Diego on the Taxicab Administration item, but at present time MTS is still moving forward with the same recommendations. Mr. Jablonski advised with regard to Taxicab Administration the belief is

that the City does not wish to renew the contract and the City of San Diego would likely take over Taxicab Administration after communication with the Mayor's Chief of Staff, Vince Hall. Mr. Jablonski advised MTS is expecting a letter or City representatives to attend the next MTS Board meeting in an official capacity and communicate this intention. Ms. Cooney advised MTS requested City staff to draft a letter to MTS to officially confirm this intention. Mr. Jablonski stated transition time will need to be allotted and it will take coordination, training, transition of staff, etc. and the quicker a resolution can be come to, the better.

Ms. Cooney mentioned MTS's Federal lobbyist will be here at the next Board meeting to provide a report on Item 31.

Ms. Landers advised an additional closed session item relating to real property negotiations will be added to the agenda.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

Ms. Cooney provided a hard copy of the agenda and asked the Committee to review Item No. 7 as it is an information item on various grant proposals for the Job Access and Reverse Commute Program ("JARC"). Ms. Cooney advised these programs are considered discretionary and are done through a competitive process at SANDAG. Ms. Cooney stated this competitive process will likely be eliminated in the next couple of years due to MAP-21. Ms. Cooney advised MTS has always scored very well and believes MTS will be awarded \$1.1M under the JARC program as well as \$200K under the New Freedom program. Ms. Cooney discussed the 6 routes recognized by the JARC program and advised it is an information item and the decision will happen in March, 2013. Mr. Jablonski suggested the Board preserve this funding for this successful, efficient and highly productive service. Mr. Jablonski advised the significant Federal change in authorizing MAP-21 legislation is taking away the open competitive process, giving the funding directly to the transit operators and MTS fully supports this decision as it is the best decision in order to fully utilize the funding.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

Mr. Gloria questioned MTS's safety of security guards pursuant to a recent MTS news story. Mr. Gloria suggested that Chief of Police and Director of Security, Bill Burke, provide weekly security reports.

Mr. Jablonski advised the crime statistics for MTS are down. Mr. Jablonski advised MTS was spending more on security and working with the Ad Hoc Public Security Committee to keep more security officers on duty at night. Mr. Jablonski stated that compared to other cities MTS's crime statistics are very good. Mr. Jablonski stated the headlines are misleading and there was no security breach.

Mr. Mathis advised Mr. Burke keeps close watch on the quality of training of security officers and all concerns would be discussed at the next Ad Hoc Public Security Committee meeting

C. COMMITTEE DISCUSSION ITEMS – Continued

**The Executive Committee convened to Closed Session at 10:15 a.m.**

6. CLOSED SESSION - PUBLIC EMPLOYEE PERFORMANCE EVALUATION/ CONFERENCE WITH LABOR NEGOTIATORS CHIEF EXECUTIVE OFFICER Pursuant to



California Government Code Sections 54957 and 54957.6;  
Agency-Designated Representative: Harry Mathis  
Employee: Paul C. Jablonski

7. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS  
Pursuant to California Government Code section 54957.6  
Agency-Designated Representative: Jeff Stumbo  
Employee Organization: Amalgamated Transit Union, Local 1309

**The Executive Committee reconvened to Open Session at 10:50 a.m.**

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

6. The Committee received a report for information and gave instructions to Staff.  
7. The Committee received a report from Staff.

G. PUBLIC COMMENTS

There were no Public Comments.

H. NEXT MEETING DATE

The next Executive Committee meeting is subsequently cancelled. Next Executive Committee meeting is scheduled for April 11, 2013.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 10:52 a.m.

---

Chairman

Attachment: A. Roll Call Sheet

Attachment: B. San Diego Association of Governments ("SANDAG") Transportation Committee  
Agenda for Friday, February 15, 2013

**EXECUTIVE COMMITTEE  
METROPOLITAN TRANSIT SYSTEM**

**ROLL CALL**

MEETING OF (DATE) February 14, 2013

CALL TO ORDER (TIME) 9:02 a.m.

RECESS N/A

RECONVENE N/A

CLOSED SESSION 10:15 a.m.

RECONVENE 10:50 a.m.

ADJOURN 10:52 a.m.

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
GLORIA <input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:13 a.m.	10:52 a.m.
MATHIS <input checked="" type="checkbox"/>	9:00 a.m.	10:52 a.m.
OVRUM <input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>	9:00 a.m.	10:52 a.m.
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:00 a.m.	10:52 a.m.
CUNNINGHAM <input checked="" type="checkbox"/> (McClellan) <input type="checkbox"/>	9:07 a.m.	10:52 a.m.
Transportation Committee Rep Slot (Mathis)		

SIGNED BY THE CLERK OF THE BOARD: 

CONFIRMED BY THE GENERAL COUNSEL: 

# TRANSPORTATION COMMITTEE

Friday, February 15, 2013

## ITEM #

## RECOMMENDATION

- +1. APPROVAL OF JANUARY 18, 2013, MEETING MINUTES

APPROVE

2. PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS

Members of the public will have the opportunity to address the Transportation Committee on any issue within the jurisdiction of the Committee that is not on this agenda. Anyone desiring to speak shall reserve time by completing a "Request to Speak" form and giving it to the Clerk prior to speaking. Public speakers should notify the Clerk if they have a handout for distribution to Committee members. Public speakers are limited to three minutes or less per person. Committee members also may provide information and announcements under this agenda item.

### CONSENT (3 through 4)

- +3. 2012 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM:  
AMENDMENT NO. 4 - ADMINISTRATIVE MODIFICATION  
(Michelle Merino)

APPROVE

---

On September 28, 2012, the Board of Directors adopted the 2012 Regional Transportation Improvement Program (RTIP), the multiyear program of proposed major transportation projects in the San Diego region covering the period FY 2013 to FY 2017. SANDAG processes amendments to the RTIP on a quarterly basis based on requests from member agencies. This administrative modification is being processed outside of the regular quarterly amendment cycle. The Transportation Committee is asked to approve Amendment No. 4 - Administrative Modification to the 2012 RTIP.

- +4. FEDERAL FISCAL YEAR 2011/12 REGIONAL SURFACE  
TRANSPORTATION PROGRAM AND CONGESTION MITIGATION AND  
AIR QUALITY REPORT (Michelle Merino)

INFORMATION

This report presents year-end summary information for the Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality federal funding programs. The report also discusses the use of programming tools to facilitate the delivery of regional projects in Federal Fiscal Year 2011/12.

### REPORTS (5 through 10)

- +5. ACTIVE TRANSPORTATION WORKING GROUP (Chris Kluth)

APPROVE

The Bicycle-Pedestrian Working Group was established to inform SANDAG planning efforts for nonmotorized travel and provide guidance regarding the Active Transportation Grant Program. Staff will discuss a proposed transition to a new Active Transportation Working Group and present a draft charter. Formation of the Active Transportation Working Group is intended to reflect a new emphasis on Active Transportation in the region. The Transportation Committee is asked to approve the charter and membership for the Active Transportation Working Group as shown in Attachments 2 and 3.

- +6. **FY 2013 *TransNet* AND TRANSPORTATION DEVELOPMENT ACT REVENUE REVISIONS AND FY 2014 to FY 2018 TRANSIT REVENUE ESTIMATES (Sookyung Kim and Marney Cox)** **RECOMMEND**

By March 1 of each year, SANDAG provides revenue estimates for the upcoming fiscal year as well as a projection for the next four fiscal years to enable transit operators and local agencies to plan for capital projects and to determine operating subsidies. The Transportation Committee is asked to recommend that the Board of Directors: (1) approve the revision to the FY 2013 *TransNet* revenue estimate and Transportation Development Act (TDA) apportionment; (2) approve the FY 2014 allocation for *TransNet* and the apportionments for TDA, State Transit Assistance, and Federal Transit Administration (FTA); and (3) approve the transit revenue estimates for FY 2015 to FY 2018 for TDA, FTA, and *TransNet*.

- +7. **PROJECT EVALUATION RESULTS FOR FEDERAL FISCAL YEAR 2012 JOB ACCESS AND REVERSE COMMUTE AND NEW FREEDOM PROGRAMS AND FY 2014 AND 2015 *TransNet* SENIOR MINI-GRANT PROJECTS (Danielle Kochman)** **INFORMATION**

SANDAG received proposals for the *TransNet* Senior Mini-Grant program and the Federal Transit Administration (FTA) Job Access and Reverse Commute (JARC) and New Freedom programs. The proposals were reviewed and ranked by an external evaluation committee using the criteria approved by the Transportation Committee on June 15, 2012. This report outlines the funding recommendations that are anticipated to be brought to the Transportation Committee and Board of Directors for approval in March.

- +8. **MID-COAST CORRIDOR TRANSIT PROJECT UPDATE AND CONSTRUCTION SERVICES PROCUREMENT STRATEGY (John Haggerty)** **DISCUSSION**

This item is an update of the Mid-Coast Corridor Transit (Mid-Coast) Project and summarizes analysis and recommendations for implementing construction services on the Mid-Coast Project. Staff has evaluated the three primary construction contracting methods used in the transit industry for delivery of large projects and is recommending the Construction Manager/General Contractor (CM/GC) method. Comments and direction from discussion of this item would provide the basis for any future action by the Transportation Committee and the Board of Directors to authorize the use of CM/GC on the Mid-Coast project as required by state law.

- +9. **SAN DIEGO FORWARD: THE REGIONAL PLAN: STATUS UPDATE AND APPROACH FOR REFINING, DEVELOPING, AND INCORPORATING THE POLICY AREAS FROM THE REGIONAL COMPREHENSIVE PLAN (Phil Trom)** **DISCUSSION**

Last month, the Board of Directors received a report on what we have been hearing from the public and our local jurisdictions on the regional plan. The attached report provides this information to the Transportation Committee and proposes an approach for how the various regional policy areas that were addressed in the Regional Comprehensive Plan and some new emerging policy areas will be incorporated into the regional plan.

**+10. TransNet ENVIRONMENTAL MITIGATION PROGRAM: ANNUAL STATUS REPORT (Keith Greer) INFORMATION**

SANDAG staff will provide an annual status update on the implementation of the *TransNet* Environmental Mitigation Program.

**11. CONTINUED PUBLIC COMMENTS**

If the five speaker limit for public comments was exceeded at the beginning of this agenda, other public comments will be taken at this time. Subjects of previous agenda items may not again be addressed under public comment.

**12. UPCOMING MEETINGS INFORMATION**

The next meeting of the Transportation Committee is scheduled for March 1, 2013, from 10 a.m. to 12 noon. Please note that this meeting will be held jointly with the Regional Planning Committee.

**13. ADJOURNMENT**

+ next to an agenda item indicates an attachment

---



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. C1

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

April 11, 2013

#### SUBJECT:

TROLLEY RENEWAL PROJECT UPDATE (WAYNE TERRY & JOHN HAGGERTY OF SANDAG)

#### RECOMMENDATION:

That the Executive Committee receive a report for information.

#### Budget Impact

None.

#### DISCUSSION:

The Trolley Renewal Project is a system-wide rehabilitation and upgrade of the existing Trolley system. The project includes the purchase of new low-floor vehicles, the rehabilitation and retrofit of stations and transit centers throughout the system, new crossovers and upgraded signaling, replacement of the overhead catenary wire, track work and rail replacement, slope repair, and traction power substation replacement and rehabilitation. Construction and infrastructure work is currently underway in downtown San Diego and on the Orange and Blue Lines. Staff will provide an update on the construction project.

A handwritten signature in black ink, appearing to read 'Paul C. Jablonski', is written over a horizontal line.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. C2

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

April 11, 2013

#### SUBJECT:

BUS SHELTER PROCUREMENT (ROB SCHUPP)

#### RECOMMENDATION:

That the Executive Committee provides direction on the following:

1. whether to utilize capital improvement project funds to purchase up to 500 bus shelters to be located throughout the MTS service territory beginning in January 2014 or thereabouts, and
2. selecting a style(s) of bus shelter amenity to be used in a Request for Proposals (RFPs).

#### Budget Impact:

Undetermined at this time.

#### DISCUSSION:

The MTS contract with CBS Outdoor to provide bus shelter maintenance services and to generate revenue through advertising will expire on June 30, 2013. A six-month extension to December 31, 2013, will be presented to the MTS Board of Directors for consideration on April 18, 2013. The extension would allow CBS Outdoor to provide uninterrupted shelter maintenance service and revenue generation as MTS establishes a procurement strategy and RFP process for its ongoing shelter maintenance and advertising program.

The existing contract with CBS Outdoor (then Gannett Outdoor) began in 1990. Under terms of that contract, the shelters were purchased by the successful bidder and amortized over the life of the contract. Those shelters are now in excess of 20 years old and MTS is now afforded the opportunity to secure new amenities for its bus network.

At the conclusion of the contract, MTS will own the existing shelters. This provides MTS two options:

1. Continue with the same business model in which the bus shelter advertising and maintenance company purchases, installs, and maintains the shelters. The same company would also sell advertising to pay for those services and to provide MTS with revenue. A portion of the advertising revenues would be offset by the company's costs to purchase the shelters. Under this scenario, the purchase of bus shelters would be included in the bus shelter advertising and maintenance RFP.
2. Alternatively, MTS could utilize capital improvement project funds to purchase new bus shelters. This would require two separate RFPs: one for bus shelter advertising and maintenance, and one for bus shelter procurement. This utilization of CIP funds would allow MTS to maximize advertising revenue, which would be applied to the MTS operations budget.

In either scenario, MTS has the ability to select a style or styles of shelters to be purchased. Discussion of this item will include an overview of the available shelters and the desired features. Staff seeks concurrence on a style or styles that can be used as an example of the type of shelters acceptable to MTS to ensure that shelter manufacturers can effectively complete the RFP and propose costs that can be accurately compared and evaluated.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)





1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619.231.1466 FAX 619.234.3407

**REVISED DRAFT**

## Agenda

METROPOLITAN TRANSIT SYSTEM

### **\*\*BOARD OF DIRECTORS MEETING & FINANCE WORKSHOP\*\***

April 18, 2013

**» » 9:00 a.m. « «**

James R. Mills Building  
Board Meeting Room, 10th Floor  
1255 Imperial Avenue, San Diego

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please call the Clerk of the Board at least two working days prior to the meeting to ensure availability. Assistive Listening Devices (ALDs) are available from the Clerk of the Board/Assistant Clerk of the Board prior to the meeting and are to be returned at the end of the meeting.

#### **FINANCE WORKSHOP - 9:00 a.m.**

**ACTION  
RECOMMENDED**

1. Roll Call
2. Proposed Fiscal Year 2014 Operating Budget (Cliff Telfer & Mike Thompson) Approve  
Action would recommend that staff hold a public hearing on May 16, 2013, with the purpose of reviewing the proposed combined MTS fiscal year 2014 operating budget.
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.
4. a. Next Finance Workshop: May 16, 2013, at 9:00 a.m.  
b. Adjournment

Please **SILENCE** electronics  
during the meeting

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • [www.sdmts.com](http://www.sdmts.com)

Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



**BOARD MEETING - Meeting will begin when the Finance Workshop ends.**

5. a. Roll Call
- b. Approval of Minutes - March 21, 2013 Approve
- c. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please furnish a copy to the Clerk of the Board.

**CONSENT ITEMS**

6. Investment Report - January 2013 Receive  
Action would receive a report for information.
7. Investment Report - February 2013 Receive  
Action would receive a report for information.
8. CBS Outdoor Advertising - Contract Extension Approve  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. T0068.9-91 with CBS Outdoor to extend the existing bus shelter advertising and maintenance contract until December 31, 2013.
9. Hi-Rail Bucket Trucks - Contract Award Approve  
Action would authorize the CEO to execute MTS Doc. No. L1147.0-13 with Altec Industries for the purchase of two hi-rail bucket trucks.
10. MTS Code Compliance Records Management System - Contract Award (Sole Source) Approve  
Action would authorize the CEO to execute MTS Doc. No. G1528.0-13 with Intellichoice, Inc. (doing business as eForce) for the purchase of a Code Compliance Records Management System (RMS) software, including the option to exercise additional programming support and two additional years of system maintenance (pending available funding).
11. Proposed Revisions to MTS Policy No. 36 (MTS Reserve Funds) Approve  
Action would approve revisions to MTS Policy No. 36 (MTS Reserve Funds), including amending the contingency reserve rate to 12.5%.
12. MTS Job Order Contract Work Order for Bus Pavement Replacement at 12<sup>th</sup> & Imperial Avenue Approve  
Action would authorize the CEO to execute Work Order no. MTSJOC1431-07 with ABC Construction, Inc. (MTS Doc. No. PWL135.0-12) to remove the existing bus concrete paving and install new with curb and gutter.
- \*13. Transportation Development Act (TDA) Claim Adopt  
Action would adopt resolution Nos. 13-9, 13-10, and 13-11 approving the revised FY 2013 Transportation Development Act (TDA) Article 4.0, 4.5, and 8.0 claims.

**CLOSED SESSION**

24. a. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): Margot Clines vs. MTS (San Diego Superior Court Case No. 37-2013-00031879-CU-PO-CTL) Possible Action

Oral Report of Final Actions Taken in Closed Session



## NOTICED PUBLIC HEARINGS

25. None.

## DISCUSSION ITEMS

*30.	<u>Los Angeles-San Diego-San Luis Obispo Rail Corridor (LOSSAN) (Brent Boyd)</u> Action would approve by MTS Resolution No. 13-12 an additional amendment to the amended LOSSAN Joint Powers Authority Agreement approved by the MTS Board on January 17, 2013. This amendment would change the voting arrangement for the three San Diego County member agencies (MTS, North County Transit District [NCTD], and the San Diego Association of Governments [SANDAG]).	Approve
*31.	<u>Taxicab Contract Extensions for Santee, El Cajon, La Mesa, Poway, Lemon Grove, and Imperial Beach (Bill Kellerman)</u> Action would approve a one-year extension of existing agreements for the Taxicab Administration with the cities of Santee, El Cajon, La Mesa, Poway, Lemon Grove, and Imperial Beach.	Approve
*32.	<u>Exercise Option for Purchase of Additional Low-Floor Light Rail Vehicles from Siemens Industry, Inc. (Karen Landers)</u> Action would authorize the CEO to execute MTS Doc. No. L0914.10-10 to exercise the option to purchase up to 45 additional low-floor light rail vehicles (LRVs).	Approve

## REPORT ITEMS

45.	<u>Compass Card (Sharon Cooney)</u> Action would receive a report for information.	Receive
60.	<u>Chairman's Report</u>	Information
61.	<u>Audit Oversight Committee Chairman's Report</u>	Information
62.	<u>Chief Executive Officer's Report</u>	Information
63.	<u>Board Member Communications</u>	
64.	<u>Additional Public Comments Not on the Agenda</u> If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments.	
65.	<u>Next Meeting Date:</u> May 16, 2013 - <b>Finance Workshop at 9:00 a.m.</b>	
66.	<u>Adjournment</u>	



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619.231.1466 FAX 619.234.3407

# DRAFT Agenda

## METROPOLITAN TRANSIT SYSTEM

### **\*\*BOARD OF DIRECTORS MEETING & FINANCE WORKSHOP\*\***

April 18, 2013

**» » 9:00 a.m. « «**

James R. Mills Building  
Board Meeting Room, 10th Floor  
1255 Imperial Avenue, San Diego

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please call the Clerk of the Board at least two working days prior to the meeting to ensure availability. Assistive Listening Devices (ALDs) are available from the Clerk of the Board/Assistant Clerk of the Board prior to the meeting and are to be returned at the end of the meeting.

#### **FINANCE WORKSHOP - 9:00 a.m.**

**ACTION  
RECOMMENDED**

1. Roll Call
2. Proposed Fiscal Year 2014 Operating Budget  
Action would recommend that staff hold a public hearing on May 16, 2013, with the purpose of reviewing the proposed combined MTS fiscal year 2014 operating budget. Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.
4. a. Next Finance Workshop: May 16, 2013, at 9:00 a.m.  
b. Adjournment

Please SILENCE electronics  
during the meeting

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • [www.sdmts.com](http://www.sdmts.com)

Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

**BOARD MEETING - Meeting will begin when the Finance Workshop ends.**

5. a. Roll Call
- b. Approval of Minutes - March 21, 2013 Approve
- c. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please furnish a copy to the Clerk of the Board.

**CONSENT ITEMS**

6. Investment Report - January 2013 Receive  
Action would receive a report for information.
7. Investment Report - February 2013 Receive  
Action would receive a report for information.
8. CBS Outdoor Advertising - Contract Extension Approve  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. T0068.9-91 with CBS Outdoor to extend the existing bus shelter advertising and maintenance contract until December 31, 2013.
9. Hi-Rail Bucket Trucks - Contract Award Approve  
Action would authorize the CEO to execute MTS Doc. No. L1147.0-13 with Altec Industries for the purchase of two hi-rail bucket trucks.
10. MTS Code Compliance Records Management System - Contract Award (Sole Source) Approve  
Action would authorize the CEO to execute MTS Doc. No. G1528.0-13 with Intellichoice, Inc. (doing business as eForce) for the purchase of a Code Compliance Records Management System (RMS) software, including the option to exercise additional programming support and two additional years of system maintenance (pending available funding).
11. Proposed Revisions to MTS Policy No. 36 (MTS Reserve Funds) Approve  
Action would approve revisions to MTS Policy No. 36 (MTS Reserve Funds), including amending the contingency reserve rate to 12.5%.
12. MTS Job Order Contract Work Order for Bus Pavement Replacement at 12<sup>th</sup> & Imperial Avenue Approve  
Action would authorize the CEO to execute Work Order no. MTSJOC1431-07 with ABC Construction, Inc. (MTS Doc. No. PWL135.0-12) to remove the existing bus concrete paving and install new with curb and gutter.
13. Taxicab Contract Extensions for Santee, El Cajon, La Mesa, Poway, Lemon Grove, and Imperial Beach Approve  
Action would approve a one-year extension of existing agreements for the Taxicab Administration with the cities of Santee, El Cajon, La Mesa, Poway, Lemon Grove, and Imperial Beach.
14. Exercise Option for Purchase of Additional Low-Floor Light Rail Vehicles from Siemens Industry, Inc. Approve  
Action would authorize the CEO to execute MTS Doc. No. L0914.10-10 to exercise the option to purchase up to 45 additional low-floor light rail vehicles (LRVs).

## CLOSED SESSION

- |     |  |                    |
|-----|--|--------------------|
| 24. | a. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): <u>Margot Clines vs. MTS</u> (San Diego Superior Court Case No. 37-2013-00031879-CU-PO-CTL) | Possible<br>Action |
|-----|--|--------------------|

### Oral Report of Final Actions Taken in Closed Session

## NOTICED PUBLIC HEARINGS

25. None.

## DISCUSSION ITEMS

30. None.

## REPORT ITEMS

- |      |   |             |
|------|---|-------------|
| 45.  | <u>Compass Card (Sharon Cooney)</u><br>Action would receive a report for information.   | Receive     |
| <br> |   |             |
| 60.  | <u>Chairman's Report</u>  | Information |
| 61.  | <u>Audit Oversight Committee Chairman's Report</u>  | Information |
| 62.  | <u>Chief Executive Officer's Report</u>   | Information |
| 63.  | <u>Board Member Communications</u>  |             |
| 64.  | <u>Additional Public Comments Not on the Agenda</u><br>If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. |             |
| <br> |   |             |
| 65.  | <u>Next Meeting Date:</u> May 16, 2013 - <b>Finance Workshop at 9:00 a.m.</b>   |             |
| 66.  | <u>Adjournment</u>  |             |



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 6

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

April 18, 2013

SUBJECT:

**Draft for  
Executive Committee  
Review Date: 4/11/13**

INVESTMENT REPORT – JANUARY 2013

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of MTS investments as of January 2013. The combined total of all investments has decreased from \$213.4 million to \$206 million in the current month. This \$7 million decrease is attributable to capital acquisitions totaling \$7 million.

The first column in Attachment A provides details about investments restricted for capital improvement projects and debt service, which are related to the 1995 lease and leaseback transactions. The funds restricted for debt service are structured investments with fixed returns that will not vary with market fluctuations if held to maturity. These investments are held in trust and will not be liquidated in advance of the scheduled maturities. In addition, in the current month, MTS transferred \$2.3 million in Proposition 1B funding restricted for the acquisition of capital assets from the San Diego County Investment Pool to fund the acquisition of trolley cars and other assets.

The second column in Attachment A (unrestricted investments) reports the working capital for MTS operations allowing payments for employee payroll and vendors' goods and services.

A handwritten signature in black ink, appearing to read 'Paul G. Jablonski', is written over a horizontal line.

Paul G. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Investment Report for January 2013

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • [www.sdmts.com](http://www.sdmts.com)

Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

**San Diego Metropolitan Transit System  
Investment Report  
January 31, 2013**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<b>Average rate of return</b>
Cash and Cash Equivalents				
Bank of America - concentration account			\$ -	
JP Morgan Chase - concentration account	1,322,629	16,711,984	18,034,613	0.00%
Total Cash and Cash Equivalents	<u>1,322,629</u>	<u>16,711,984</u>	<u>18,034,613</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	8,560,161	-	8,560,161	N/A *
San Diego County Investment Pool				
Proposition 1B grant funds	14,622,191	-	14,622,191	
Proposition 1B TSGP grant funds	3,152,917	-	3,152,917	
Total Cash - Restricted for Capital Support	<u>26,335,269</u>	<u>-</u>	<u>26,335,269</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	-	42,072,188	42,072,188	0.300%
Total Investments - Working Capital	<u>-</u>	<u>42,072,188</u>	<u>42,072,188</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	39,141,044	-	39,141,044	
Rabobank -				
Payment Undertaking Agreement	80,435,481	-	80,435,481	7.69%
Total Investments Restricted for Debt Service	<u>119,576,526</u>	<u>-</u>	<u>119,576,526</u>	
Total cash and investments	<u>\$ 147,234,424</u>	<u>\$ 58,784,172</u>	<u>\$ 206,018,595</u>	

N/A\* - Per trust agreements, interest earned on retention account is allocated to trust beneficiary (contractor)





1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 7

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

April 18, 2013

**SUBJECT:**

**INVESTMENT REPORT – FEBRUARY 2013**

**Draft for  
Executive Committee  
Review Date: 4/11/13**

**RECOMMENDATION:**

That the Board of Directors receive a report for information.

Budget Impact

None.

**DISCUSSION:**

Attachment A comprises a report of MTS investments as of February 2013. The combined total of all investments has increased from \$206 million to \$213 million in the current month. This \$7 million increase is attributable to current-month receipt of \$2.8 million in additional Proposition 1B funding restricted for security projects and \$5 million in State Transit Assistance funding designated for capital expenditures.

The first column in Attachment A provides details about investments restricted for capital improvement projects and debt service, which are related to the 1995 lease and leaseback transactions. The funds restricted for debt service are structured investments with fixed returns that will not vary with market fluctuations if held to maturity. These investments are held in trust and will not be liquidated in advance of the scheduled maturities. In the current month, MTS transferred \$4.7 million in Proposition 1B funding restricted for the acquisition of capital assets from the San Diego County Investment Pool to fund the acquisition of trolley cars and other assets. In addition, MTS transferred \$2.8 million in Proposition 1B—restricted for funding security projects—to the San Diego County Investment Pool. The second column in Attachment A (unrestricted investments) reports the working capital for MTS operations allowing payments for employee payroll and vendors' goods and services.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Investment Report for February 2013

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • [www.sdmts.com](http://www.sdmts.com)

Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

**San Diego Metropolitan Transit System  
Investment Report  
February 28, 2013**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<b>Average rate of return</b>
Cash and Cash Equivalents				
Bank of America - concentration account			\$ -	
JP Morgan Chase - concentration account	1,322,629	25,655,900	26,978,529	0.00%
Total Cash and Cash Equivalents	<u>1,322,629</u>	<u>25,655,900</u>	<u>26,978,529</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	8,560,161	-	8,560,161	N/A *
San Diego County Investment Pool				
Proposition 1B grant funds	10,252,219	-	10,252,219	
Proposition 1B TSGP grant funds	5,944,103	-	5,944,103	
Total Cash - Restricted for Capital Support	<u>24,756,483</u>	<u>-</u>	<u>24,756,483</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	-	42,072,188	42,072,188	2.860%
Total Investments - Working Capital	<u>-</u>	<u>42,072,188</u>	<u>42,072,188</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	39,198,342	-	39,198,342	
Rabobank -				
Payment Undertaking Agreement	80,435,481	-	80,435,481	7.69%
Total Investments Restricted for Debt Service	<u>119,633,824</u>	<u>-</u>	<u>119,633,824</u>	
Total cash and investments	<u>\$ 145,712,936</u>	<u>\$ 67,728,088</u>	<u>\$ 213,441,024</u>	

N/A\* - Per trust agreements, interest earned on retention account is allocated to trust beneficiary (contractor)



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 8

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

April 18, 2013

**Draft for  
Executive Committee  
Review Date: 4/11/13**

#### SUBJECT:

CBS OUTDOOR ADVERTISING – CONTRACT EXTENSION

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. T0068.9-91 (in substantially the same format as Attachment A) with CBS Outdoor to extend the existing bus shelter advertising and maintenance contract until December 31, 2013.

#### Budget Impact

This is a revenue contract for MTS. Based on approval of this request for the 6-month extension, this contract would generate approximately \$400,000 (or \$66,666.67 per month).


#### DISCUSSION:

In 1990, MTS entered into a 15-year agreement with Gannett Outdoor to provide and maintain bus shelters in the Cities of San Diego, National City, Imperial Beach, Santee, and La Mesa. The contract included two 5-year options. CBS Outdoor subsequently assumed the contract from Gannett Outdoor.

In July 2008, MTS exercised a 5-year option CBS Outdoors, which is set to expire on June 30, 2013. In this agreement, CBS Outdoor paid MTS a one-time, up-front payment of \$1 million and a monthly payment of \$50,000 for a period of 5 years (or a total of \$4 million). This contract extension would provide an additional 6 months of revenue under the same terms (for an average of \$66,666.67 per month). In addition, MTS would assume full ownership of the bus shelters at the end of the contract extension.



MTS is now considering options available for bus shelter advertising and shelter procurement. A contract award date for a new bus shelter advertising contract is tentatively scheduled for September 19, 2013, with a beginning date of January 1, 2014. Extending the current contract for an additional 6 months would ensure that there is uninterrupted maintenance and revenue provided until a new contract is awarded.

  
\_\_\_\_\_  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Draft MTS Doc. No. T0068.9-91

# DRAFT

Att. A, AI 8, 4/18/13

April 18, 2013

MTS Doc. No. T0068.9-91  
OPS 850.3 (PC 50911)

Mr. Rich Ament  
Sr. Vice President  
CBS Outdoor  
405 Lexington Avenue  
New York, NY 10174

Dear Mr. Moreno:

Subject: AMENDMENT NO. 9 TO MTS DOC. NO. T0068.9-91; ADVERTISING TRANSIT SHELTER AGREEMENT

This shall serve as Amendment No. 9 to our agreement for the Advertising Transit Shelter Agreement as further described below.

## STATEMENT OF WORK

Continue to operate and maintain advertising transit shelters on each participating municipality's property in accordance with the terms and conditions of MTS Doc. No. T0068.9-91. In addition, MTS will assume full ownership of the shelters at the end of the contract extension.

## SCHEDULE

This amendment shall extend the current contract for an additional six (6) months with an effective date beginning July 1, 2013, through December 31, 2013.

## PAYMENT

The anticipated revenue payments to MTS shall be \$66,666.67 per month for the additional six (6) month contract extension.

If you agree with the above, please sign and return the copy marked "Original" to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Agreed:

Paul C. Jablonski  
Chief Executive Officer

\_\_\_\_\_  
Rich Ament, Sr. Vice President  
CBS Outdoor

Date: \_\_\_\_\_

cc: Rob Schupp, Cliff Telfer, Andrew Conriquez, Procurement File



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 9

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

April 18, 2013

**Draft for  
Executive Committee  
Review Date: 4/11/13**

#### SUBJECT:

HI-RAIL BUCKET TRUCKS – CONTRACT AWARD

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1147.0-13 (in substantially the same format as Attachment A) with Altec Industries for the purchase of two hi-rail bucket trucks.

#### Budget Impact

The total cost of this procurement is \$319,315.36 and will be locally and state funded under the FY 2014 CIP 11349 (Hi-Rail Truck).

Subtotal	\$281,142.00
Sale Tax	\$ 22,491.36
Delivery Fee	\$ 15,566.00
<u>Doc Fee</u>	<u>\$ 116.00</u>
Total Award	\$319,315.36

#### DISCUSSION:

On July 19, 2011, The National Joint Powers Alliance (NJPA) awarded a competitive contract to Altec Industries for heavy construction equipment and related accessories, supplies, and services. NJPA is a national municipal contracting cooperative formed under Minnesota Statute 123A.21. NJPA contracts work similarly to California Department of General Services (DGS) schedules and is available for use by participating members. As these contracts are a result of competitive solicitations, they satisfy state and federal requirements for competition.

MTS's two bucket trucks entered service in 1992 and 1994. Because they no longer meet the 2010 California Emission Standards and also due to their age and mileage, these vehicles are no longer modifiable to meet current standards. These support vehicles would be used by Maintenance of Way Department (MOW) staff for catenary inspections and repairs, repair and maintenance of signal systems, and parking lot station lighting maintenance.

After reviewing the pricing offered on the NJPA contract, it was determined that Altec Industries' price is fair and reasonable (see Cost Analysis – Attachment B). Therefore, staff is requesting that the Board authorize the CEO to execute MTS Doc. No. L1147.0-13 (in substantially the same format as Attachment A) with Altec Industries for the purchase of two hi-rail bucket trucks.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachments: A. Draft MTS Doc. No. L1147.0-13  
B. Price Analysis

# DRAFT

Att. A, AI 9, 4/18/13

## STANDARD PROCUREMENT AGREEMENT

L1147.0-13  
CONTRACT NUMBER  
CIP 11349-0200  
FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2013 in the State of California, by and between the San Diego Metropolitan Transit System, a California Transit public agency, and the following, hereinafter referred to as "Contractor":

Name: Altec Industries Address: 2882 Pomona Blvd.

Form of Business: Corporation Pomona, CA 91768  
(Corporation, partnership, sole proprietor, etc.)

Telephone: (858) 627-4666

Authorized person to sign contracts: Albert Gutierrez Account Manager  
Name Title

**The attached Standard Conditions are part of this agreement. The Contractor agrees to furnish to MTS services and materials, as follows:**

Provide two (2) hi-rail bucket trucks, as specified in the Technical Specifications, the Proposal Summary, and the Standard Conditions Procurement.

The total amount of this contract shall not exceed \$319,315.36, including California sales tax, freight, and doc. fees without prior written approval from MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer		Firm: _____
Approved as to form:		By: _____ Signature
By: _____ Office of General Counsel		Title: _____

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
<u>\$319,315.36</u>	<u>CIP 11349-0200</u>	<u>2013</u>

By: \_\_\_\_\_  
Chief Financial Officer Date

(\_\_\_\_\_ total pages, each bearing contract number)



Purchasing Department  
1255 Imperial Ave., Suite 1000  
San Diego, CA 92101  
619.231.1466 FAX 619.696.7084

## PRICE ANALYSIS

### MTS DOC. NO. L1147.0-13 BUCKET TRUCK EQUIPMENT VEHICLES

	NJPA RFP 060311 (Altec Quote to MTS)	Altec Industries List Price
BUCKET TRUCK WITH HI-RAIL AND OPTIONAL EQUIPMENT	\$ 319,315.36	\$ 322,585.70





1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 10

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

April 18, 2013

**Draft for  
Executive Committee  
Review Date: 4/11/13**

#### SUBJECT:

MTS CODE COMPLIANCE RECORDS MANAGEMENT SYSTEM – CONTRACT  
AWARD (SOLE SOURCE)

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1528.0-13 (in substantially the same format as Attachment A) with Intellichoice, Inc. (doing business as eForce) for the purchase of a Code Compliance Records Management System (RMS) software, including the option to exercise additional programming support and two additional years of system maintenance (pending available funding).

#### Budget Impact

The total cost of the new Code Compliance RMS, including options for additional programming support and two years of system maintenance would be funded as follows:

CIP 11322 (approved in FY 12 Budget Prop. 1B Security)	\$401,435.00
FY 13 (\$75,000.00) & FY 14 (\$125,000.00) CIP 11336 (TDA)	\$200,000.00
Year 2 maintenance & support (FY 15, 661-53910 Operations)	\$72,877.00
Programming Support (anticipated FY 15 CIP 11322 Prop. 1B Security*)	\$29,437.00
Year 3 maintenance & support (FY 16 661-53910 Operations)	\$75,063.00
TOTAL	\$778,812.00

\*Dependent upon availability of funding

## DISCUSSION:

MTS's current Code Compliance software used to support its fare and law enforcement activities is a system called TransitWatch. TransitWatch is critical to Code Compliance's daily operations and required Records Management System (RMS) and is a custom solution that was developed internally. The technology used to create TransitWatch is now obsolete and no longer supported. This presents a serious risk to daily MTS Code Compliance operations should the system fault or fail.

IT staff compared the implementation time line and costs of hiring additional project and full-time staff to develop a new and comparable system or purchase an existing system available in the market place. The internal labor costs over a comparable three-year performance period are estimated to exceed \$934,000.00 versus a purchase estimate of \$778,812.00.

The implementation time line to perform the work internally is 28 months. The implementation time line by purchasing a system from eForce is approximately 3 months.

Consistent with MTS IT policy of purchasing solutions instead of custom software development, staff found a comparable system (eForce, by Intellichoice, Inc.) currently being utilized by a comparable sized agency, Regional Transportation District (RTD), Denver, Colorado.

### Some key benefits of the system include:

1. Server-based system.
2. Compatibility with MTS standardized software systems.
3. Support for MTS Code Compliance officers with real-time information (e.g. history of prior encounters or offenses).
4. Ability to issue and print citations via Personal Digital Assistant (PDA) equipment utilized by MTS Code Compliance officers throughout the MTS operational jurisdiction.
5. Support for all reporting and database activity requirements for MTS Code Compliance referred to as RMS.
6. Utilization of current Microsoft technologies with the capability of additional functionality added if needed.

IT staff conducted a site visit to RTD to review the eForce system, identified two prospective companies (eForce and Brazos) capable of providing this type of a system, and conducted a review of both companies systems. The conclusion of the review revealed that only Intellichoice, Inc's eForce system was capable of meeting and supporting all of MTS's operational, reporting, and technology requirements. The Brazos system—while capable of accomplishing many requirements—did not support a RMS, which is a critical component of the complete Code Compliance system and operations.

## CONCLUSION

The Code Compliance software system is critical and necessary for day-to-day MTS Code Compliance operations and after comparing the long-term costs and risk inherent in developing and maintaining a customized solution versus an existing solution available in the marketplace, staff has concluded that the costs of purchasing a solution from Intellichoice, Inc. are fair and reasonable.

Therefore, MTS staff is requesting that the Board of Directors authorize the CEO to execute MTS Doc. No. G1528.0-13 (in substantially the same format as Attachment A) with Intellichoice, Inc. (doing business as eForce) for the purchase of a Code Compliance Records Management System (RMS) software, including the option to exercise additional programming support and two additional years of system maintenance (pending available funding).



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Draft MTS Doc. No. G1528.0-13

## STANDARD SERVICES AGREEMENT

G1528.0-13  
 CONTRACT NUMBER  
 CIP 11322 & 11336, OPS 661-53910  
 FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2013, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: Intellichoice, Inc. DBA eForce Software Address: 1047 South 100 West, Suite 130  
 Form of Business: Corporation Logan, UT 84321  
 (Corporation, partnership, sole proprietor, etc.)  
 Telephone: 510.264.5017

Authorized person to sign contracts: Cory Bowers Chief Executive Officer  
 Name Title

**The attached Standard Conditions are part of this agreement. The Contractor agrees to furnish to MTS the following:**

Software, licenses, training, program support, professional services, programming, implementation, annual support and other services, subject to availability of funding, as specified in Intellichoice, Inc's (d.b.a. eForce) Proposal dated March 12, 2013, the MTS Standard Procurement Agreement, Standard Conditions, Federal Requirements, and MTS Policy No. 44 (MTS Travel Expense Policy).

Implementation and operation of the system shall occur no later than July 1, 2013, unless otherwise agreed upon by both parties in writing.

This is a firm-fixed-price contract. The total cost for software, licenses, implementation, custom development, professional services, business intelligence, and optional services shall not exceed \$601,435.00. Year two and three maintenance and support (subject to availability of funding), if exercised at MTS's sole discretion, shall not exceed \$147,940.00, and additional optional programming support (subject to availability of funding), if exercised at MTS's sole discretion, shall not exceed \$29,437.00 for a total estimated value of \$778,812.00.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer		Firm: _____
Approved as to form:		By: _____
By: _____ Office of General Counsel		Signature
		Title: _____
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$401,435.00	11322	FY 12
\$ 75,000.00	11336	FY 13
\$125,000.00	11336	FY 14

By: \_\_\_\_\_  
 Chief Financial Officer

(\_\_\_ total pages, each bearing contract number)



REVISED

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 11

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

April 18, 2013

**Draft for  
Executive Committee  
Review Date: 4/11/13**

#### SUBJECT:

PROPOSED REVISIONS TO MTS POLICY NO. 36 (MTS RESERVE FUNDS)

#### RECOMMENDATION:

That the MTS Board of Directors approve revisions to MTS Policy No. 36 (MTS Reserve Funds) (Attachment A), including amending the contingency reserve rate to 12.5%.

#### Budget Impact

The contingency reserve rate currently is approximately 10% and will reach 12.5% in a phased manner beginning in fiscal year 2014 through fiscal year 2016.

#### DISCUSSION:

At its April 2013 Budget Development Committee (BDC) meeting, the MTS Committee members were updated as to the results of staff's outreach to peer agencies and their respective contingency reserve balances. As part of the discussion, the BDC recommended formally amending the MTS policy to incorporate a contingency reserve rate of 12.5% and for the agency to achieve that reserve balance over the course of the next two fiscal years.

The attached MTS Reserve Funds Policy, Policy No. 36, (Attachment A) includes modifications to the MTS contingency reserve rate and other procedural revisions that are relevant to an operating organization as the previous version was structured toward a planning agency structure (MTDB).

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Karen Landers, 619.557.4512, [Karen.Landers@sdmts.com](mailto:Karen.Landers@sdmts.com)

Attachment: A. Proposed Revisions to MTS Policy No. 36 (redline)  
Attachment: B. Proposed Revisions to MTS Policy No. 36 (clean)



## Policies and Procedures

No. 36

SUBJECT:

Board Approval: 04/29/044/18/13

### MTS RESERVE FUNDS

PURPOSE:

This policy and procedure is established to standardize and to create requirements for the establishment, management, utilization, and minimum funding requirements (where applicable) of all MTS reserve funds. To establish guidelines and procedures for the establishment, management, and use of MTS reserve funds.

BACKGROUND:

MTS maintains a number of reserve accounts that are designated for various purposes including serving as MTS contingency reserves and other MTS Board-approved reserves. specific purposes. These Such funds will be incorporated in an annual report to the MTS Board as part of the fiscal year-end financial analysis and will be the basis of discussions as part of the annual budgetary process. would be allocated as part of the annual budget or periodically during the fiscal year as appropriate. This policy would will standardize the policy and procedures of all MTS reserves, establish guidelines and procedures for the establishment and management of such reserves.

POLICY:

#### 36.1 Establishment of Reserves

Reserve accounts shall be established upon the adoption of a resolution that must specify:

- a. Purpose of the reserve and eligible use(s).
- b. Source/type of the funding. Establishment of eligible uses of funding.
- c. Source/type of the funding.
- d. Minimum funding level, if applicable. Minimum funding level, if necessary.



The form of this resolution is shown in Exhibit 36.1.

36.2 Management of Reserves

Unless otherwise stated, all reserves shall be invested and interest earnings allocated proportionately. A table shall be included in the annual MTS Budget that indicates the amount of funds available. As part of the fiscal year-end financial analysis, staff will prepare a report to the MTS Board of Directors that shall include all MTS reserves. This information will also be included within the following fiscal year's annual budgetary book. All reserves shall be audited as part of the annual financial audit and shall include a schedule of the reserves and the available funds. All reporting of reserve accounts will satisfy the objective of being self-explanatory and easy to understand.

36.3 Allocation-Utilization of Reserves

Reserves may be allocated-utilized and/or expended provided that staff verifies that funds are available and upon specific approval by the Board either with the adoption of the annual MTS budget or as needed.

36.4 Expenditure of Reserve Funds

Funds from any reserve may be expended provided that: (1) funds are available, and (2) authorization is received by the Board.

36.54 Unrestricted "Contingency Reserve" Minimum Percentage Funding Requirements (where applicable)

It is prudent that MTS maintain certain reserves for ongoing capital projects, future matching of grants, and unforeseen/special occurrences.

A minimum level percentage of approximately 12.5 percent 4 percent of the total combined MTS operating budgeted expenses should be maintained in a contingency reserve. Excess funds beyond this minimum level in unrestricted, contingency reserves will be available for the Board's purposes, to be determined by the Board of Directors as part of the annual budget development process or at any time of the year if unforeseen/special occurrences justify action. Periodically, due to the timing of subsidy fund receipts, contingency reserves act as The Board may approve working capital advances in anticipation of the receipt of these subsidy funds. Such advances are to be immediately repaid upon receipt of the subsidy funds.

As of fiscal year 2013, the contingency reserve rate is lower than the minimum requirement as per this policy. Beginning in fiscal year 2014, over the course of the next two fiscal years, this funding rate will increase to the 12.5 percent rate.

The Board's Director of Finance and Administration or the Chief Executive Financial Officer's designated representative shall provide a fiscal year-end financial report providing updated balances on all MTS reserve accounts, including a roll-forward analysis of the MTS contingency reserve account, monthly estimates of the status of this reserve as part of the "Controller's Report" to the Board with an analysis of the status addressed in the Board's midyear



~~Budget review.~~ Any potential significant changes to the reserve's balance shall be reported to the Board at the time it becomes known to the ~~Director of Finance~~ Chief Financial Officer and/or the representative.

Action to decrease this minimum contingency reserve level shall require two-thirds vote of the MTS Board of Directors.

KYarno/SChamp/JGarde  
POLICY.36.RESERVE FUNDS  
~~7/17/06~~4/18/13

Exhibit: Reserve Account Request Resolution

Original Policy adopted on 2/9/89.

Policy revised on 1/13/94.

Policy revised on 6/28/01.

Policy revised on 4/29/04.

Policy revised on 4/18/13.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. \_\_\_\_\_

Resolution Establishing a Reserve Account(s)

WHEREAS, the San Diego Metropolitan Transit System of Directors (MTS) has determined that certain funds are to be reserved for specific purposes; and

WHEREAS, said reserve account(s) shall be established and maintained in accordance with MTS Policy No. 36 – Reserve Funds; NOW, THEREFORE, BE IT RESOLVED, that the MTS Board of Directors approves the establishment of the reserve account(s) ~~as per the attached proposed Reserve Request.~~

SChamp/JGarde  
Exhibit 1 - Policy 36  
7/17/0604/18/2013

~~Attachment: Reserve Account Request form~~

**RESERVE ACCOUNT REQUEST**

1. Title/Name:
2. Purpose/Description:
3. Eligible Use(s):
4. Source/Type of Fund(s):
5. Initial and Minimum Funding Level(s):

---

6. Special Requirements:

Approved by Board: \_\_\_\_\_

Effective Date: \_\_\_\_\_

MM:rlb  
RSRVACRQ.MMC

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619/231-1466  
FAX 619/234-3407

Att. B, AI 11, 4/18/13

## Policies and Procedures

No. 36

SUBJECT:

Board Approval: 4/18/13

### MTS RESERVE FUNDS

PURPOSE:

This policy and procedure is established to standardize and to create requirements for the establishment, management, utilization, and minimum funding requirements (where applicable) of all MTS reserve funds.

BACKGROUND:

MTS maintains a number of reserve accounts that are designated for various purposes including serving as MTS contingency reserves and other MTS Board-approved reserves. These funds will be incorporated in an annual report to the MTS Board as part of the fiscal year-end financial analysis and will be the basis of discussions as part of the annual budgetary process. This policy will standardize the policy and procedures of all MTS reserves.

POLICY:

#### 36.1 Establishment of Reserves

Reserve accounts shall be established upon the adoption of a resolution that must specify:

- a. Purpose of the reserve and eligible use(s).
- b. Establishment of eligible uses of funding.
- c. Source/type of the funding.
- d. Minimum funding level, if applicable.

The form of this resolution is shown in Exhibit 36.1.

#### 36.2 Management of Reserves

Unless otherwise stated, all reserves shall be invested and interest earnings allocated proportionately. As part of the fiscal year-end financial analysis, staff will prepare a report to the MTS Board of Directors that



shall include all MTS reserves. This information will also be included within the following fiscal year's annual budgetary book. All reporting of reserve accounts will satisfy the objective of being self-explanatory and easy to understand.

**36.3 Utilization of Reserves**

Reserves may be utilized and/or expended provided that staff verifies that funds are available and upon specific approval by the Board either with the adoption of the annual MTS budget or as needed.

**36.4 Minimum Percentage Funding Requirements (where applicable)**

A minimum percentage of approximately 12.5 percent of the total combined MTS operating budgeted expenses should be maintained in a contingency reserve. Excess funds beyond this minimum level in unrestricted, contingency reserves will be available for the Board's purposes, to be determined by the Board of Directors as part of the annual budget development process or at any time of the year if unforeseen/special occurrences justify action. Periodically, due to the timing of subsidy fund receipts, contingency reserves act as working capital advances in anticipation of the receipt of these subsidy funds. Such advances are to be immediately repaid upon receipt of the subsidy funds.

As of fiscal year 2013, the contingency reserve rate is lower than the minimum requirement as per this policy. Beginning in fiscal year 2014, over the course of the next two fiscal years, this funding rate will increase to the 12.5 percent rate.

The Chief Financial Officer's designated representative shall provide a fiscal year-end financial report providing updated balances on all MTS reserve accounts, including a roll-forward analysis of the MTS contingency reserve account. Any potential significant changes to the reserve's balance shall be reported to the Board at the time it becomes known to the Chief Financial Officer and/or the representative.

Action to decrease this minimum contingency reserve level shall require two-thirds vote of the MTS Board of Directors.

**POLICY.36.RESERVE FUNDS  
4/18/13**

Exhibit: Reserve Account Request Resolution

Original Policy adopted on 2/9/89.  
Policy revised on 1/13/94.  
Policy revised on 6/28/01.  
Policy revised on 4/29/04.  
Policy revised on 4/18/13.

EXHIBIT 36.1

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. \_\_\_\_\_

Resolution Establishing a Reserve Account(s)

WHEREAS, the San Diego Metropolitan Transit System (MTS) has determined that certain funds are to be reserved for specific purposes; and

WHEREAS, said reserve account(s) shall be established and maintained in accordance with MTS Policy No. 36 – Reserve Funds; NOW, THEREFORE, BE IT RESOLVED, that the MTS Board of Directors approves the establishment of the reserve account(s).

Exhibit 1 - Policy 36  
04/18/2013



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 12

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

April 18, 2013

**Draft for  
Executive Committee  
Review Date: 4/11/13**

**SUBJECT:**

MTS JOB ORDER CONTRACT WORK ORDER FOR BUS PAVEMENT  
REPLACEMENT AT 12<sup>th</sup> & IMPERIAL AVENUE

**This item will be provided with the  
Board meeting materials**



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 13

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

April 18, 2013

**Draft for  
Executive Committee  
Review Date: 4/11/13**

#### SUBJECT:

TAXICAB CONTRACT EXTENSIONS FOR SANTEE, EL CAJON, LA MESA, POWAY,  
LEMON GROVE, AND IMPERIAL BEACH

#### RECOMMENDATION:

That the Board of Directors approve a one-year extension of existing agreements for the Taxicab Administration with the cities of Santee, El Cajon, La Mesa, Poway, Lemon Grove, and Imperial Beach.

#### Budget Impact

None with this action. Costs to be recovered through established fees.

#### DISCUSSION:

MTS first contracted to administer and regulate taxicabs and for-hire vehicles with the cities of El Cajon, Imperial Beach, Lemon Grove, and Santee in 1990, the City of Poway in 1991, and the City of La Mesa in 1999. The contracts were based on the contract with the City of San Diego and in accordance with MTS Ordinance No. 11 (see sample contract – Attachment A). Approximately 70 percent of the revenue that is used to offset the cost of taxicab administration for MTS is generated from fees associated with City of San Diego taxicab permits. The remaining funds are recovered from fees associated with taxis in the other contract cities, nonemergency medical vehicles, charter vehicles, and jitneys. MTS is required to recover the full cost associated with taxicab and for-hire vehicle regulations.


At its March meeting, the Board of Directors approved an extension of the agreement with the City of San Diego, which will extend its term for up to one year. This extension was based on a request by the City of San Diego and is meant to provide time for taxicab regulatory responsibilities to transition to City of San Diego staff. Today's action would allow the Chief Executive Officer to negotiate a one-year extension of the existing





agreements with the other cities in the MTS jurisdiction for continuation of MTS regulatory responsibilities. The Taxicab Administration agreements with the Cities of Santee, El Cajon, La Mesa, Poway, Lemon Grove, and Imperial Beach will expire on July 1, 2013. The only change being proposed is to add a year to the terms of the agreements thereby extending them to June 30, 2014.

Over the course of the year, MTS staff will work with the Cities to determine a longer-term, sustainable strategy for continuing regulation without the City of San Diego's participation. In the event that the City of San Diego transition finalizes prior to July 1, 2014, MTS will continue to provide Taxicab Administration for these other cities until July 1, 2014, using existing budgetary resources.

  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. City of Lemon Grove Taxicab Administration Agreement



Metropolitan Transit System

1255 Imperial Avenue, Suite 1000  
 San Diego, CA 92101-7490  
 (619) 231-1466 • FAX (619) 234-3407

MTS Doc. No. T0049.5-91  
 TAXI 590.7 (LEMON GROVE)  
 (PC 50761)

**FIFTH AMENDMENT TO AGREEMENT FOR  
 ADMINISTRATION OF TAXICAB AND OTHER FOR-HIRE VEHICLE REGULATIONS  
 BETWEEN  
 SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
 AND  
 CITY OF LEMON GROVE**

THIS AGREEMENT is entered into by and between the City of Lemon Grove, a municipal corporation, 3232 Main Street, Lemon Grove, CA (herein called "CITY"), and the San Diego Metropolitan Transit System, a public agency, 1255 Imperial Avenue, Suite 1000, San Diego, CA (herein called "MTS"), in view of the following recitals, which are a substantive part of this Agreement:

**RECITALS**

- A. MTS is authorized under Section 120266, Chapter 2, Division 11 of the California Public Utilities Code (PUC), to enter into contracts to regulate transportation services within a city in its area of jurisdiction;
- B. CITY is within MTS's jurisdiction created January 1, 1976, under Section 120050, et seq., Chapter 2, Division 11 of the PUC;
- C. CITY regulated taxicab and other for-hire vehicles in accordance with the Lemon Grove Municipal Code, Chapter 5.64;
- D. CITY desires that MTS regulate taxicabs and other for-hire vehicles and services such as charter vehicles, sight-seeing vehicles, nonemergency medical vehicles, and jitney vehicles pursuant to PUC Section 120266 and in accordance with MTS Ordinance No. 11, "An Ordinance Providing for the Licensing and Regulating of Transportation Services Within the City";
- E. CITY and MTS entered into an agreement for the period of July 1, 1990, through June 30, 1991; a first amendment to that agreement, correcting Section 1 to reflect the intention that the period was from July 1, 1990, through June 30, 1995; a second amendment to that agreement for a period of July 1, 1995, through June 30, 1998; a third amendment to that agreement for a period of July 1, 1998, through June 30, 2003; a fourth amendment to that agreement for a period of July 1, 2003, through June 30, 2008;
- F. CITY and MTS now desire to enter into an agreement to extend the period from July 1, 2008, through June 30, 2013; and

NOW THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, CITY and MTS agree as follows:

- 1. MTS will administer and enforce its taxicab and other for-hire vehicles Ordinance policies, and regulations as in effect on July 1, 2008, and as thereafter from time to time amended by

MTS, and thereby regulate such taxicab and other for-hire vehicles and transportation services rendered wholly within the CITY's corporate limits during the period of July 1, 2008, through June 30, 2013, pursuant to PUC Section 120266.

2. MTS will collect and administer all such regulatory fees, fines, and forfeitures as now or hereafter provided by the MTS Taxicab and Other For-Hire Vehicles Ordinance No. 11 policies, and regulations.

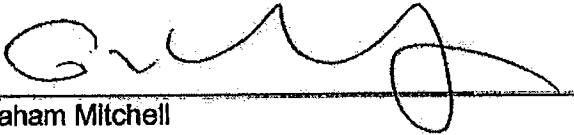
3. The CITY Manager and MTS Chief Executive Officer may supplement this agreement by executing a Memorandum of Understanding relative to administrative and operating procedures of taxicab and other for-hire vehicles regulation, and to provide for reimbursable staff and legal support services.

IN WITNESS THEREOF, this fifth amendment to the agreement is executed by the CITY acting by and through its City Manager pursuant to Council Resolution No. \_\_\_\_\_, and by MTS acting through its Chief Executive Officer,

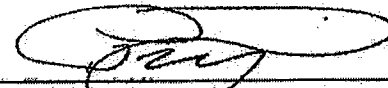
Dated this 3<sup>RD</sup> day of March, 2008.

THE CITY OF LEMON GROVE

SAN DIEGO METROPOLITAN TRANSIT SYSTEM



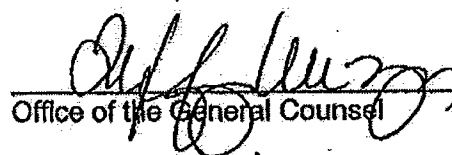
Graham Mitchell  
City Manager



Paul C. Jablonski  
Chief Executive Officer

WE HEREBY APPROVE the form of the foregoing Agreement.

\_\_\_\_\_  
City Attorney



Office of the General Counsel

Date: \_\_\_\_\_

Date: 2/15/08

DSundh/Taxicab  
AMENDMENT-5.CITY OF LEMON GROVE  
1.30.08



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 14

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

April 18, 2013

**Draft for  
Executive Committee  
Review Date: 4/11/13**

#### SUBJECT:

EXERCISE OPTION FOR PURCHASE OF ADDITIONAL LOW-FLOOR LIGHT RAIL  
VEHICLES FROM SIEMENS INDUSTRY, INC.

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L0914.10-10 (in substantially the same format as Attachment A) to exercise the option to purchase up to 45 additional low-floor light rail vehicles (LRVs).

#### Budget Impact

There is no immediate budget impact from this action. The contract amendment provides MTS with a no-cost right to terminate the option to purchase additional LRVs. MTS is not financially obligated until it issues a Release for Production notice instructing Siemens to begin production on a vehicle. If all 45 LRVs are ordered, the budget impact will be approximately \$170,829,000.00. A Release for Production notice will only be issued upon identification of funding and subsequent Board authorization.

#### DISCUSSION:

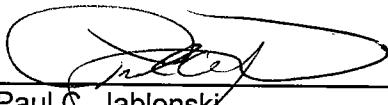
On April 25, 2008, the Utah Valley Authority (UTA) entered into a contract with Siemens for the purchase of LRVs. The UTA contract included up to 110 option LRVs that were included in the contract on behalf of MTS in a separate contract. MTS has exercised and scheduled for delivery 65 of the 110 LRVs identified. The additional 45 LRVs were included in the UTA contract to serve the Mid-Coast Project and accommodate potential additional capacity needs within the MTS system.

Federal Transit Administration grant rules limit contracts for goods to five-year terms. Under these rules, all options must be exercised before expiration of the five-year period even if delivery of the vehicles will not take place within the five-year period.

In order to preserve the pricing and configuration of the LRVs under this contract for use in the Mid-Coast Project, if approved and funded, MTS staff proposes exercising the option for the remaining 45 LRVs with Siemens before the five-year period of the UTA contract expires.<sup>1</sup> The contract amendment allows MTS to terminate the option order at any time before issuing a Release for Production notice to Siemens. The amendment is also contingent upon funding availability and FTA approval before a Release for Production.

This option exercise would allow MTS to take advantage of the favorable pricing it received from Siemens on this contract (\$3,515,000) and to acquire LRVs that have already been tested, maintained, and integrated into the MTS system. This will provide for an efficient integration of vehicles and system maintenance if the Mid-Coast Project is approved.

Because the date for Mid-Coast Project approval is not definite, the contract amendment includes price escalation clauses if the Release for Production notice is not issued until later budget years. The reasonableness of these escalation factors will be reevaluated before any Release for Production notice is issued to confirm that it remains fair and reasonable.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: Draft MTS Doc. No. L0914.10-10

---

<sup>1</sup> The MTS contract with Siemens was executed on August 20, 2009. While MTS believes the five-year period runs from that date, it is recommended that this option be exercised within five years of the UTA contract date to avoid any contentions that the five-year period runs from the UTA contract date.

# DRAFT

April 18, 2013

MTS Doc. No. L0914.10-10  
OPS 970.6, CIP 1210080

Mr. Michael Cahill  
President  
Siemens Industry, Inc.  
Infrastructure & Cities Sector, Rail Systems Division  
7464 French Road  
Sacramento, CA 95828

Dear Mr. Cahill:

Subject: AMENDMENT NO. 10 TO MTS DOC. NO. L0914.0-10 - PROCUREMENT OF  
ULTRASHORT LOW-FLOOR VEHICLES

This amendment shall serve to modify our Agreement for the procurement of ultrashort low-floor vehicles from Siemens Industry, Inc., as further described below.

## RECITALS

- A. In a contract dated April 25, 2008, Utah Transit Authority agreed to purchase light rail vehicles (LRVs) from Siemens Transportation Systems, Inc. (UTA Contract). Siemens Industry, Inc. (Siemens) subsequently was substituted for Siemens Transportation Systems, Inc.
- B. The UTA Contract included 110 LRV options that were incorporated into the scope of work on behalf of the San Diego Metropolitan Transit System (MTS).
- C. On August 20, 2009, UTA assigned 65 of the LRV options to MTS.
- D. Through a series of contracts and amendments, MTS has exercised all 65 LRV options, with an estimated delivery date of the 65<sup>th</sup> LRV in February 2014.
- E. MTS now desires to be assigned the remaining 45 LRV options and to exercise the options for such LRVs, subject to the terms and conditions contained herein.

## AGREEMENT

- 1. Exercise of Options. MTS hereby exercises the option for up to 45 LRVs with all features described in MTS Contract No. L0914.0-10 through L0914.9-10 ("45 Option LRVs").
- 2. Option LRV Price. The pricing for the up to 45 Option LRVs shall be \$3,515,000.00 plus California sales tax. The new total amount encumbered by this contract, after the addition of 45 Option LRVs, is as follows:

	Thru Amendment 9 (65 LRVs)	Thru Amendment 10 (110 LRVs)
Total Product	\$246,351,611.34	\$404,526,611.34
Total Tax <sup>1</sup>	\$19,285,263.19	\$31,939,263.19
Grand Total	\$265,636,874.53	\$436,465,874.53
Increase		\$170,829,000.00

3. Payment Schedule. The Payment Schedule for the 45 Option LRVs is as follows:

- a. Initial milestone payments (#1 Mobilization-2%, #2 Major Components-20%, and #3 Engineering Drawings-5%) shall be due within 30 days of a Release for Production Notice from MTS. The "Release for Production Notice" shall constitute approval from MTS to release a certain number of LRVs for production.
- b. All other milestones shall remain the same (detailed in L0914.0-10, Exhibit D).

4. Right to Terminate. MTS shall have a no-cost right to terminate this contract for the additional 45 Option LRVs, or a part thereof, at any time before a Release for Production Notice is issued for an Option LRV. Siemens expressly recognizes that MTS's issuance of a Release for Production Notice for each Option LRV is contingent upon a Full-Funding Grant Agreement being executed for the Mid-Coast LRV Project, as well as approval by the Federal Transit Administration that this option exercise complies with federal procurement regulations.

5. Release for Production Deadline.

- a. MTS recognizes that the pricing provided by Siemens for the 45 Option LRVs is based upon its production line and supply chain being mobilized, ready and available for production. Siemens agrees that its production line and supply chain will not be impacted if a Release for Production Notice is issued by MTS before September 30, 2013.
- b. If a Release for Production Notice is issued after September 30, 2013, then the pricing for the option LRVs shall be increased to account for required re-mobilization costs and industry price increases. The per unit price listed in

<sup>1</sup> Sales tax rate is 7.75% for LRVs accepted thru 12/31/12 and 8.0% sales tax for LRVs accepted after 1/1/13. The sales tax rate applicable on the date of Conditional Acceptance (Milestone # 6) is the sales tax rate applicable for all milestones related to that LRV. Because of changes in the sales tax rate during the course of this contract, MTS and Siemens have mutually adjusted the sales tax totals to comply with applicable law.

Section 2 shall be adjusted *to accommodate for any industry price changes* by multiplying the base price (\$3,515,000) by the following fraction: *Latest Published Preliminary Index Number Prior to Release for Production/Index Number on Effective Date of this Amendment No. 10*. The index shall be found at [www.bls.gov](http://www.bls.gov) and shall be the Producer Price Index for Railroad Cars and Car Parts, Series No. 1442. In the event the timing of the Release for Production Notice or the quantity of LRVs released requires Siemens to incur extraordinary re-mobilization costs, MTS and Siemens shall mutually agree upon an additional price adjustment or one-time payment to reimburse Siemens for such costs.

6. Manufacturing/Delivery Cycle. Siemens agrees that the maximum manufacturing and delivery cycle shall be twenty-four (24) months from the Release for Production Date for each Option LRV. A detailed schedule of estimated milestone dates will be prepared upon Release for Production.

If you agree with the above, please sign in the space provided below and return the document marked "Original" to the Contracts Specialist at MTS. The LRV delivery schedule and its corresponding LD schedule will be mutually amended. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Accepted:

Paul C. Jablonski  
Chief Executive Officer

---

Michael Cahill, President  
Siemens Industry, Inc.  
Infrastructure & Cities Sector  
Rail Systems Division

Date: \_\_\_\_\_

---

Chris Halleus, Vice President, FBA  
Siemens Industry, Inc.  
Infrastructure & Cities Sector  
Rail Systems Division

Date: \_\_\_\_\_