

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM

BOARD OF DIRECTORS

1255 Imperial Avenue, Suite 1000

San Diego, CA 92101

MINUTES

September 18, 2014

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:00 a.m. A roll call sheet listing Board member attendance is attached.

31. Amended and Restated MTS-BNSF-NCTD San Diego Subdivision Shared-Use Agreement (Taken Out of Order)

Chairman Mathis informed the Board that agenda item number 31 would be deferred to a later meeting date.

2. Approval of Minutes

Mr. McClellan moved to approve the minutes of the July 17, 2014, MTS Board of Directors meeting. Mr. Minto seconded the motion, and the vote was 8 to 0 in favor with Messrs. Alvarez, Cunningham, Roberts and Misses Bragg, Salas and Zapf absent, and with Ms. Cole abstaining.

3. Public Comments

John Wood – Mr. Wood stated that the buses are blocking the crosswalk at Main Street and Broadway in Lemon Grove. He also said there is still no handicap access to the store at Lemon Grove Depot. Mr. Wood asked for MTS vehicles to not park on the promenade. He also asked for MTS officials to start conducting sweeps at other stations other than the Lemon Grove Depot station.

Maria Cortez – Ms. Cortez asked how she can get her item regarding the Youth Bus Pass put on the Board agenda for discussion.

Chairman Mathis stated that the Youth Bus Pass item is an action that is currently in progress and there is nothing to discuss at this time.

Mr. Gloria commented for clarification that he, Mr. Roberts and other Board members were working, outside of MTS, to see how they could potentially fill the financial gap between the monies that were not utilized from last year, and the numbers needed to have a statistically significant sample to prove that the program works.

Ms. Cortez thanked all of the Board members for their help. She also invited MTS to come on a tour with Mid-City CAN to teach the students the rights and responsibilities of riding public transportation.

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 July 15, 2014
7. Radio Communications Room Console Furniture - Procurement and Installation Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to: (1) execute MTS Doc. No. PWB156.0-14 with Watson Dispatch for Radio Communications Room Console Furniture for Procurement and Installation Services; and (2) approve a project contingency of 10 percent of the contract amount.
8. Transit Bus Tires - Sole Source Purchase Order
Action would authorize the CEO to issue a purchase order with The Goodyear Tire and Rubber Company (Goodyear) for the purchase of 228 transit bus tires.
9. Procurement and Installation of Dispatch Consoles and Radios - Contract Award
Action would authorize the CEO to: (1) execute MTS Doc. No. PWG148.0-14 with Mobile Relay Associates (MRA) for the procurement and installation of dispatch consoles and radios, and the provision of radio airtime services for a five-year base period with five one-year option periods (for a total of 10 years); and (2) exercise each option year at the CEO's discretion.
10. San Diego Metropolitan Transit System (MTS) Bus Rapid Transit (BRT) Station Maintenance - Contract Amendment
Action would authorize the CEO to execute Amendment No. 1 to MTS Doc. No. G1658.0-14 with ISS Facility Services, Inc. (ISS) to accommodate unforeseen additional expenditures associated with maintenance services for nine additional BRT stations.
11. Trolley On-Board Video Surveillance System - Contract Amendment
Action would: (1) ratify MTS Doc. No. L0955.3-10 with UTC Fire and Security for the purchase of wireless equipment for 57 SD8 Light Rail Vehicles (LRV), which was previously executed pursuant to the CEO's authority; and (2) authorize the CEO to execute Amendment No. 4 to allow for the reimbursement to UTC Fire and Security for three project performance bond extension periods covering April 20, 2012 - April 20, 2015.
12. Federal Communications Commission (FCC) Mandated 800 MHz Band Reconfiguration - Implementation Phase Contract Awards
Action would authorize the CEO to: (1) execute MTS Doc. No. G1738.0-15 with Ross & Baruzzini (R&B) for project planning and technical support for the implementation phase of the project for the not-to-exceed amount of \$149,930.00; (2) execute MTS Doc. No. G1739.0-15 with Day Wireless Systems (DWS) for hardware reprogramming services for the implementation phase of the project for the not-to-exceed amount of \$180,180.00; and (3) execute MTS Doc. No. G1740.0-15 with Xerox Transport Solutions, Inc. (Xerox) for back-office and vehicle firmware reprogramming for the implementation phase of the project for the not-to-exceed amount of \$552,483.80.
13. Fiscal Year 2015 State Transit Assistance Claim
Action would adopt Resolution No. 14-11, approving the fiscal year (FY) 2015 State Transit Assistance (STA) claim.

14. San Diego State University (SDSU) Station Electrical Room Fire Suppression System - Contract Award
Action would authorize the CEO to execute MTS Doc. No. PWL154.0-14 with Schmidt Fire Protection, for the procurement and installation of the Sapphire fire suppression system at the SDSU station.
15. Solar Powered Rail Lubricators - Contract Award
Action would authorize the CEO to execute MTS Doc. No. L1198.0-14 with Zemarc Corporation for the provision of up to sixteen solar powered rail lubricator kits.
16. Investment Report - June 2014
Informational only.
17. Investment Report - July 2014
Informational only.
18. Unallocated Transportation Development Act (TDA) Funds for Transit-Related Projects
Action would approve the use of \$15,000 in unallocated TDA funds currently held by the County of San Diego. These TDA funds, along with the \$141,610 that the City of Santee already received to date, will allow for the installation of five bus shelters.
19. Unallocated Transportation Development Act (TDA) Funds for Transit-Related Projects
Action would approve the use of \$177,800 in unallocated TDA funds currently held by the County of San Diego. These TDA funds will allow for the purchase/refurbish of CNG station equipment and rehabilitation of transit facilities for the City of Chula Vista.
20. Staff Attorney - Regulatory Compliance Position
Action would authorize the CEO to add one (1) Staff Attorney - Regulatory Compliance to the FY15 budget, increasing total Full Time Equivalent (FTE) positions from 0 to 1.
21. Purchase of Head Lease Rights to 52 Light Rail Vehicles From Wells Fargo Bank and Utrecht-America Finance Co.
Action would authorize and direct staff to take all actions necessary to execute the purchase of the Head Lease Rights to 52 light rail vehicles as set forth in the Participation Agreement and other leverage lease documents executed by MTS on December 15, 1995.

Board Member Comments

Ms. Salas requested to pull consent agenda item number 6 for further discussion. Chairman Mathis stated they would discuss agenda item number 6 in further detail after voting for the remaining consent agenda items.

Action on Consent Agenda Item Nos. 7-21

Mr. Cunningham moved to approve Consent Agenda Item Nos. 7 – 21. Ms. Cole seconded the motion, and the vote was 13 to 0 in favor with Mr. Alvarez and Mr. Roberts absent.

Board Member Comments

Ms. Salas read from the April 15, 2014 SD&AE Railway Company Board meeting minutes. She requested more details and clarification on what the challenges are in meeting the deadlines with the Desert Line. Ms. Salas also requested that any future Desert Line update agenda items take place at the beginning of Board meetings.

Mr. Jablonski stated that MTS recently approved the submission of the reconstruction plan milestone in the agreement with Pacific Imperial Railroad (PIR). The approval of the reconstruction plan sets up following milestones. The initial repairs for the Desert Line need to be completed by September 1, 2015 and PIR will then have 30 days to operate a test train on the Desert Line. He also stated that limited operations will need to be in place by December 2015.

Chairman Mathis stated that this item will be brought back to future Board meetings as an information item.

Mr. Alvarez commented that he would like to recommend a sub-committee being developed to focus on this matter further.

Ms. Salas agreed that she would also like to see a sub-committee created for this matter.

Chairman Mathis stated that the Executive Committee currently monitors the items relating to the Desert Line. He said a discussion regarding a sub-committee may continue when the item is agendaized at the next meeting.

Mr. Jablonski stated that this item was on the agenda for the July 17, 2014 Board meeting and the August 22, 2014 Executive Committee meeting. He stated that he has been in numerous meetings with officials from the City of Tecate and the City of Tijuana; developers of the intermodal freight site in Valle Redondo; Fernando Beltran, the leading shareholder of Baja Rail; and a public official from the County of Mexico on the cabinet of the President. He stated that all of these meetings are to work on pushing this project along. Mr. Jablonski reminded the Board that the contract is in good standing. He also stated that he recently met with Representative Hunter to discuss this matter. Lastly, he briefly reviewed the history of the Desert Line, how MTS was able to secure the property of the Desert Line, and the lease requirements with PIR.

Action on Consent Agenda Item No. 6

Ms. Salas moved to approve Consent Agenda Item No. 6. Mr. Minto seconded the motion, and the vote was 14 to 0 in favor with Mr. Roberts absent.

CLOSED SESSION

24. Closed Session Items

The Board convened to Closed Session at 9:26 a.m.

- a. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – Existing Litigation Pursuant to California Government Code Section 54956.9(d)(1): Rodolfo Martinez v. SDTI (WCAB Case Numbers: ADJ8586853 and ADJ4054244)
- b. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – Existing Litigation Pursuant to California Government Code Section 54956.9(d)(1): Jose Serrano v. SDTC (WCAB Case Number: ADJ2969216)

The Board reconvened to Open Session at 9:40 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board received a report and gave authorization to legal counsel.
- b. The Board received a report and gave authorization to legal counsel.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS:

30. Amendments to Ordinance No. 4, Establishing a Metropolitan Transit System Fare-Pricing Schedule (Karen Landers)

Karen Landers, General Counsel, provided a presentation on the proposed amendments to Ordinance No. 4. She stated that the minor amendments to Ordinance No. 4 include similar changes to the Comprehensive Fare Ordinance approved by SANDAG on July 25, 2014. This includes no change in the fare pricing schedule, recognizing the UPass Agreements, adding the Rapid brand name, and other minor, non-substantive changes. The other minor change includes changing the term “curb-to-curb” to “origin-to-destination” in the definition of ADA Complementary Paratransit Services.

Ms. Bragg asked if MTS has any other entities included in the UPass other than UCSD. Mr. Jablonski stated that we do provide semester passes at SDSU, however no other institution has implemented what UCSD has done. He stated that the UCSD students passed this referendum at approximately 72%.

Action Taken

Ms. Bragg moved to (1) read the title of Ordinance No. 4, An Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule; (2) waive further readings of the ordinance; (3) introduce the ordinance for further consideration at the next Board meeting on October 9, 2014; and (4) direct publication of an ordinance summary. Mr. Gastil seconded the motion, and the vote was 14 to 0 in favor with Mr. Roberts absent.

32. 2014 Mills Building Board Room Improvement Project (Jeff Stumbo)

Jeff Stumbo, Director of Human Resources and Labor Relations, provided a presentation regarding the proposed Board Room improvement project. He reminded the Board that this item was previously discussed at the June 19, 2014 Board meeting. Mr. Stumbo reviewed the proposed changes, now called Option A, including updating the audio and visual needs, installing new TV monitors, carpet, paint, wallpaper, blinds and acoustic wall panels. He stated that the cost to perform the Option A remodel is approximately \$122,000.00. Mr. Stumbo noted that after the June 19, 2014 Board meeting, the Board members asked for staff to research adding more seating to increase audience capacity. He stated that this would be part of the Option B remodel, which also includes all aspects of Option A. Mr. Stumbo said the Board room furniture would need to be replaced to accommodate an increased audience capacity. The audience capacity would increase from 51 seats to 81 seats. Mr. Stumbo said the cost to perform the Option B remodel is approximately \$285,359.00.

Mr. Gloria stated that he believes the audience attendance will continue to grow in future years. He stated that he believes Option B is a good, long term investment.

Mr. Gastil stated that he thinks 81 seats will help the problem, but may not solve it entirely. Mr. Jablonski stated that staff is also looking to add more seats on the side areas of the room.

Action Taken

Mr. Gloria moved to authorize Option B, full remodel renovation option of the 10th Floor Board Room through Colliers International, the Mills Building on-site property management company. Ms. Zapf seconded the motion, and the vote was 14 to 0 in favor with Mr. Roberts absent.

REPORT ITEMS

45. 2014 Comic-Con Service Recap (Tom Doogan & Rob Schupp)

Tom Doogan, Special Events Coordinator, and Rob Schupp, Director of Marketing and Communications, provided a presentation on Comic-Con 2014. Mr. Doogan described the event overview, service overview, pass/ticket sales summary, commemorative passes, and MTS mTicket sales. He also reviewed ridership, revenue, stations used, and the breakdown of event costs. Mr. Schupp reviewed the advertising assets utilized during Comic-Con 2014. He stated that the Gaslamp Quarter station was the central area and where NBC set up. Mr. Schupp also discussed the trolley wraps, station banners and ad kiosks. Lastly, Mr. Doogan discussed the challenges that will be addressed at future Comic Con events.

Mr. Gloria asked what the revenue was to MTS from advertising. Mr. Schupp stated that MTS netted approximately \$200,000.00 and the gross amount was approximately \$318,000.00. Mr. Gloria asked if there is coordination with downtown property owners to maximize the advertising benefit. Mr. Schupp stated that there is coordination with Comic-Con on advertising efforts. Mr. Gloria asked for consideration to work with the downtown property owners for future Comic-Con events. Mr. Jablonski stated that MTS would like to maximize the revenue; however there could be obstacles between Comic-Con, the City of San Diego and MTS.

Ms. Zapf inquired what the expenses were compared to previous years. Mr. Doogan stated that the expenses did go up, however the net revenue also increased.

Mr. Alvarez asked what the overall total revenue and total expenses were for Comic-Con. Mr. Schupp stated that there was approximately \$546,000.00 in revenue, and another \$200,000.00 in advertising revenue. Mr. Doogan stated that the operations expense cost was approximately \$299,000.00.

46. Operations Preliminary Budget Status Report for Fiscal Year 2014 (Mike Thompson & Luke Kromer)

Mike Thompson, Director of Financial Planning and Analysis, provided a presentation on the operations preliminary budget status report for fiscal year 2014. He discussed the combined MTS transit operations comparison to budget; total operating revenue less expenses; non-operating revenues including sales tax revenue; total revenues less expenses; and the on-going concerns.

Ms. Zapf inquired as to why MTS is expecting a rise in passenger levels. Mr. Thompson replied, stating that MTS is adding services relating to BRT and also projects a 2% growth each year due to historic trends.

60. Chairman's Report

None.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin stated that the auditors are reviewing the pension audit files. He said the next Audit Oversight Committee meeting will be October 23, 2014 and the goal is to have the CAFR completed by November 2014.

62. Chief Executive Officer's Report

Mr. Jablonski stated that he went to Washington D.C. to meet with the Federal Transit Administration on the Mid-Coast project. He stated that MTS will be lobbying to get Mid-Coast funded in the President's budget, and that Mid-Coast should rate higher for fiscal year 2016. Mr. Jablonski also attended an APTA Executive Committee meeting on September 11, 2014.

63. Board Member Communications

Ms. Zapf stated that while she was at the Chamber of Commerce meeting in Washington D.C., she heard Senator Feinstein say that she was going to help to make sure the Mid-Coast project would be added in the fiscal year 2016 budget.

Mr. Cunningham commented on the ePass use at the San Diego Charger's game last Sunday and stated that it looked to be going very well.

64. Additional Public Comments on Items Not on the Agenda

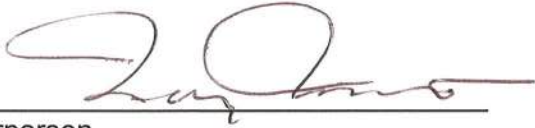
Clive Richard – Mr. Richard did not speak.

65. Next Meeting Date

The next regularly scheduled Board meeting is October 9, 2014.

66. Adjournment

Chairman Mathis adjourned the meeting at 10:33am.



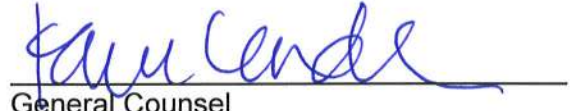
Chairperson
San Diego Metropolitan Transit System

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): September 18, 2014

CALL TO ORDER (TIME): 9:00 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:26 a.m.

RECONVENE: 9:40 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 10:33 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Zapf) <input type="checkbox"/>	9:10 a.m.	10:33 a.m.
BRAGG	<input checked="" type="checkbox"/> (Bilbray) <input type="checkbox"/>	9:04 a.m.	10:33 a.m.
COLE	<input checked="" type="checkbox"/> (Zapf) <input type="checkbox"/>	9:00 a.m.	10:33 a.m.
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:04 a.m.	10:33 a.m.
EMERALD	<input type="checkbox"/> (Zapf) <input checked="" type="checkbox"/>	9:04 a.m.	10:33 a.m.
EWIN	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:00 a.m.	10:33 a.m.
GASTIL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:00 a.m.	10:33 a.m.
GLORIA	<input checked="" type="checkbox"/> (Zapf) <input type="checkbox"/>	9:00 a.m.	10:33 a.m.
MATHIS	<input checked="" type="checkbox"/>	9:00 a.m.	10:33 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Ambrose) <input type="checkbox"/>	9:00 a.m.	10:33 a.m.
MINTO	<input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>	9:00 a.m.	10:33 a.m.
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>	9:00 a.m.	10:33 a.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:00 a.m.	10:33 a.m.
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		
SALAS	<input checked="" type="checkbox"/> (Ramirez) <input type="checkbox"/>	9:06 a.m.	10:33 a.m.

SIGNED BY THE CLERK OF THE BOARD:

Julia Sansone

CONFIRMED BY THE GENERAL COUNSEL:

Paul Lend