

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

MINUTES

November 20, 2014

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:08 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Ms. Emerald moved to approve the minutes of the October 30, 2014, MTS Board of Directors meeting. Mr. Minto seconded the motion, and the vote was 11 to 0 in favor with Messrs. Alvarez, McClellan, Roberts and Ms. Cole absent.

3. Public Comments

Alexis Flores – Ms. Flores commented on behalf of the students at Cuyamaca College regarding rural bus route number 894. She stated that many of the students purchase semester transit passes to ride this bus route. Ms. Flores said the students were told on October 23, 2014 that they would need to pay additional fees for their transit passes. She requested that the notification for the fee requests be issued either at the beginning or the end of a semester and not during the middle of a semester. Ms. Flores also commented on the issue of safety on bus route 894. She said students have reported that some drivers have been driving unsafely, and want to make sure the drivers are extra safe on this bus route. Mr. Jablonski commented that there have been no new fees issued, but the rural bus fare is higher than the standard bus fare. Mr. Jablonski told Ms. Flores that Denis Desmond, Manager of Planning, would sit down with her to collect more information and to help answer any of her questions.

Clive Richard – Mr. Richard apologized to Mr. Jablonski for the comments he made towards him regarding the Rapid bus route 215 service at the SANDAG meeting the previous week.

Abdul Mohamed – Mr. Mohamed, representing Mid-City CAN, read directly from a letter that was distributed to all Board members at the meeting. The letter discusses the Youth Opportunity Pass (YOP) and requests for a promotional 33% discount for all school districts in MTS coverage area; to implement a transit education program for the current YOP program; a study of the cost of a free youth pass for all people under 18 years old and all community college students within the MTS coverage area; and to include the YOP program in the transit operations funding plan submitted to the State of California for Cap & Trade transit operations funding.

Maria Cortez – Ms. Cortez commented on the Rapid 215 bus. She said this route used to take her 30 minutes to get to downtown from El Cajon Blvd., but now it takes her 10 - 15 minutes. Ms. Cortez also thanked the Board members that helped support the youth bus pass program.

Chairman Announcement

Chairman Mathis recognized Mr. Ewin for his years of service on the MTS Board and as the Chairman of the Audit Oversight Committee. Chairman Mathis presented Mr. Ewin with a plaque in appreciation of his service at MTS. Mr. Ewin thanked every Board member and voiced his appreciation for the time he served on the Board.

4. Appointment of Ad Hoc Nominating Committee for Recommending Appointments to MTS Committees for 2015

Chairman Mathis provided a brief background on the appointment of the Ad Hoc Nominating Committee and requested nominations.

Action Taken

Mr. Ovrom moved to appoint Chairman Mathis, Ms. Cole, Mr. Minto, Ms. Rios and Mr. Roberts as the Ad Hoc Nominating Committee to make recommendations to the Board with respect to the appointment of Board members serving on MTS and non-MTS committees for 2015. Ms. Emerald seconded the motion, and the vote was 13 to 0 in favor with Mr. McClellan and Mr. Roberts absent.

CONSENT ITEMS

6. San Diego Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at its Meeting on October 21, 2014
7. Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Joint Powers Agreement
Action would approve the proposed amendments to the 2013 Amendment to the Joint Powers Agreement Concerning the Los Angeles – San Diego – San Luis Obispo Corridor Rail Agency (LOSSAN) to ensure that the official agency name is correctly stated as the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency throughout the document.
8. Investment Report – September 2014
9. Increased Authorization for Legal Services – Opper & Varco, LLP
Action would authorize the Chief Executive Officer (CEO) to: (1) execute Amendment No. 2, MTS Doc. No. G1429.2-12 with OPPER & VARCO, LLP to pay current and future legal expenses through the remainder of fiscal year 2015; and (2) ratify one prior contract amendment entered into under the CEO's authority.
10. Colocation Data Center Facility Services – Contract Award
Action would authorize the Chief Executive Officer (CEO) to: (1) execute MTS Doc. No. G1765.0-15 with American Internet Services, LLC (AIS) for colocation data center facility services for a two-year base period with two one-year options periods (for a total of 4 years); and (2) exercise each option year at the CEO's discretion.
11. San Diego Metropolitan Transit System (MTS) Website Replacement Project
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1694.0-14 with Steer, Davies, Gleave for replacement of the MTS website.

12. Addition of the Following Positions: One (1) F/T HR Representative II; Two (2) F/T Bus Operator Training Instructors; One (1) P/T Administrative Assistant

Action would authorize the CEO to add: One (1) HR Representative II to the FY15 budget, increasing the total Full Time Equivalent (FTE) position from 3 to 4 at Grade #7 (\$47,531 - \$74,391); Two (2) Bus Operator Training Instructors to the FY15 budget, increasing the total Full Time Equivalent (FTE) position from 6 to 8 at Grade #6 (\$41,512 - \$64,970); and One (1) P/T Administrative Assistant to the FY15 budget at \$15.00 per hour.

Board Member Comments

Mr. Ramirez requested if consent item number 6 could be pulled for discussion. Chairman Mathis stated they would pull consent item number 6 for discussion after voting on the remaining consent items.

Action on Recommended Consent Item Nos. 7 - 12

Ms. Emerald moved to approve Consent Agenda Item Nos. 7 – 12. Mr. Ovrom seconded the motion, and the vote was 13 to 0 in favor with Mr. McClellan and Mr. Roberts absent.

Board Member Comments

Mr. Ramirez inquired if Board members could have access to the list of expenditures made by J.L. Patterson referenced in the SD&AE October 21, 2014 minutes. Ms. Landers stated that MTS does not have that information, but could request that specific information. She noted that J.L. Patterson and Pacific Imperial Railroad (PIR) have a private contract and MTS does not have access to that information. Mr. Ramirez also commented on one of the SD&AE reports from PIR. He said there was mention of PIR working with Mexico City attorneys. Mr. Ramirez inquired if staff knew what took place at the meetings with PIR and the Mexico City attorneys. Ms. Landers replied that she is not aware of any Mexico City attorneys working with PIR. However, PIR has worked with some of the attorneys at Baja Railroad. Ms. Landers commented that MTS has hired Mexico City attorneys regarding Mexico railroad laws, so MTS has a better understanding of how the rights flow from the Federal government to the State to Baja Railroad. Ms. Landers stated that she believes the SD&AE report by PIR is referencing the negotiations PIR has had with Baja Railroad. She said that two of the negotiations with Baja Railroad were with different attorneys. Mr. Ramirez also inquired about an alternate plan from PIR and if it will be accessible to the public. Ms. Landers replied that MTS has not yet received an alternate written plan from PIR. She stated that PIR is currently working on a written plan, which may or may not need Board approval, depending on the contents of that plan.

Action on Recommended Consent Item No. 6

Ms. Emerald moved to approve Consent Agenda Item No. 6. Mr. Minto seconded the motion, and the vote was 13 to 0 in favor with Mr. McClellan and Mr. Roberts absent.

CLOSED SESSION

24. None.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS:

30. Fiscal Year 2014 Comprehensive Annual Financial Report (Erin Dunn and Larry Marinesi; Kenneth Pun and Gary Caporicci of Pun & McGeady)

Mr. Ewin introduced this item and stated that the Comprehensive Annual Financial Report (CAFR) is very important and informative from an MTS financial view. Mr. Ewin thanked the MTS staff and independent auditors for their hard work. Erin Dunn, MTS Controller, began the presentation on the Fiscal Year 2014 CAFR and introduced Kenneth Pun and Gary Caporicci of Pun & McGeady. Mr. Pun continued the presentation and reviewed the Pun & McGeady audit team; management responsibilities; auditor's responsibilities and approach to the audit. Mr. Pun provided the summary statement of net position and the summary statements of revenues, expenses and changes in net position. He reviewed the summary statement of cash flows and the schedule of funding progress of defined benefits plans. Mr. Pun discussed the funding progress for the San Diego Transit Corporation (SDTC) and San Diego Trolley, Inc. (SDTI) defined benefits plans. He reviewed the schedule of funding progress of other post employment healthcare plans for MTS, SDTC and SDTI. Lastly, Mr. Pun provided the MTS audit results and commented that there was an unmodified opinion of the audit.

Mr. Cunningham asked Mr. Pun if during the audit process they received full cooperation from the MTS staff and management for any information or questions. Mr. Pun replied that they received full cooperation. Mr. Cunningham asked if they were provided all documents and information they requested from MTS staff or management during the audit process. Mr. Pun replied yes. Mr. Cunningham inquired if they found that MTS's financial policies and practices were within the generally accepted practices of the industry. Mr. Pun replied yes. Lastly, Mr. Cunningham asked Mr. Pun if there was anything else to report on at this time. Mr. Pun stated they did not have anything else to report at this time.

Action Taken

Mr. Ewin moved to receive the Fiscal Year 2014 Comprehensive Annual Financial Report. Mr. Ovrom seconded the motion, and the vote was 13 - 0 in favor with Mr. McClellan and Mr. Roberts absent.

REPORT ITEMS

45. Year End Operations Report (Wayne Terry, Bill Spraul and Denis Desmond)

Denis Desmond, Manager of Planning, began the presentation on the Year End Operations Report. He reviewed the MTS Policy 42 evaluation criteria and the numbers for total passengers throughout the entire MTS system. Mr. Desmond discussed the ADA Paratransit results relating to ridership and cost. He reviewed ridership results for FY15 through October 2014, noting year-to-date system ridership has increased 3% in FY15 over FY14. Mr. Desmond discussed the average weekday passenger results and stated that year-over-year there has been improvement by route, category and system. He also reviewed the results for passengers per revenue hour; on-time performance; mean distance between failures; preventable accidents per 100,000 miles; comments per 100,000 passengers; farebox recovery ratio; new service/major service changes including the Rapid corridor ridership for the I-15, Corridor and Mid-City; and trial service routes for the Route 14, Route 170 and Route 270.

Wayne Terry, Chief Operating Officer – Rail, provided the FY2014 trolley highlights. He reviewed the results of the FY2014 train accidents and special events service. He commented that the Siemens S70US LRV Procurement was now completed. He discussed the project involving the Hegenscheidt U2000-150 wheel-truing machine which provides computer assisted wheel-truing to enhance wheel flange profiling and extend the life of the wheel. He discussed the traction power substation project, the master concessionaire services, and the centralized train control – train tracking. He discussed the details of the Blue Line Rehabilitation project and presented updated pictures for various stations including Barrio Logan, Harborside, Pacific Fleet, 8th Street, 24th Street, Bayfront/E Street, H Street and Palomar Station.

Bill Spraul, Chief Operating Officer – Transit Services, provided the FY2014 MTS Bus highlights. He reviewed the highlights and results for ridership with Fixed-Route, Access Paratransit and Rapid service. Mr. Spraul discussed financial management and sustainability; service quality results; Rapid service; Call Center implementation and key improvements. He reviewed additional highlights including the addition of new buses placed in service; the addition of commuter express buses; the completion of the South Bay Maintenance Facility; the addition of dispatching resources and RTMS; and rehabilitating East County bus stops on rural routes.

Mr. Jablonski commented on the Access service cost per trip. He stated that more people are using this service year after year. He said he was glad to see the San Diego City Council approval of requiring taxis to have lifts on some of their fleet cars. Mr. Jablonski said this will help increase transit options for people with disabilities.

Mr. Minto stated that he has noticed additional Access buses dropping off and picking up people in the Santee shopping areas and appreciates that positive change. He asked if there has been a cost difference with the smaller contracted buses. Mr. Desmond said there is a positive cost saving result from the change to the smaller contracted buses.

Ms. Zapf asked when the automatic passenger counters (APC's) were implemented. Mr. Desmond said FY14 was the first year for using APC's. He also stated that the number results from the APC's are very accurate. Ms. Zapf inquired about the Urban Standard and Urban Frequent categories decreased numbers. Mr. Desmond replied that some routes have moved to different categories causing some of the numbers and statistics to shift. Ms. Zapf asked if the 50 new CNG GILLIG buses and the 47 new Rapid CNG New Flyer buses were actually new buses. Mr. Spraul stated the 50 CNG GILLIG buses are replacements of older vehicles, and the 47 CNG New Flyer buses are brand new buses running on the Rapid service routes.

Ms. Emerald commented that the ADA does not require taxicabs to be handicap accessible. Mr. Jablonski commented that he thought that requirement was a part of the City's Ordinance. She said City Council is going to try and give incentives to taxicab owners if they implement more handicap accessible vehicles. Ms. Emerald asked if the drop in Urban Standard and Urban Frequent numbers are attributable to the new Rapid services. Mr. Desmond replied that there are a number of reasons as to why those routes are seeing lower numbers. She asked if those routes could result in lower service or elimination of service. Mr. Desmond stated that staff will monitor the routes to determine the adjusted levels of service.

Ms. Cole commented that she recently conducted a walking tour in her community. The people she did the walking tour with had requested to put in a bus route and bus stop and wanted to know how to propose a new route. Mr. Desmond stated that the Planning department takes many requests for new bus routes and can go out and evaluate the proposed new route.

Mr. Ramirez inquired about the APC's and asked if staff knows the numbers for how many people are entering the trolley versus the number of people that paid for a fare. Mr. Desmond stated there are manual surveys that are done to evaluate those numbers. Mr. Jablonski commented that MTS Security and Code Enforcement also track those numbers and results. Mr. Ramirez asked how on-time performance is measured. Mr. Desmond replied that there are two ways to measure on-time performance including a system used in the bus that pin points whether the bus is early, on time, or late; and also the utilization of manual surveyors that ride the buses and determine its on-time performance.

Mr. Alvarez asked about the low-floor trolleys and if all trolley lines will have low-floor cars. Mr. Terry replied that all system wide lines will consist of three-car trains, with two low-floor cars on each end and one high-floor car in the middle.

Chairman Mathis commented that staff is looking into arranging more room on the middle high-floor trolley car to accommodate more bicycles on board.

46. Fiscal Year 2014 Final Budget Comparison (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis, provided a presentation on the Fiscal Year (FY) 2014 Final Budget Comparison. He reviewed the comparison of operations to budget for revenue, expenses, operating income, non operating revenue and net income. He discussed the comparison of non operating revenue to budget for Federal, TDA, TransNet, STA and Other revenues. Mr. Thompson reviewed the contingency reserves and reported the balance to be \$28.8 million. He stated that the goal is to reach a 12.5% contingency balance by FY16, and the current contingency balance is 11.7%.

47. Operations Budget Status Report for September 2014 (Mike Thompson)

Mr. Thompson provided a presentation on the Operations Budget Status Report for FY2015 through September 2014. He reviewed the comparison to budget for fare revenue and other revenue; personnel costs; purchased transportation; other outside services; energy and other expenses. Mr. Thompson discussed the total operating revenue less expenses; on-going concerns including the sales tax subsidy revenue; energy prices; passenger levels and the State of California budget.

48. Chula Vista Transit Update (Paul Jablonski)

Mr. Jablonski provided a brief update on Chula Vista Transit (CVT). He stated that MTS will soon transition from the Public Works Yard in Chula Vista to the South Bay Bus Maintenance Facility. He noted that this process has been ongoing since 2006 to transition CVT contract services to MTS contract services, which will save money and help to consolidate service. Mr. Jablonski stated that MTS is working with the City of Chula Vista on a transition agreement to finalize completion of the transition on January 25, 2015.

60. Chairman's Report

There was no Chairman's report.

61. Audit Oversight Committee Chairman's Report

There was no Audit Oversight Committee Chairman's report.

62. Chief Executive Officer's Report

There was no Chief Executive Officer's report.

63. Board Member Communications

Ms. Emerald congratulated Mr. Jablonski on his award for APTA's Outstanding Public Transportation Manager. She also acknowledged Mr. Roberts and Mr. Gloria on their great work within City Heights for the youth pass program.

Mr. Alvarez thanked Mr. Jablonski for recently meeting with the Chamber of Commerce in Otay Mesa about bus service. Mr. Jablonski commented that the meeting also discussed how to add more infrastructures in the area.

Chairman Mathis recognized Mr. Ovrom's last meeting at MTS and thanked him for all of the great work he has done over many years.

64. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is December 11, 2014.

66. Adjournment

Chairman Mathis adjourned the meeting at 10:56 a.m.



Chairperson
San Diego Metropolitan Transit System

Filed by:



Clerk of the Board
San Diego Metropolitan Transit System

Approved as to form:



General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): November 20, 2014

CALL TO ORDER (TIME): 9:08 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 10:56 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Zapf) <input type="checkbox"/>	9:10 a.m.	10:56 a.m.
BRAGG	<input checked="" type="checkbox"/> (Bilbray) <input type="checkbox"/>	9:08 a.m.	10:56 a.m.
COLE	<input checked="" type="checkbox"/> (Zapf) <input type="checkbox"/>	9:10 a.m.	10:56 a.m.
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:08 a.m.	10:56 a.m.
EMERALD	<input checked="" type="checkbox"/> (Zapf) <input type="checkbox"/>	9:08 a.m.	10:56 a.m.
EWIN	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:08 a.m.	10:56 a.m.
GASTIL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:08 a.m.	10:56 a.m.
GLORIA	<input type="checkbox"/> (Zapf) <input checked="" type="checkbox"/>	9:08 a.m.	10:56 a.m.
MATHIS	<input checked="" type="checkbox"/>	9:08 a.m.	10:56 a.m.
MCCLELLAN	<input type="checkbox"/> (Ambrose) <input type="checkbox"/>		
MINTO	<input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>	9:08 a.m.	10:56 a.m.
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>	9:08 a.m.	10:56 a.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:08 a.m.	10:56 a.m.
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		
SALAS	<input type="checkbox"/> (Ramirez) <input checked="" type="checkbox"/>	9:08 a.m.	10:56 a.m.

SIGNED BY THE CLERK OF THE BOARD: Julia Samone

CONFIRMED BY THE GENERAL COUNSEL: [Signature]