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## Agenda

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

February 5, 2015

Executive Conference Room  
9:00 a.m.

		<u>ACTION RECOMMENDED</u>
A.	ROLL CALL	
B.	APPROVAL OF MINUTES - January 22, 2015	Approve
C.	COMMITTEE DISCUSSION ITEMS	
1.	<u>Operating Revenue Report (Sharon Cooney)</u>	Information
2.	<u>Cap and Trade (Sharon Cooney)</u>	Information
3.	<u>San Diego Metropolitan Transit System (MTS) Bus Shelters - Contract Award (Rob Schupp)</u> Action would forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0615.0-14 with Brasco International, Inc. (Brasco) for the provision of bus shelters.	Possible Action
4.	<u>Inventory of Potential Joint Development Properties (Tim Allison)</u>	Information
5.	<u>Revisions to Board Policy No. 22 (Rules of Procedure for the Metropolitan Transit System (MTS) (Karen Landers)</u> Action would forward a recommendation to the Board of Directors to approve the proposed revisions to Board Policy No. 22.	Possible Action
6.	CLOSED SESSION - PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONFERENCE WITH LABOR NEGOTIATORS - CHIEF EXECUTIVE OFFICER Pursuant to California Government Code Sections 54957 and 54957.6; <u>Agency-Designated Representative:</u> Harry Mathis <u>Employee:</u> Paul C. Jablonski	Possible Action



- D. REVIEW OF DRAFT February 12, 2015 BOARD AGENDA
- E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA Possible  
Review of SANDAG Transportation Committee Agenda and discussion regarding any Action  
items pertaining to MTS, San Diego Transit Corporation, or San Diego Trolley, Inc.  
Relevant excerpts will be provided during the meeting.
- F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS
- G. PUBLIC COMMENTS
- H. NEXT MEETING DATE: March 5, 2015
- I. ADJOURNMENT

# DRAFT

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

January 22, 2015

## MINUTES

### A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:04 a.m. A roll call sheet listing Executive Committee member attendance is attached.

### B. APPROVAL OF MINUTES

Mr. Gloria moved for approval of the minutes of the November 13, 2014, MTS Executive Committee meeting. Mr. Roberts seconded the motion, and the vote was 5 to 0 in favor.

### C. COMMITTEE DISCUSSION ITEMS

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

Chairman Mathis provided a brief background on the appointment of the San Diego Association of Governments (SANDAG) Transportation Committee Representative and Alternate and requested nominations.

#### Action Taken

Mr. Gloria moved to nominate Harry Mathis, Chairman of the MTS Board of Directors to serve on the SANDAG Transportation Committee for the 2015 calendar year as the primary representative. Mr. Roberts seconded the motion, and the vote was 4 to 0 with Mr. Mathis abstaining.

Mr. Gloria moved to nominate Lorie Bragg from the MTS Board to serve on the SANDAG Transportation Committee for the 2015 calendar year as the alternate member. Mr. Roberts seconded the motion, and the vote was 4 to 0 with Ms. Bragg abstaining.

#### 2. Trolley Renewal Project Update (Bruce Schmith of SANDAG)

Paul Jablonski, Chief Executive Officer, commented that after nine years of work, the first day of low floor service on the Blue Line trolley took place on January 21<sup>st</sup>. He stated that the low floor trolley launch event would take place next Tuesday, January 27<sup>th</sup>. Bruce Schmith of SANDAG provided a presentation on the Trolley Renewal Project update. He discussed the Blue Line stations and rail construction including the H Street Station, Palomar Street Station, Palm Avenue Station, Iris Avenue Station, Beyer Blvd. Station, and San Ysidro Station. Mr. Schmith discussed the other Blue Line projects including the San Ysidro Yard improvements, mainline freight improvements, job order contracts and future projects. The future projects include slope and track reconstruction,

Blue Line curve straightening, C Street parallel feeder cable replacement and replacing approximately 20,000 ties on the Blue Line. He also reported on the Traction Power Sub Station (TPSS) construction update.

Wayne Terry, Chief Operating Officer – Rail Division, reported on the Light Rail Vehicle procurement. He stated that all 65 vehicles have been delivered and are in revenue service. Mr. Terry said that the U2 vehicle fleet has been retired and there is an organization that supports museums around the country that may be interested in purchasing up to 18 of the retired U2 vehicles. Mr. Roberts asked what the price would be for selling the U2 vehicles to the museums. Mr. Terry said the vehicles would be sold for more than scrap value, which is anywhere from \$5,000 to \$20,000.

#### Action Taken

Informational item only. No action taken.

3. MTS Transit Service Fixed-Route and Bus Rapid Transit (BRT) Bus Services – Contract Award (Bill Spraul and Jeff Codling)

Bill Spraul, Chief Operating Officer – Transit Services, and Jeff Codling, Manager of South Bay Operations, provided a presentation on the MTS transit service fixed-route and BRT bus services procurement award. Mr. Spraul introduced the item and provided an overview of this service. He discussed the procurement process, proposal evaluation and cost savings. Mr. Spraul stated that the Transdev cost was 2.0% less than the competitor, First Transit, which would save approximately \$14.5 million over 12 years. Mr. Codling discussed the fixed-route contract highlights including MTS's responsibilities, contractor requirements, customer service, and new innovations. He also discussed the labor provisions related to the contract. Mr. Spraul explained the proposed recommendations related to the contract.

Mr. Jablonski further explained the recommendation related to waiving Policy 41 for this contract. He stated that as part of the MTS budget process, increased service levels will be approved by the Board. It is recommended to waive Policy 41 and authorize the CEO to execute amendments, if necessary, to increase the not-to-exceed amount of the contract. Karen Landers, General Counsel, also explained other aspects of Policy 41 and reviewed the spending authority allowed by the CEO. She noted that by waiving Policy 41, it will allow the contract to be amended, due to service level changes, without having to bring each amendment to the Board for approval. Ms. Landers also noted that each amendment approved by the CEO is brought to the Board under Agenda Item 62.

Mr. Gloria asked if there was interest from other companies besides Transdev and First Transit. Mr. Codling replied that there were six to eight companies that came to the initial pre-proposal meeting, but all of the other companies voluntarily dropped out except for Transdev and First Transit.

Mr. Roberts asked how much this service would cost if MTS conducted it in-house. Mr. Jablonski replied it would cost approximately 35% more. Mr. Gloria asked where the 35% costs savings comes from. Mr. Jablonski said the difference is seen in the wages and benefits.

Ms. Bragg inquired if staff could further explain the employee performance incentive program, bonuses, and new performance measurement categories. Mr. Codling replied that the contractors were required to supply a detailed employee incentive program in their bids. He said that one of the requirements of the employee incentive programs was for 100% of the bonuses to go directly to the employees who perform at the highest level.

Action Taken

Mr. Roberts moved to forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to: (1) execute MTS Doc. No. B0614.0-14 with Transdev Services, Inc. (Transdev) for the provision of fixed-route, express, and BRT bus services for a 6-year base period with two (2) three-year optional performance periods exercisable exclusively at MTS's discretion, beginning on July 1, 2015 and ending on June 30, 2027; and (2) authorize the CEO to exercise the option periods at his discretion, if deemed to be in the best interest of MTS; and (3) waive Policy 41 and authorize the CEO, at his discretion, to execute amendments to increase the not-to-exceed amount of the contract to pay for increased service levels or services, so long as such costs/increases have either been (a) approved by the Board as part of the MTS Operating Budget or the MTS Capital Improvement Project budget process, or (b) will be reimbursed by a third party. Mr. McClellan seconded the motion, and the vote was 5 to 0 in favor.

4. San Diego Transit Corporation (SDTC) Employee Retirement Plan's Actuarial Valuation as of July 1, 2014 (Robert McCrory and Anne Harper of Cheiron Inc. and Larry Marinesi)

Larry Marinesi, Chief Financial Officer, introduced Robert McCrory and Anne Harper of Cheiron Inc. to provide the presentation on the SDTC Employee Retirement Plan's Actuarial Valuation. Mr. McCrory began the presentation and provided a brief summary of the past year's results. Ms. Harper discussed the plan history, plan future, and plan cost including the total contribution reconciliation costs. She stated that the total contribution costs have reduced from 2013 to 2014. Ms. Harper reviewed the new GASB requirements, the plan cost history, the plan funding history, the plan normal cost by benefit, the plan cost by source, and the history of active membership. Mr. McCrory discussed the projected total contribution rate and projected funded ratio going forward. He noted that all projections should be viewed as lies and that it is impossible for the projected contributions and funding to be realized exactly every year. He also said that the investment policy is the most important determinant of cost and funding levels. Mr. McCrory stated that the plan cost was stable over the past year and funding improved.

Mr. Gloria inquired on the future investment plan and when the policy will be reviewed. Mr. Marinesi stated that the SDTC Retirement Pension Board meets with the investment managers, RVK, on a quarterly basis. They are currently in the process of developing plans to address the potential upcoming changes to the overall plan. Mr. Marinesi also noted that RVK provides a report to the Executive Committee and Board on an annual basis. Mr. Jablonski requested that the next time RVK comes to present to the Board, they should present on the future strategy of the Plan. Mr. Marinesi said that RVK generally comes to present to the Board after the fiscal year is over, but they can schedule RVK to come present in the next couple of months for this specific topic.

Action Taken

Mr. Gloria moved to forward a recommendation to the Board of Directors to receive the SDTC Employee Retirement Plan's (Plan) actuarial valuation as of July 1, 2014, and adopt the pension contribution amount of \$12,489,757 (38.65 percent) for fiscal year 2016. Ms. Bragg seconded the motion, and the vote was 5 to 0 in favor.

5. Enterprise Resource Planning/Transit Asset Management Implementation Services Contract Award (Larry Marinesi and Fred LaCroix)

Mr. Marinesi and Fred LaCroix, ERP Project Manager, provided a presentation regarding the ERP/TAM implementation service contract award. Mr. Marinesi discussed the ERP/TAM background, FTA TAM requirements, project scope, project goals and project approach. He reviewed the competitive RFP process including the initial proposals, evaluation criteria, interviews, reference checking, negotiations and final scoring. Mr. Marinesi also reviewed the contract summary, stating the total cost is not-to-exceed \$7,612,500.

Mr. Roberts inquired about the availability of FTA grant money being used toward the total contract cost. Mr. Jablonski replied that the grant money, totaling \$3,750,000, will only be used towards the TAM portion of the contract. The ERP portion of the contract will mainly be funded through the MTS capital budget. Mr. Jablonski stated that with the elimination of the current legacy system and the addition of the new TAM/ERP system, business processes will improve and become more streamlined as well as help save on costs.

Action Taken

Mr. McClellan moved to forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1731.0-15, with Labyrinth Solutions, Inc. for the provision of software implementation services (totaling \$7,612,500 including contingency) for the Enterprise Resource Planning (ERP)/Transit Asset Management (TAM) Project with the option to exercise the Budget Planning module exclusively at the CEO's discretion. Mr. Gloria seconded the motion, and the vote was 5 to 0 in favor.

6. Pacific Imperial Railroad (PIR) Desert Line Agreement – Status Update (Karen Landers)

Karen Landers stated that PIR had paid their most recent lease payment and, to-date, MTS has received \$2,000,000. Ms. Landers also stated that PIR had recently reached an agreement with a new investment group who is now the majority shareholder of the company. Due to this recent change, PIR has assigned a new interim President and CEO, Dan Neveau. The new investment group is currently in the process of reviewing PIR's plans and formulating their own plan and priority list and will update MTS with this information within the next month. She noted that she will provide this update to the Board at the January 28<sup>th</sup> meeting, and would then most likely wait until the March Board meeting to provide another update with more substantive information. However, if more information is provided before that time, the Board will be notified accordingly. Ms. Landers also said the new investment group is currently bringing in new management,

and formulating new processes. They have also expressed that they are dedicated to pursuing a bi-national rail agreement.

Mr. Gloria inquired what the name of the new investment group was. Ms. Landers replied that information was not available at this time, but more information would be available soon. Mr. Jablonski also noted that the new group is aware that all of the current milestone dates in the contract will still apply.

Action Taken

Informational item only. No action taken.

D. REVIEW OF DRAFT January 28, 2015 BOARD AGENDA

Recommended Consent Items

6. Revisions to Board Policy No. 16 to Establish Procedures for Filing Claims and Institution and Maintenance of Lawsuits for Damage to or Destruction of MTS Property and to Establish Procedures for Settlement of Such Lawsuits  
Action would approve and adopt the update Board Policy No. 16.
7. Investment Report – November 2014
8. Update the List of San Diego Metropolitan Transit System (MTS) Employees Authorized to Take Action Related to Local Agency Investment Fund (LAIF) Accounts  
Action would approve Resolution No. 15-1 and Resolution No. 15-2 to update the list of MTS employees authorized to take action related to the LAIF investment accounts, administered by the State Treasurer, in the name of the San Diego Metropolitan Transit System and San Diego Transit Corporation.
9. Investment Consulting Services for the San Diego Transit Corporation (SDTC) Retirement Plans - Contract Award  
Action would authorize the Chief Executive Officer (CEO) to: (1) execute, as agent for the Retirement Boards of the SDTC Employees' Retirement Plans (Plan), MTS Doc. No. G1705.0-14 with RVK Inc. (RVK) for the provision of investment consulting services for the Plan for a five-year base period with five one-year optional terms (for a total of 10 years); and (2) exercise each option year at the Retirement Boards' discretion.
10. Temporary Staffing Services - Creation of On-Call List and Contract Awards  
Action would authorize the Chief Executive Officer (CEO) to: (1) execute MTS. Doc. Nos. G1778.0-15 through G1786.0-15 with nine (9) Temporary Staffing firms (AppleOne, Kforce Technology, Lawton Group, Modis, Network Solutions, PrideStaff, Randstad Technologies, Thornburg & Littecken, LLC dba GLR & ISR, and Yoh) for the provision of Temporary Staffing Services for a three (3)-year base period with two (2) one-year option terms (for a total of five years); and (2) exercise each option year at the CEO's discretion.

11. Temporary Staffing for Fare Systems Manager - Sole Source  
Action would authorize the Chief Executive Officer (CEO) to ratify the existing Purchase Order (PO); and extend the current engagement with Contraflow Consulting for two (2) years to provide temporary staffing services for a Fare Systems Manager.
12. Hosted Text Messaging System - Contract Amendment  
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 4 to MTS Doc. No. G1326.0-10 with MIS Sciences, Corporation (MIS) for an additional expenditure authority of \$74,459.00.
13. Revisions to Board Policy No. 48 (Transit Service Discrimination Complaints Procedure)  
Action would approve and adopt the proposed revisions to Policy No. 48 Transit Service Discrimination Complaints Procedure.
14. 2015 State and Federal Legislative Programs  
Action would approve staff recommendations for 2015 federal and state legislative programs.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

There was no SANDAG Transportation Committee agenda discussion.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

Chairman Mathis commented that all CPUC tests were passed for the PCC 530 car. He noted that the PCC 530 and 529 cars have differences in the placement of the accelerator and brake controls. Once the PCC 530 car is in service, the PCC 529 car will be taken out of service to change the placement of the accelerator and brake controls to mimic the PCC 530 car.

Mr. McClellan commented on an issue that was raised by El Cajon taxi drivers. The drivers are wondering why they cannot pick up customers in the City of San Diego, but the City of San Diego taxi drivers can pick up customers in the City of El Cajon. Mr. Jablonski replied that there are still discussions and negotiations occurring with parties trying to deregulate the taxi industry. He noted that if the deregulations occur, there will no longer be restrictions on where taxi drivers can pick up customers, as well as other various changes to current regulations. He stated that these discussions are still ongoing and have not been finalized yet.

Mr. Jablonski commented that the restaurant in the Mills Building has been shut down by the Fire Marshall. He stated that after the tenant is fully moved out, it will take significant costs to repair. He said it would be nice to maintain some type of food service at the location, but it may be a good idea to move the Transit Store to this location. He stated that by moving the Transit Store to this location it could potentially save about \$3,000 per month. Mr. Jablonski said he will keep the Board informed as time goes on.

G. PUBLIC COMMENTS

*Martha Wells* – Ms. Wells commented that there is no pathway from the library to the 12<sup>th</sup> and Imperial station. She stated that the trolley signs announcing the next arrival train times have not been working correctly before she boards the trolley. Ms. Wells also said the Morena Station

signs indicating which direction the trolley is going need to be replaced. Lastly, she requested that the Route 3 bus run on the Saturday and Sunday schedule, and also recommended a change with the Route 10 bus regarding the route the bus takes going up 5<sup>th</sup> Avenue towards Broadway in downtown.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for February 5, 2015, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 11:30 a.m.

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Chairman

Attachment: A. Roll Call Sheet

**EXECUTIVE COMMITTEE**  
**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) January 22, 2015

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

RECESS \_\_\_\_\_

RECONVENE \_\_\_\_\_

CLOSED SESSION \_\_\_\_\_

RECONVENE \_\_\_\_\_

ADJOURN 11:30 a.m..

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BRAGG <input checked="" type="checkbox"/> (Rios) <input type="checkbox"/>	9:04 a.m.	11:30 a.m.
CUNNINGHAM <input type="checkbox"/> (McClellan) <input checked="" type="checkbox"/>	9:04 a.m.	11:30 a.m.
GLORIA <input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:04 a.m.	11:30 a.m.
MATHIS <input checked="" type="checkbox"/>	9:04 a.m.	11:30 a.m.
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:04 a.m.	11:30 a.m.
Transportation Committee Rep Slot (Mathis)		

SIGNED BY THE CLERK OF THE BOARD:



CONFIRMED BY THE GENERAL COUNSEL:





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## Agenda Item No. C1

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

February 5, 2015

#### SUBJECT:

OPERATING REVENUE REPORT (SHARON COONEY)

#### INFORMATIONAL ONLY

##### Budget Impact

None.

#### DISCUSSION:

Fare revenue is a significant funding source for MTS transit service operations. Staff will provide a report on fares and special fare programs.

  
Paul C. Jablonski  
Chief Executive Officer

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





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## Agenda Item No. C2

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

February 5, 2015

#### SUBJECT:

CAP AND TRADE (SHARON COONEY)

#### INFORMATIONAL ONLY

##### Budget Impact

None.

#### DISCUSSION:

The 2014-15 State Budget provides \$832 million to the Greenhouse Gas Reduction Fund (GHGRF) from Cap-and-Trade auction proceeds to support existing and pilot programs that will reduce GHG emissions and benefit disadvantaged communities. The Administration's stated goals for the expenditure plan is to "reduce emissions through several programs, including ones modernizing the state's rail system (including both high-speed rail and public transit), encouraging sustainable community development with an emphasis on public transportation and affordable housing, restoring forests in both urban and rural settings, increasing energy, water, and agricultural efficiency and creating incentives for additional recycling." Transit operators are eligible recipients for several of the programs which will be funded from the GHGRF. Staff will provide a report on those programs and receive comments from the Committee.

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)





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## Agenda Item No. C3

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

February 5, 2015

#### SUBJECT:

SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) BUS SHELTERS -  
CONTRACT AWARD (ROB SCHUPP)

#### RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0615.0-14 (in substantially the same format as Attachment A) with Brasco International, Inc. (Brasco) for the provision of bus shelters.

#### Budget Impact

The total estimated cost of this agreement would not exceed \$6,407,655.00. Funding will be through the Capital Improvement Project (CIP) number 11362 for fiscal years 2015 through 2017. Revenue from bus shelter advertising is designated to fund this project.

#### DISCUSSION:

MTS Policy No. 52, governing procurement of services, requires a formal competitive process for procurements exceeding \$100,000.

MTS currently has 444 bus shelters in its inventory, with the majority in the City of San Diego. All shelters are in excess of 20 years old, are generally well maintained, but are at the end of their useful life. It is the intent of MTS to replace its shelters with new and modern shelters with MTS branding elements as part of a coordinated street furniture project located in the public right of way within selected cities of MTS service territory.

On September 19, 2014, MTS issued a Request for Proposals for bus shelters. Shelters would include roofs, panels, seats, advertising kiosks, map cases, trash and recycling receptacles, lighting and other features including solar power. MTS is seeking shelter materials and construction methods to best maintain structural integrity over a 20-year life span with minimal ongoing maintenance costs. The goal of the coordinated street



furniture program is to improve and maintain safe pedestrian throughways and comply with all Americans with Disabilities Act requirements.

On November 12, 2014, MTS received a total of five (5) proposals from the following:

1. Brasco, Madison Heights, MI
2. Enseicom, Quebec, Canada
3. LNI Custom Manufacturing, Hawthorne, CA
4. Lucid Management Group, British Columbia, Canada
5. Tolar Manufacturing, Corona, CA

A selection committee consisting of representatives from the MTS Finance, Marketing, and Transportation departments met and rated the proposals. The ratings were based on the following criteria:

- |  |            |
|--|------------|
| 1. Qualifications and Experience of the Firm and Management Team | 25%        |
| 2. Work Plan: Design and Fabrication                             | 25%        |
| 3. Cost  | 50%        |
|  | Total 100% |

All proposals were deemed responsive and responsible. After the evaluation, Brasco and Tolar Manufacturing were considered to be within the competitive range and advanced to the next step of the evaluation process which included interviews and negotiations.

MTS requested Refined Revised Proposals from Brasco and Tolar Manufacturing which added optional LED light strips on two shelter legs, panel modifications, and construction of a prototype shelter for MTS approval after contract award. The MTS Engineering department carefully examined the shelter renderings, materials lists, shipping weights, and quality control plans and confirmed that both final proposers were submitting shelters adequate to support MTS's needs.

Based on the evaluation panel's analysis of the technical proposal, discussions, interviews, negotiations and evaluation of price (Attachment B), MTS staff has determined that Brasco's proposal is fair and reasonable and represents the best overall value for MTS.

The following table represents the final scores and rankings:

PROPOSER NAME	TOTAL AVG. TECH. SCORE	COST SCORE	TOTAL SCORE (Tech + Cost) Total Possible Points: 100	RANKING
Brasco International, Inc.	36.3	50	86.3	1
Tolar Manufacturing	42.5	42.2	84.7	2



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 Standard Services Agreement; Contract B0615.0-14  
B. Cost Summary

## STANDARD PROCUREMENT AGREEMENT

B0615.0-14  
CONTRACT NUMBER

DRAFT

FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Brasco International Inc.Address: 32400 Industrial Dr.Form of Business: Corporation  
(Corporation, partnership, sole proprietor, etc.)Madison Heights, MI 48071Telephone: (313) 393-0393

Authorized person to sign contracts: \_\_\_\_\_  
Name Title

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

Provide Bus Shelters as set forth in the MTS Scope of Work (attached as Exhibit A), Brasco International's Proposal (attached as Exhibit B), in accordance with the Standard Procurement Agreement, including Standard Conditions Procurement (attached as Exhibit C).

The total contract cost shall not exceed \$6,407,655.00.

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 YEARS
\$6,407,655.00	CIP11362	2015-17

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

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

## COST SUMMARY

MTS BUS SHELTERS RFP  
MTS DOC. NO. B0615.0-14

COMPANY NAME	TOTAL COST
<b>Brasco International, Inc. *</b>	<b>\$6,407,655.00</b>
Enseicom ^	\$18,550,730.00
LNI Custom Manufacturing ^	\$10,954,152.20
Lucid Management Group ^	\$17,989,256.00
Tolar Manufacturing	\$7,587,245.00

\* **Brasco International's offer was found to be the most advantageous and of greatest value to MTS.**

^ Does not include pricing for additional options (LED Light Strips, Prototype, and Panel Modification) requested in Refined Revised Proposal.



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## Agenda Item No. C4

### MEETING OF SAN DIEGO THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

February 5, 2015

#### SUBJECT:

INVENTORY OF POTENTIAL JOINT DEVELOPMENT PROPERTIES (TIM ALLISON)

#### INFORMATIONAL ONLY

##### Budget Impact

None

#### DISCUSSION:

MTS Board Policy and Procedure No. 18 (Joint Use and Development of Property) addresses the Board's intention to maximize the potential of its real estate assets consistent with transportation goals and community development objectives. The Board has adopted design criteria for joint development consisting of the following goals:

- integration of transportation facilities into existing and proposed developments to meet community needs;
- promotion and enhancement of the use of public transportation;
- maximization of the recovery of public capital costs and increase of the return on public investments; and
- enhancement and protection of the transportation corridor and its environs.

Joint use and development of MTS property would consider the following criteria:

- Projects shall be considered that do not negatively impact present or future public transportation facilities.



- Projects shall be consistent with regional and local community policies and plans.
- Projects must demonstrate a fiscal benefit to MTS.
- Projects will be selected based on demonstrated maximization of economic development potential to MTS and the community, increased accessibility to transportation, and responsiveness to community needs for housing, employment, services, or recreational facilities.

The Board policy also discusses that an inventory of available and suitable property for joint use and development be established. Attachment A contains the current list of properties that are available for development and have potential to meet the goals and criteria set by the Board. The majority of the properties on the list are situated along the trolley right-of-way. Properties that were being developed for joint use or are not under MTS's control were not included. For example, the Old Town Transit Center Station parking lot is owned by California State Parks, and the Gillespie Field Station parking lot is owned by the County of San Diego.

MTS has had some success in developing property in the past, including the Creekside Villas at the 47th Street Station in San Diego and the Sweetwater Union High School District Adult Education Extension at the 24th Street Station in National City. MTS has previously approved two excellent examples of transit-oriented development. The Morena/Linda Vista Development on the Green Line in Mission Valley and the Grossmont Trolley Apartments Joint Development in La Mesa are complete and operational.

There is renewed interest from the development community to seek agreements with MTS for transit-oriented developments. MTS staff has identified a number of primary sites that have strong development potential. Some have active interest. The properties include:

- Bayfront/E Street Station
- H Street Station
- Palm Avenue Station
- Encanto/62nd Street Station
- Massachusetts Avenue Station
- El Cajon Transit Center
- Grantville Station
- Baltimore Junction
- I2th and Imperial Expansion
- Levi-Cushman Property

Other sites on the inventory are not excluded from consideration depending upon interest.

- Bayfront/E Street and H Street Stations

Both the Bayfront/E Street and H Street Stations are located in the City of Chula Vista at identified gateways to the city. They are located in the Urban Core

Planning Area and are considered by the City of Chula Vista to be excellent transit-oriented development sites. Bayfront/E Street Station is adjacent to a city-owned property being negotiated for development.

- Palm Avenue Station

The Palm Avenue Station is located at Palm Avenue and Hollister Street in the City of San Diego. This site has approximately four acres of flat and rectangular space. It is served by buses and has similar surrounding land uses. There is no active interest in this site.

- Encanto/62nd Street Station

The Encanto/62nd Street Station is located on the Orange Line in the Encanto neighborhood of the City of San Diego. MTS negotiated an affordable housing project with AMCAL Multi-Housing Inc. that is pending funding and closure of the project agreements anticipated for the summer of 2015.

- Massachusetts Avenue Station

The Massachusetts Avenue Station is within the City of Lemon Grove. The City of Lemon Grove is interested in this site for transit-oriented development. There is interest from the development community on this site.

- El Cajon Transit Center

The El Cajon Transit Center is located in the City of El Cajon. The City of El Cajon is interested in transit-oriented development for this site and is actively working with MTS staff to move a project forward. There is no active developer interest on this site.

- Grantville Station

The Grantville Station is in the City of San Diego on the Green Line constructed as part of the Mission Valley East. This site included in the area covered by the pending Navajo Focused Community Plan Amendment. This site has very active interest based on its size, location, and proximity to San Diego State University.

- Baltimore Junction

This site is in the City of La Mesa. It is not within close proximity to a trolley station; however, there is active interest, and it is considered a long-term development site by the City of La Mesa.

- 12<sup>th</sup> and Imperial Expansion

MTS purchased several lots in 2010 directly east of the Mills Building as opportunity sites that could be used not only for expansion of transit service, but for its development opportunity. Over the next year the City of San Diego will

move closer to decisions on the Convention Center Expansion and potential for a Charger Stadium in East Village. MTS will monitor the discussions and study any potential improvements for this site.

- Levi-Cushman Property

This property is currently under a long term lease for part of a golf course. Partners of the Riverwalk Development have begun negotiations to amend the current Levi Cushman Specific Plan and create a potential opportunity for MTS to develop its current ownership in conjunction with future development.

MTS Policy No. 18 allows for consideration of specific development proposals and for agency development solicitations. It is anticipated that the individual property development strategies will come back before the Board based on direction to staff.

  
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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. Joint Development Property Inventory

# JOINT DEVELOPMENT PROPERTY INVENTORY

	Acreage	City	Total Spaces	Bus Bays
<b>First Tier</b>				
Grantville	9.37	San Diego	246	5
Alpine Glass	1.72	San Diego		
El Cajon Transit Center	7.18	El Cajon	481	8
E Street	4.15	Chula Vista	295	4
H Street	3.13	Chula Vista	286	8
Encanto	1.67	San Diego	171	
<b>Second Tier</b>				
Massachusetts	3.0 +/-	Lemon Grove	250	1
Palomar Street	5.01	Chula Vista	310	4
Palm Avenue	3.96	San Diego	488	
Euclid Avenue	2.51	San Diego	108	12
Wright Street Yard	2.61	San Diego		
<b>Third Tier</b>				
24th Street	3.58	National City	154	2
Iris Avenue	2.79	San Diego	231	8
Beyer Boulevard	1.6	San Diego	166	
Spring Street	3.91	La Mesa	323	2
Amaya	2.18	La Mesa	222	
<b>Misc.</b>				
Baltimore Junction	2.5 +/-	La Mesa		
Fletcher and Marshall	1.9	El Cajon		
Prospect Square	1.23	Santee		
Vacant Lots - 3	0.3 to 0.4	Santee		
El Cajon Team Track	2.24	El Cajon		



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## Agenda Item No. C5

### MEETING OF SAN DIEGO THE METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

February 5, 2015

#### SUBJECT:

REVISIONS TO BOARD POLICY NO. 22 (RULES OF PROCEDURE FOR THE  
METROPOLITAN TRANSIT SYSTEM (MTS) (KAREN LANDERS)

#### RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors to approve the proposed revisions to Board Policy No. 22 (Attachment A).

#### Budget Impact

None.

#### DISCUSSION:

Board Policy No. 22, titled "Rules of Procedure for the Metropolitan Transit System (MTS)" sets for rules and procedures related to membership on the MTS Board of Directors, Board meetings, ordinances, public comment, appointment of a Chairperson, election of Board officers and committee appointments, membership and duties of the Executive Committee, membership and duties of the Audit Oversight Committee, and Board member standards of conduct.

Board Policy No. 22 was last updated in 2008 and certain updates are necessary to conform the policy to current legal standards and Board practices.

The proposed revisions are as follows:

1. Adding a reference to the MTS enabling legislation set forth in Sections 120000 through 120702 of the Public Utilities Code. Proposed revisions simply clarify that this legislation, and any other applicable law, controls in the event of any conflict with this board policy.



2. Deleting the requirement that the Board hold a meeting in each month of the calendar year. In certain instances, due to the unavailability of a quorum or a lack of business for the Board, an individual board meeting may be cancelled by the Chairperson. The MTS enabling legislation does not require that the Board meet each and every month. Removing this provision gives the Board flexibility to hold meetings only when there is business to conduct and a sufficient quorum of Board members is available to attend.
3. Adding a requirement that the Board's annual schedule of meetings be published on the MTS website and posted at the MTS Executive Offices. This addition simply updates the policy to reflect current practices.
4. Deleting requirement that all ordinances adopted or revised by the Board be considered at two separate Board meetings. The MTS enabling legislation does not require that ordinances be adopted after at least two meetings. Instead, Public Utilities Code section 120109 simply requires that the Clerk of the Board publish and post a summary of the proposed ordinance or amendment at least five days prior to the Board meeting at which the ordinance will be adopted. The revisions in Section 22.4 of the policy simply aligns the Board policy with the legal requirements for such actions. This rule change will not prevent the Board from deciding to consider and discuss a proposed ordinance or amendment over a series of meetings, if public comment or issues warrant extended discussion or consideration. However, this policy change will allow minor or routine actions to be considered and approved at a single meeting.
5. Align South Bay Executive Committee membership with procedure for East County membership. Section 22.8.2 of the policy specifies the rotation of membership on the Executive Committee for members from the East County and South Bay cities. In general, the policy provides for a rotation of staggered 2-year terms for each group of cities. Current policy has a special exception related to a minimum tenure on the MTS Board for the South Bay cities' Executive Committee rotation. In previous years, this resulted in certain cities being skipped in the rotation because the city's Board member did not have the minimum two years' tenure required. The South Bay Board members (Chula Vista, Coronado, Imperial Beach and National City) have requested that the minimum tenure requirements be removed from Section 22.8.2. This change will not impact current membership on the Executive Committee since Lorie Bragg meets the minimum tenure requirements set forth in Section 22.8.2. Her two-year Executive Committee term on behalf of the City of Imperial Beach began January 2015.
6. Clarify that the City of San Diego chooses its Executive Committee alternate member. Section 22.8.3.2 specifies that the City of San Diego Executive Committee alternate shall be chosen from the three other City of San Diego Board members. The proposed revision simply clarifies that the choice of alternates (from the three other MTS Board members) is made by the City of San Diego. Current practice is that the City Council makes an appointment each year specifying the four council members appointed to the MTS Board, the individual council member/Board member appointed to represent the City of San Diego on the Executive Committee, and the individual council member/Board member appointed to represent the City of San Diego as the alternate member of the Executive Committee. The proposed policy clarification will not affect this practice.

7. Allowing Flexibility in Audit Oversight Committee membership. Proposed changes in Section 22.9 are intended to provide flexibility for the Board to make appointments to the Audit Oversight Committee. Current policy is that committee membership is limited to Board members. Other individuals may be appointed as non-voting advisory members only. The proposed changes to Section 22.9 would allow the Board to appoint non-board members to the Audit Oversight Committee and specifies that the Chair of this committee is a voting member.

Current policy states that no additional compensation is provided for service on the Audit Oversight Committee if a committee member is already receiving compensation for attending a Board or Executive Committee meeting on the same day. The proposed change maintains this provision against "double compensation" for serial meetings in a single day but clarifies that voting members (regardless of Board membership) will be compensated for attendance at an Audit Oversight Committee meeting if it is the only MTS-related meeting attended by the member that day.

These proposed changes provide greater flexibility for the Board in appointing representatives to this advisory committee. It also will allow the current appointments for the 2015 Audit Oversight Committee, which includes former MTS Board member Ernest Ewin as the Chairperson of the committee.

8. Clarifies that applicable laws and regulations also govern Board Member standards of conduct. Proposed changes to Section 22.10.2 simply acknowledge that various other laws and regulations (such as the Brown Act, Government Code section 1090 and the Political Reform Act) govern Board Member standards of conduct, in addition to the MTS Conflict of Interest Code that is referenced in that section. Board Policy No. 22 is intended to supplement such laws and regulations, not to contravene or supersede them.



Paul C. Jablonski  
Chief Executive Officer

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Attachment: A. Board Policy No. 22 (redline format)



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## Policies and Procedures

No. 22

Board Approval: 12/11/082/12/15

### SUBJECT:

RULES OF PROCEDURE FOR THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) BOARD OF DIRECTORS

### PURPOSE:

To define and clarify Board Rules of Procedure and incorporate them in Board Policy.

### BACKGROUND:

In 1977, the Board adopted Rules of Procedure by resolution and from time to time amendments have been adopted. The Rules shall be contained in Board Policy for ease of reference and periodic updating. The Board is established and governed by the Mills-Deddeh Transit Development Act, set forth in the Sections 120000 through 120702 of the California Public Utilities Code ("MTS Enabling Legislation"). Section 120101 requires to the Board to "establish rules for its proceedings." In the event the rules of procedure set forth herein conflict with the MTS Enabling Legislation, or other applicable law, the applicable law shall supersede these rules.

#### 22.1 Membership and Organization

- 22.1.1 Membership in this Board is established by Division 11, Chapter 1, Sections 120050 through 120051.6 of the California Public Utilities Code.
- 22.1.2 The Board consists of 15 members selected as follows:
  - a. One member of the County of San Diego Board of Supervisors appointed by the Board of Supervisors.
  - b. Four members of the City Council of the City of San Diego, one of whom may be the mayor, appointed by the City Council.



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

- c. One member of each city council appointed individually by the City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee.
  - d. One person, a resident of San Diego County, elected by a two-thirds vote of the Board, a quorum being present, who shall serve as chairperson of the Board.
- 22.1.3 Any person who is a member of the Board may be appointed by his or her appointing authority to continue to serve as a member of the Board after the termination of his or her term of office for a period not to exceed four years after the date of termination of his or her term of elected office.
- 22.1.4 Alternate members of the Board shall be appointed as follows:
  - a. The County of San Diego Board of Supervisors shall appoint any other county supervisor who qualifies for appointment to serve as an alternate member.
  - b. The City Council of the City of San Diego shall appoint a member of the City Council not already appointed to serve as an alternate member.
  - c. The City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee shall each individually appoint a member of their respective city councils not already appointed to serve as an alternate member.
- 22.1.5 This Board shall exercise all powers authorized by the laws of the State of California.
- 22.1.6 Only the duly selected official representative, or in his or her absence his or her duly selected alternate, shall be entitled to represent a member agency in the deliberations of the Board.
- 22.1.7 Names of the official representatives and alternates shall be communicated in writing to the Board by each participating member agency and shall thereafter be annually communicated or reaffirmed prior to the February meeting of the Board and at such other times as changes in representation are made by member agencies.
- 22.1.8 The Board shall have the authority to appoint committees or subcommittees and may provide for the appointment of alternates to these committees or subcommittees.

- 22.1.9 Standing committees shall be appointed by the Board as may be required to carry out general and continuing functions and shall be abolished only upon specific action by the Board.
- 22.1.10 Ad hoc specialized subcommittees may be appointed by the Board as the need arises to accomplish specific tasks. Upon completion of its assignment, each ad hoc subcommittee shall disband.
- 22.1.11 Board members serving on such subcommittees shall be compensated as provided by Board ordinance. The Chief Executive Officer is authorized to enter into agreements to compensate individuals who were Board members at the time of their appointments to such subcommittees and who continue to serve on such subcommittees after their terms of office as Board members, subject to the same limitations as exist for compensation of Board members, and subject to replacement by the Board.

22.2 Meetings

- 22.2.1 On or before the first regular meeting of the Board in December of each year, the Board shall adopt a schedule of its meetings by date, time, and location for the coming year. ~~The Board shall conduct at least one regular meeting in each of the subsequent twelve months.~~ The schedule of the meetings shall be published in the local newspaper of general circulation prior to the next regular meeting. The schedule of meetings shall also be published on the MTS website and posted at the MTS Executive Offices.
- 22.2.2 The Board may, when necessary, change the time and place of regular meetings. Notice of such change shall be posted pursuant to the Ralph M. Brown Act.
- 22.2.3 The Clerk of the Board shall forward written notice of the annual schedule of regular meetings and any changes thereto stating the dates, times, and locations to each member's agency and to the respective members and alternates of the Board and the standing committees.
- 22.2.4 Special meetings may be called and noticed under the provisions of the Ralph M. Brown Act as applicable and, specifically, Section 54956 of the California Government Code. The call and notice shall be posted in an area accessible to the public at least 24 hours prior to the meeting.

Special meetings normally shall be called by a majority of the Board or Executive Committee only upon a finding that extraordinary circumstances require Board action prior to the next scheduled Board meeting, such as to discuss a work stoppage or

significant litigation, or that a special meeting is necessary to hold a workshop, a joint meeting with another agency, or for other special purposes at a future date beyond the next Board meeting. The Chair may call such meetings only when such extraordinary circumstances arise after the last Board or Executive Committee meeting and Board action is required prior to the next regularly scheduled Board or Executive Committee meeting.

- 22.2.5 A majority of the members of the Board shall constitute a quorum for the transaction of business, and all official acts of the Board shall require the affirmative vote of a majority of the members of the Board.
- 22.2.6 Parliamentary procedure at all meetings shall be governed by Robert's Rules of Order Newly Revised except as otherwise modified herein.
- 22.2.7 Prior to each regular meeting, the Clerk of the Board shall forward a copy of the agenda to each member in accordance with the schedule adopted by the Board. The agendas shall also be mailed to each person or entity previously requesting such in writing. The Clerk shall post the agenda in an area accessible to the public at least 72 hours before the meeting in accordance with the Ralph M. Brown Act. Agenda materials shall be available as public record in accordance with the Ralph M. Brown Act and, specifically, Section 54957.5 of the California Government Code.
- 22.2.8 The Board may take action on items of business not appearing on the posted agenda in accordance with the Ralph M. Brown Act.
- 22.2.9 Requests for Board action may be initiated by any member of the Board or any staff officer.
- 22.2.10 Communication requests may be initiated by an individual and submitted to the Clerk by letter or on forms provided by the Clerk and must state the subject matter and the action which the writer wishes the Board to take. The Clerk shall review all communication requests so received and shall list them on the Board's docket under those items which the Clerk deems to be proper areas of discussion or action by the Board. When a Communications item is listed on the docket, it is not debatable and must be referred to an appropriate committee, other public agency, or to staff to prepare a report or response.
- 22.2.11 Any permanent rule of the Board as set forth herein and unless otherwise established by law may be suspended temporarily by a two-thirds vote of the members present.

22.3 Amendments

- 22.3.1 The Board shall be responsible for making all amendments to these rules.
- 22.3.2 Proposed amendments may be originated by the Board, or any member of such, or by the Chief Executive Officer.
- 22.3.3 Each proposed amendment shall be considered by the Board and a copy thereof forwarded by the Clerk of the Board to the official representative of each member agency.

22.4 Ordinances

- 22.4.1 Every ordinance shall be signed by the Chairman of the Board and attested by the Clerk of the Board.
- 22.4.2 On the passage of all ordinances, the votes of the several members of the Board shall be entered on the minutes.
- 22.4.3 Ordinances shall not be passed ~~within five days of their introduction nor~~ at other than a regular meeting or at an adjourned regular meeting. However, an urgency ordinance may be passed ~~immediately upon introduction either~~ at a ~~regular or~~ special meeting. Except when, after reading the title, further reading is waived by regular motion adopted by unanimous vote of the Board members present, all ordinances shall be read in full either at the time of introduction or passage. When ordinances, other than urgency ordinances, are altered after introduction, they shall be passed only at a regular or at an adjourned regular meeting held at least five days after alteration. Corrections of typographical or clerical errors are not alterations within the meaning of this section.
- 22.4.4 The Consistent with Section 120109 of the MTS Enabling Legislation, the Clerk of the Board shall cause a proposed ordinance or proposed amendment to an ordinance, and any ordinance adopted by the Board, to be published at least once, in a newspaper of general circulation published and circulated in the Board's area of jurisdiction.
- 22.4.5 The publication of an ordinance, as required by subdivision 22.4.4, may be satisfied by either of the following actions:
- a. The Board may publish a summary of a proposed ordinance or proposed amendment to an ordinance. The summary shall be prepared by the Clerk of the Board and General Counsel. The summary shall be published and a certified copy of the full text of the proposed ordinance or proposed amendment shall be posted in the office of the Clerk of the Board at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment is

to be adopted. Within 15 days after adoption of the ordinance or amendment, the Board shall publish a summary of the ordinance or amendment with the names of those Board members voting for and against the ordinance or amendment, and the Clerk of the Board shall post in the office of the clerk a certified copy of the full text of the adopted ordinance or amendment along with the names of those Board members voting for and against the ordinance or amendment.

- b. If the person designated by the Board determines that it is not feasible to prepare a fair and adequate summary of the proposed ordinance or amendment, and if the Board so orders, a display advertisement of at least one-quarter of a page in a newspaper of general circulation in the Board's area of jurisdiction shall be published at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment is to be adopted. Within 15 days after adoption of the ordinance or amendment, a display advertisement of at least one-quarter of a page shall be published. The advertisement shall indicate the general nature of, and provide information regarding, the adopted ordinance or amendment, including information sufficient to enable the public to obtain copy of the complete text of the ordinance or amendment and the name of those Board members voting for and against the ordinance amendment.

22.4.6 Ordinances shall take effect thirty days after their final passage. An ordinance takes effect immediately, if it is an ordinance for the immediate preservation of the public peace, health, or safety, containing a declaration of the facts constituting the urgency and is passed by a four-fifths vote of the Board.

## 22.5 Public Comment

22.5.1 At a public hearing of the Board, persons wishing to provide comment and testimony shall be permitted to address the Board after submitting a written request to speak to the Clerk identifying the person and the subject agenda item. The Chairman may limit the time for each presentation and may permit additional time to speakers representing a group of individuals or organizations to avoid duplicative testimony. Ordinarily, each speaker will be allowed no more than three minutes.

22.5.2 Persons wishing to comment on agenda items other than a public hearing must submit a written request to speak in advance to the Clerk identifying the person and the subject agenda item. Comments must be limited to issues relevant to the particular agenda item. The Chairman may limit the time for each presentation and may permit additional time to speakers representing a group of individuals or organizations to avoid

duplicative testimony. Ordinarily, each speaker will be allowed no more than three minutes.

- 22.5.3 Public comment on matters not on the agenda will be permitted on items of interest to the public that are within the subject matter jurisdiction of the Board. Persons wishing to comment must submit a written request in advance to the Clerk identifying the person and subject matter. The Chairman may limit the time for each speaker. Ordinarily, each speaker will be allowed no more than three minutes.

22.6 Chairperson

Prior to the expiration of a Chairperson's term, the Executive Committee shall make a recommendation to the Board on whether to reelect the current Chairperson. In the event that the Board does not reelect a chairperson, or in the event of a vacancy in the position of Chairperson, the Executive Committee shall create an ad hoc nominating committee that shall, by whatever means it deems appropriate, recommend to the Board a candidate or candidates for the position of Chairperson. The Board shall then vote to elect a Chairperson.

22.7 Election of Board Officers and Appointments to Committees

- 22.7.1 On or before the Board's first meeting in November, the Board shall appoint less than a quorum of members to an Ad Hoc Nominating Committee. The Ad Hoc Nominating Committee shall review the list of MTS committees and make recommendations to the Board with respect to the appointment of members of the Board or former Board members to serve on each MTS committee.
- 22.7.2 The Ad Hoc Nominating Committee shall also review the list of outside boards and/or committees and make recommendations to the Board with respect to the appointment of members of the Board to represent MTS on each outside board or committee, except for the Board representative appointed to the San Diego Association of Governments (SANDAG) Transportation Committee, which shall be appointed by the Executive Committee.
- 22.7.3 The Ad Hoc Nominating Committee shall also make a recommendation to the Board with respect to the appointment of the Vice Chairman and the Chair Pro Tem and any other board officers.
- 22.7.4 The Ad Hoc Nominating Committee shall forward its recommendations for appointments of officers and committee members on or before the first Board meeting in January.
- 22.7.5 At its first meeting in January, the Board shall elect a Vice Chairman and a Chair Pro Tem from amongst its members. The Vice Chairman shall preside in the absence of the Chairman. In

the event of the absence or inability to act by the Chairman and Vice Chairman, the Chair Pro Tem shall preside.

22.7.6 The Board shall then vote on the recommendations made by the Ad Hoc Nominating Committee with respect to all other committee appointments.

22.7.7 In the event that a Board member vacates his or her position on the Board, at the next meeting, the Chairperson shall take nominations from the floor to fill any opening in any Committee positions vacated by that Board member.

22.8 Executive Committee

22.8.1 The Executive Committee of the Board shall consist of the Chairman, the Vice Chairman (if he or she is not already a voting member), a member from the County of San Diego, a member from the City of San Diego, the Transportation Committee Representative (if he or she is not already a voting member), one member who represents the cities of Chula Vista, National City, Coronado, and Imperial Beach (the "South Bay Cities' representative"), and one member who represents the cities of Lemon Grove, La Mesa, El Cajon, Poway, and Santee (the "East County Cities' representative"). The South Bay Cities' representative and the East County Cities' representative shall serve as members of the Executive Committee for a term of two years each. The terms of these two members shall be staggered so as to avoid replacement of both members at the same time.

22.8.2 The East County and South Bay representatives shall serve in the following order:

East County: El Cajon, La Mesa, Lemon Grove, Santee, Poway—each serving a two-year term.

South Bay: Chula Vista, Coronado, Imperial Beach, National City—each serving a two-year term; ~~however, the representative must have been the primary Board member for two years in order to serve as the Executive Committee representative. In the event that the South Bay representative has not been the primary Board member for two years, the rotation schedule shall be adjusted so that the next city in the rotation serves as the representative, and the city whose member has not yet served two years as the primary Board member would serve the term immediately thereafter; i.e., if Imperial Beach lacked two years of experience, National City would serve first, then Imperial Beach and then the rotation would continue on as set forth above. The requirement for two years of service as the primary Board member shall only apply to the South Bay representative.~~

- 22.8.6 The primary purpose of the Executive Committee shall be to review and recommend consent items for the agenda of the next MTS Board of Directors meeting; add or delete items as appropriate; and provide input and direction on emerging policies, plans, and issues, in advance, for Board consideration. The Executive Committee shall have the authority to create ad hoc subcommittees for purposes of carrying out its duties and responsibilities.
- 22.8.7 Three members shall constitute a quorum of the Executive Committee, and a majority vote of the members present shall be required to approve any item. In the absence of a quorum, the Chairman may review and recommend consent items for the agenda, establish the order of items, and add or delete items.
- 22.8.8 The Executive Committee shall adopt operating procedures as are necessary for the conduct of its business.

22.9 Audit Oversight Committee

- 22.9.1 The Audit Oversight Committee shall be comprised of the same members that make up the Executive Committee and such other individuals as the Board may appoint at the first MTS Board meeting each calendar year. The Chairman of the Audit Oversight Committee shall be ~~appointed from amongst its members at the first meeting held during each calendar year~~ a voting member. The Chairman of the Audit Oversight Committee shall ~~be another member other than~~ not be the member who serves as the Executive Committee Chairman. ~~Additional members of the MTS Board may be appointed on an annual basis at the first MTS Board meeting in January at the discretion of the MTS Board.~~ The Board may also appoint individuals who are not members of the Board to serve as non-voting advisory members to the Audit Oversight Committee.
- 22.9.2 No additional compensation shall be paid to the members of the Audit Oversight Committee unless a meeting takes place on a day other than a regularly scheduled MTS Board meeting or MTS Executive Committee meeting. Compensation shall be paid to any additional voting ~~members of the MTS Board~~ who are appointed to serve on the Audit Oversight Committee ~~meeting~~. No compensation shall be paid to any non-voting advisory member appointed by the MTS Board.
- 22.9.3 The primary duties and responsibilities of the Audit Oversight Committee shall be to ensure that management is maintaining a comprehensive framework of internal control, to ensure that management's financial reporting practices are assessed objectively, and to determine to its own satisfaction that the financial statements are properly audited and that any problems disclosed in the course of the audit are properly resolved.

22.9.4

The tasks to be performed by the Audit Oversight Committee shall be as follows:

- a. Review the appropriate scope of the annual independent audit and any other audit the committee feels is appropriate.
- b. Review the appropriate scope of nonaudit services to be performed by the independent auditor.
- c. Oversee the procurement of outside auditor services with final approval by the Board.
- d. Review and oversee the preparation of annual financial statements, the annual financial reporting process, internal controls, and independent auditors using an appropriate degree of professional skepticism.
- e. Assess the performance of any independent auditors.
- f. Provide a forum for MTS internal auditors to report findings.
- g. Provide at least an annual written and oral report to the Board on how the committee discharged its duties and responsibilities.
- h. Establish a procedure for receipt, retention, and treatment of complaints regarding accounting, internal controls, or auditing matters.

22.9.5

The annual scheduled functions to be performed by the Audit Oversight Committee shall be as follows:

- a. In June of each year or as soon as reasonably practicable, review the independent audit engagement letter.
- b. In March or April of each year or as soon as reasonably practicable, establish a plan for review of the audits with independent auditor.
- c. In September of each year or as soon as reasonably practicable, receive report on the status of any audit(s).
- d. In October of each year or as soon as reasonably practicable, receive a report on the preliminary audit findings.
- e. In December of each year or as soon as reasonably practicable, receive a report and provide feedback on

financial and compliance statements to Board, and provide the annual report to the Board on the committee's activities.

- f. In March of each year or as soon as reasonably practicable, review the management letter and management's response to the letter.

22.9.6 On a periodic basis the Audit Oversight Committee shall perform the following functions:

- a. Establish procedure for handling complaints.
- b. Receive reports from MTS internal auditor.
- c. Report to the Board in addition to annual report.
- d. Review the appropriate scope of any nonaudit services recommended for performance by the independent auditor.
- e. Review the procurement of independent auditor services and make a recommendation to the Board.
- f. Request procurement of outside independent advisor(s) with Board concurrence.
- g. Meet with the independent auditor without MTS management present.

22.9.7 At a minimum, the Audit Oversight Committee shall ask the following questions of MTS Staff, the Internal Auditor and/or the independent auditors:

- a. What is the name of the audit firm performing the audit, and how long has such firm been under contract to perform such audits?
- b. Was the audit performed in accordance with generally accepted auditing standards (AICPA GAAS standards) or generally accepted government-auditing standards (GAO GAGAS)? If not, why?
- c. Has the independent auditor(s) prepared an unqualified opinion regarding the financial statements? If not, what type of opinion was issued and why?
- d. Was the audit performed independently? The Audit Oversight Committee should ask how the audit firm maintained its independence during the course of the audit.

- e. The Audit Oversight Committee should have the independent auditor(s) describe, in general, the audit procedures performed.
- f. The Audit Oversight Committee should have the independent auditor(s) discuss whether any new accounting principles were adopted, whether any changes were made, or whether the independent auditor(s) recommends any changes in the accounting policies used or their application. In particular, the relevant issue is whether the audit applied best or merely permissible principles.
- g. The Audit Oversight Committee should have the independent auditor(s) describe any significant accounting adjustments affecting the financial statements (prior year as well as current year).
- h. Did the independent auditor(s) encounter any difficulties in dealing with management in performing the audit, including whether there were any disagreements with management regarding any accruals, estimates, reserves, or accounting principles? Did the independent auditor(s) have the full cooperation of MTS management and staff?
- i. The Audit Oversight Committee should ask the audit firm about the quality of the component unit's accounting, internal controls, and the competency of staff. Did the independent auditor(s) issue a management letter? What nonmaterial weaknesses or reportable conditions has the independent auditor(s) noted?
- j. Were there any accounting issues on which the audit firm sought the advice of other audit firms or regulatory bodies?
- k. The Audit Oversight Committee should ask the audit firm whether there are new pronouncements and/or areas of potential financial risk affecting future financial statements of which the Audit Oversight Committee should be aware.

- 22.9.8 Three members shall constitute a quorum of the Audit Oversight Committee, and a majority vote of the members present shall be required to approve any item. In the absence of a quorum, the Chairman may review and recommend consent items for the agenda, establish the order of items, and add or delete items.
- 22.9.9 The Audit Oversight Committee shall adopt operating procedures as are necessary for the conduct of its business.

## 22.10 Board Member Standards of Conduct

- 22.10.1 The purpose of this policy is to emphasize that each Board member occupies a position of public trust that demands the highest moral and ethical standard of conduct.
- 22.10.2 This policy shall be supplemental and in addition to the Conflict of Interest Code of the Board and any applicable laws or regulations (including, but not limited to, the Brown Act, Government Code section 1090 and the Political Reform Act) and is not intended to supersede ~~such Code or~~ any provisions thereof.
- 22.10.3 Board members shall not engage in any business or transaction or have a financial or other personal interest, actual, potential, or apparent, which is incompatible with the proper discharge of his or her official duties or would tend to impair his or her independence of judgment or action in the performance of such duties. Such business, transaction, or interest shall constitute a conflict of interest.
- 22.10.4 No Board member shall engage in any enterprise or activity that shall result in any of the following:
- a. Using the prestige or influence of the Board office for private gain or advantage of the member or another person.
  - b. Using time, facilities, equipment, or supplies of the Board for the private gain or advantage of the member or another person.
  - c. Using official information not available to the general public for private gain or advantage of the member or another person.
  - d. Receiving or accepting money or other consideration from anyone other than the Board for the performance of acts done in the regular course of duty.
  - e. Receiving or accepting, directly or indirectly, any gift or favor from any one doing business with the Board under circumstances from which it could reasonably be inferred that such was intended to influence such person in such person's duties or as a reward for official action.
  - f. Soliciting any gift or favor in such person's official capacity, either directly or indirectly, when such solicitation might reasonably be inferred as to have a potential effect on such person's duties or decision, or when the individual's position as a Board member would in any way influence the decision of the person being solicited.

- g. Engaging in or accepting private employment or rendering services for private interest, direct or indirect, which may conflict with such person's responsibility or duty, or which, because of that person's position, may influence a decision to the benefit of the organization in which such person has an interest.

22.10.5 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item, and the Board will make a decision regarding this agenda item during an open session meeting, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board's General Counsel. If the Board member has a conflict, he or she may observe, but not participate, in the decision-making process.

22.10.6 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item to be discussed during a closed session meeting, the Board member shall be disqualified and not present during such discussion so as not to make, participate in making, or in any way attempt to use his or her official position to influence the discussion or decision. In such case, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board's General Counsel. In accordance with the Brown Act, the Board member would be entitled to any information that is publicly reported. The Board member would not, however, be privy to any confidential or privileged information or communications pertaining to the closed session agenda item.

22.10.7 No Board member shall disclose to any person, other than members of the Board and other Board staff designated to handle such confidential matters, the content or substance of any information presented or discussed during a closed session meeting unless the Board authorizes such disclosure by the affirmative vote by a majority of the Board.

22.10.8 No Board member may disclose confidential or privileged information or communications to any person other than a Board member, General Counsel to the Board, or other Board staff designated to handle such matters, unless disclosure is mandated by law or the Board authorizes such disclosure by the affirmative vote of a majority of the Board.

22.10.9 A Board member shall not be privy to confidential or privileged information or communications concerning threatened, anticipated, or actual litigation affecting the Board where the Board member has an actual, potential, or apparent conflict of interest. In the case of uncertainty as to whether a conflict of interest exists, the Board's General Counsel shall issue a binding determination.

- 22.10.10 No Board member shall represent a position on an issue to be the Board's unless the Board has formally adopted such position at a public meeting.
- 22.10.11 Any violation of this policy shall constitute official misconduct if determined by an affirmative vote of the majority of the Board in an open and public meeting. The Board may elect to censure the Board member and the violation may be subject to criminal and/or civil penalties as provided for by applicable law.

| FEB21-08.31.AttB.POLICY 22.TLOREN.doc

Original Policy approved on  
4/5/84.

Policy revised on 1/12/84.

Policy revised on 7/11/85.

Policy revised on 1/8/87.

Policy revised on 1/11/90.

Policy revised on 8/23/90.

Policy revised on 1/10/91.

Policy revised on 3/24/94.

Policy revised on 1/14/99.

Policy revised on 6/14/01.

Policy revised on 1/10/02.

Policy revised on 1/24/02.

Policy revised on 5/8/03.

Policy revised 2/26/04.

Policy revised 1/12/06.

Policy revised 3/9/06.

Policy revised 3/23/06.

Policy revised 6/14/07.

Policy revised 7/19/07.

Policy revised 2/21/08.

Policy revised 12/11/08.

Policy revised 2/12/15.



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

DRAFT

## Agenda

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

February 12, 2015

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.

#### ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - January 29, 2015 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.

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.



## CONSENT ITEMS

- |     |   |             |
|-----|---|-------------|
| 6.  | <u>San Diego and Arizona Eastern (SD&amp;AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&amp;AE Board of Directors at its Meeting on January 27, 2015.</u>  | Information |
| 7.  | <u>Excess Insurance Renewals for Liability and Workers' Compensation Program</u>  | Approve     |
| 8.  | <u>Hewlett-Packard C7000 Server Platform</u><br>Action would authorize the Chief Executive Officer (CEO) to issue a Purchase Order to CDW-G for the provision of a Hewlett-Packard (HP) C7000 BladeSystem server platform, including its associated network and storage interconnect modules, as well as software, support, and professional services necessary for the installation, configuration and testing of the equipment. This procurement utilizes the Western States Contracting Alliance (WSCA) / National Association of State Procurement Officials (NASPO) Master Price Agreement Contract Number B27164-CA.  | Approve     |
| 9.  | <u>Migration of Compass Card Program "Back Office" Software to New Hardware</u><br>Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1789.0-15 with Cubic Transportation Systems, Inc. (Cubic), on a sole source basis, for the provision of professional services to migrate all software related to the Compass Card "back office" program from existing hardware to new hardware.  | Approve     |
| 10. | <u>Federal Discretionary State of Good Repair Funding Transfer</u><br>Action would approve the transfer of \$809,091 of excess State of Good Repair (SGR) funds from the East County Bus Maintenance Facility CNG Station project to the Enterprise Resource Planning (ERP) / Transit Asset Management (TAM) Replacement project.   | Approve     |
| 11. | <u>Unallocated Transportation Development Act (TDA) Funds for Transit-Related Projects</u><br>Action would authorize the Chief Executive Officer (CEO) to approve the use of \$250,556 in the City of Chula Vista's unallocated TDA funds currently held by the County of San Diego (County). These TDA funds will cover the cost of rehabilitating the John Lippitt Public Works Center in the City of Chula Vista.  | Approve     |
| 12. | <u>Third Party Administration for the San Diego Transit Corporation (SDTC) Retirement Plans - Single Responsive Proposal Contract Award</u><br>Action would authorize the Chief Executive Officer (CEO) to: (1) execute, as agent for the Retirement Boards of the SDTC Employees' Retirement Plans (Plan), MTS Doc. No. G1706.0-14 with The Howard E. Nyhart Company, Inc. (Nyhart) for the provision of third party administration services for the Plan for a five-year base period with five one-year optional terms (for a total of 10 years); and (2) exercise each option year at the Retirement Boards' discretion. | Approve     |
| 13. | <u>Investment Report - December 2014</u>  | Information |

## CLOSED SESSION

24. a. 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

b. Hold for the following Closed Session items: TEOA, IBEW Trolley & IBEW  
Flaggers (Jeff Stumbo)

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

- |     |  |         |
|-----|--|---------|
| 30. | <u>Taxicab - Ordinance 11 Amendments (Sharon Cooney)</u>   | Approve |
| 31. | <u>San Diego Metropolitan Transit System (MTS) Bus Shelters - Contract Award (Rob Schupp)</u><br>Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0615.0-14 with Brasco International, Inc. (Brasco) for the provision of bus shelters. | Approve |

REPORT ITEMS

- |     |   |             |
|-----|---|-------------|
| 45. | <u>Operating Revenue Report (Sharon Cooney)</u>   | Information |
| 46. | <u>Youth Pilot Program Update (Sharon Cooney)</u>   | Information |
| 47. | <u>Quarterly Performance Monitoring Report (Denis Desmond)</u>  | Information |
| 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. |             |
| 65. | <u>Next Meeting Date:</u> March 12, 2015  |             |
| 66. | <u>Adjournment</u>  |             |



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
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## Agenda Item No. 6

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

February 12, 2015

**Draft for  
Executive Committee  
Review Date: 2-5-15**

#### SUBJECT:

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 27, 2015.

#### INFORMATIONAL ONLY

##### Budget Impact

None.

#### DISCUSSION:

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV, Museum, and PIR have provided operations reports during the fourth quarter of 2014 (Attachment A).

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)

Attachment: A. SD&AE Meeting Agenda and Materials





**SAN DIEGO & ARIZONA  
EASTERN RAILWAY  
COMPANY**

A NEVADA NONPROFIT  
CORPORATION

1255 IMPERIAL AVENUE,  
SUITE 1000  
SAN DIEGO, CA  
92101-7490  
(619) 231-1466

BOARD OF DIRECTORS  
PAUL JABLONSKI, CHAIRPERSON  
MATT DOMEN  
BLAKE JONES

OFFICERS  
PAUL JABLONSKI, PRESIDENT  
MATT DOMEN, SECRETARY  
ERIN DUNN, TREASURER

LEGAL COUNSEL  
KAREN LANDERS

## AGENDA

01-23-15A09:25 RCVD  
San Diego and Arizona Eastern (SD&AE)  
Railway Company  
Board of Directors Meeting

January 27, 2015

9:00 a.m.

Executive Committee Room  
James R. Mills Building  
1255 Imperial Avenue, 10th Floor

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 five working days prior to the meeting to ensure availability. Assistive Listening Devices (ALDs) are available from the Clerk of the Board prior to the meeting and are to be returned at the end of the meeting.

### ACTION RECOMMENDED

- |  |         |
|--|---------|
| 1. <u>Approval of the Minutes of October 21, 2014</u><br>Action would approve the SD&AE Railway Company Minutes of October 21, 2014.   | Approve |
| 2. <u>Statement of Railway Finances (Erin Dunn)</u><br>Action would receive a report for information.  | Receive |
| 3. <u>Report on San Diego and Imperial Valley (SD&amp;IV) Railroad Operations (Matt Domen)</u><br>Action would receive a report for information.   | Receive |
| 4. <u>Report on Pacific Southwest Railway Museum (Diana Hyatt)</u><br>Action would receive a report for information.   | Receive |
| 5. <u>Report on the Desert Line (Chas McHaffie)</u><br>Action would receive a report for information.  | Receive |
| 6. <u>Real Property Matters (Tim Allison)</u><br>a. <u>Summary of SD&amp;AE Documents Issued Since October 21, 2014</u><br>Action would receive a report for information.<br>b. <u>F Street Underpass Crossing Interstate 5 in Chula Vista</u><br>Action would receive a report for information. | Receive |
| 7. Board Member Communications   |         |
| 8. Public Comments   |         |
| 9. Next Meeting Date: Tuesday, April 14, 2015  |         |
| 10. Adjournment  |         |

## MINUTES

### BOARD OF DIRECTORS MEETING OF THE SAN DIEGO & ARIZONA EASTERN RAILWAY COMPANY

October 21, 2014

A meeting of the Board of Directors of the San Diego & Arizona Eastern (SD&AE) Railway Company, a Nevada corporation, was held at 1255 Imperial Avenue, Suite 1000, San Diego, California 92101, on October 21, 2014, at 9:00 a.m.

The following persons, constituting the Board of Directors, were present: Blake C. Jones, Matt Domen, and Wayne Terry. Also in attendance were members from:

San Diego Metropolitan Transit System:  
Pacific Southwest Railway Museum:  
Pacific Imperial Railroad, Inc.:  
Carrizo Gorge Railway:  
Admicarga:  
Trains Magazine:

Tim Allison, Karen Landers, Erin Dunn  
Diana Hyatt, Michael Edwards  
Don Stoecklein  
Charles McHaffie  
Lizzeth Sabido  
Don Jones

1. Approval of Minutes

Mr. Terry moved to approve the Minutes of the July 15, 2014, SD&AE Railway Board of Directors meeting. Mr. Domen seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Erin Dunn reviewed the financial statement for the third quarter of 2014 (attached to the agenda item). She explained that SD&AE is over budget due to the Desert Line Lease not being included in the original budget. Ms. Dunn reported that the one negative variance is right of entry permits from the Port of San Diego that were reported as 2014 revenue. As there have been issues in collecting the revenue from the Port of San Diego, the \$14,000 had to be written off in 2014. If the money is collected in 2015, it will be recorded as revenue in 2015.

Compared to last year, there is a negative variance in the budget due to the right of entry permits. Ms. Dunn reported that expenses are favorable with only slightly higher personnel costs.

Action Taken

Mr. Terry moved to receive the report for information. Mr. Domen seconded the motion, and it was unanimously approved.

3. Report on San Diego & Imperial Valley Railroad (SD&IV) Operations

Matt Domen reviewed the report of activities for the third quarter of 2014 (attached to the agenda item).

Mr. Terry inquired, in regards to the San Diego Trolley Blue Line to San Ysidro, about the signaling system, and asked Mr. Domen if they were able to move over the roads without issue.

Mr. Domen confirmed this. Mr. Terry further inquired about the frequency at which the SD&IV trains were operating on the San Diego Trolley Orange Line. Mr. Domen reported that they are running one train on Sunday nights, adding that the shorter Trolley operation allows SD&IV to make a round trip.

Action Taken

Mr. Terry moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

4. Report on Pacific Southwest Railway Museum Operations

Diana Hyatt reviewed the third quarter of 2014 report (attached to the agenda item).

Karen Landers asked Ms. Hyatt for clarification on payment MTS received from the CPUC as reimbursement for grade crossing maintenance; \$1600 is allocable to PSRM for maintenance they have performed. Ms. Landers advised that MTS will be sending the monies to PSRM.

Matt Domen asked about a trouble call he received from California Highway Patrol. Mr. Domen would like a list of emergency contact numbers to refer to in case there were further issues.

Mr. Terry asked Ms. Hyatt how the PSRM inventory was doing after some thefts on their property. Ms. Hyatt reported that they were running low on supplies due to inventory in Jacumba disappearing. Ms. Hyatt mentioned talking with Mike Fitzgerald, from MTS, about acquiring old signals from MTS. Ms. Landers reported that as long as MTS is not requiring them for service, transferring them to PSRM, for use on the Desert Line, would be acceptable.

Action Taken

Mr. Domen moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

5. Report on the Desert Line

Chas McHaffie reviewed the third quarter of 2014 report (attached to the agenda item).

Action Taken

Mr. Terry moved to receive the report for information. Mr. Domen seconded the motion, and it was unanimously approved.

6. Real Property Matters

A. Summary of SD&AE Documents Issued since July 15, 2014

Since the July 15, 2014, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-13-593.2: Right of Entry Permit Amendment to Ramona Paving & Construction Corp. to construct street improvements at Cesar Chavez Parkway in San Diego.

- S200-14-591: License to Cox Communications for an underground fiber optic crossing on the Coronado Branch north of the Salt Works in Chula Vista.
- S200-14-595: Right of Entry Permit to the State of California Parks and Recreation for invasive species monitoring and eradication near Jacumba on the Desert Line.
- S200-14-598: Right of Entry Permit to Navy Region Southwest Morale, Welfare and Recreation Department for its 28<sup>th</sup> Annual Bay Bridge Run / Walk event.
- S200-15-600: Right of Entry Permit to the San Diego County Bicycle Coalition for the 7<sup>th</sup> annual Bike the Bay Bike ride along various locations on the Blue Line and the Coronado Branch.
- S200-15-601: Right of Entry Permit to SDG&E for various electrical service upgrades along the Blue Line for the South Line Freight Improvement Project.
- S200-15-602: Right of Entry Permit to The Fishel Company to construct underground fiber for the San Ysidro Yard Improvement Project impacts to US Sprint.
- S200-15-603: Right of Entry Permit to The Fishel Company to construct underground fiber for the San Ysidro Yard Improvement Project impacts to Level 3.
- S200-15-604: Right of Entry Permit to SDG&E for various electrical service upgrades for the San Ysidro Yard Improvement Project.
- S200-15-605: Right of Entry Permit to Copp Contracting, Inc. to perform street paving at J Street and Palomar Street in Chula Vista.
- S200-15-606: Right of Entry Permit to Anza-Borrego Desert Natural History Association for several hikes on the Desert Line in the vicinity of the Carrizo Gorge.

#### Action Taken

Mr. Terry moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

#### B. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8

PROPERTY: APNs 555-090-13 and unnumbered parcel 555-01, SAN DIEGO, CA

Adjourned into closed 9:17 a.m. – Re-adjourned 9:23 a.m.

Karen Landers reported that the Board received a report from rail property negotiators and gave instructions.

7. Karen Landers explained that SD&AE holds quarterly meetings in January, April, July, and October and asked members to review the proposed dates for the 2015 meeting schedule. All Board members were in agreement of the proposed dates as listed:

Tuesday, January 27, 2015	9:00 a.m.	(Fourth Quarter 2014 Reports)
Tuesday, April 14, 2015	9:00 a.m.	(First Quarter 2015 Reports)
Tuesday, July 14, 2015	9:00 a.m.	(Second Quarter 2015 Reports)
Tuesday, October 13, 2015	9:00 a.m.	(Third Quarter 2015 Reports)

Upon approval of the above meeting dates, additional information regarding materials due dates and mail-outs are as follows:

Materials Due to Clerk

Friday, January 16, 2015  
Friday, April 3, 2015  
Thursday, July 2, 2015  
Friday, October 2, 2015

Materials Mailed

Wednesday, January 21, 2015  
Wednesday, April 8, 2015  
Wednesday, July 8, 2015  
Wednesday, October 7, 2015

Action Taken

Mr. Terry moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

8. Public Comments

None.

9. Next Meeting Date

The next meeting of the SD&AE Railway Company Board of Directors is on January 27, 2015.

10. Adjournment

The meeting was adjourned at 9:24 AM.

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
General Counsel

# San Diego and Arizona Eastern Railway Company

January 14, 2014

## Sign-in Sheet (VOLUNTARY)

Name	Company
1. ED KRAVITZ	SAN DIEGO MIDWESTERN RAILWAY PARTNERS LLC.
2. Diana Hyatt	Pacific Southwest Railway Museum
3. R. Mitchel Beauchamp	Ferrocarriles Peninsulares del Noroeste, S.A. de C.V.
4. Geoffrey T. Schererman	FPN-USA Inc.
5. Matt Doherty	SDRC
6. Blake C. Jones	SDRC
7. Chas McHaffie	CZRY-ARR
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Att. A, AI 6, 2/12/15  
Date: 1/27/15

Agenda Item No. ☒

## REQUEST TO SPEAK

Order Request Received ☐

**PLEASE SUBMIT THIS COMPLETED FORM (AND ANY WRITTEN STATEMENTS) TO THE CLERK OF THE COMMITTEE PRIOR TO DISCUSSION OF YOUR ITEM<sup>1</sup>.**

1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Committee (please attach your written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Committee authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous hearings or agenda items may not again be addressed under General Public Comments.

*Please Print*

NAME	Reena Deutsch
Address	
Telephone	
Organization represented (if any)	
Subject of your remarks	
Regarding Agenda Item No.	
Your comments are presenting a position of:	<input type="checkbox"/> <b>SUPPORT</b> <input type="checkbox"/> <b>OPPOSITION</b>

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At public hearings of the Committee, persons wishing to speak shall be permitted to address the Committee on any issue relevant to the subject of the hearing.

3. DISCUSSION OF AGENDA ITEMS

The Chairman may permit any member of the public to address the Committee on any issue relevant to a particular agenda item.

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five (5) speakers with three (3) minutes each under the Public Comment agenda item. Additional speakers will be heard at the end of the Committee's agenda.

*Request to Speak Form.doc*

<sup>1</sup> REMEMBER: Subjects of previous hearings or agenda items may not again be addressed under General Public Comments.



## REQUEST TO SPEAK

Date: 1-27-15 Att. A7A16, 2/12/15

Agenda Item No. 6B  
Public Comments + 6B

Order Request Received ☐

**PLEASE SUBMIT THIS COMPLETED FORM (AND ANY WRITTEN STATEMENTS) TO THE CLERK OF THE COMMITTEE PRIOR TO DISCUSSION OF YOUR ITEM<sup>1</sup>.**

1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Committee (please attach your written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Committee authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous hearings or agenda items may not again be addressed under General Public Comments.

Please Print

NAME	EP KRAVITZ
Address	11 BEUDER DRIVE / PAL FOREST, IL - 60466
Telephone	619-890-8894
Organization represented (if any)	SAN DIEGO + MIDWESTERN RAILWAY PARTNERS LLC
Subject of your remarks (2)	CORONADO BRIDGE / LEASE / PURCHASE ASSISTANCE WITH TRUCK TO BRIDGE STUDENT ENVIRONMENTAL
Regarding Agenda Item No. (6B)	EXE X I-5 OVERPASS - MITIGATION
Your comments are presenting a position of:	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At public hearings of the Committee, persons wishing to speak shall be permitted to address the Committee on any issue relevant to the subject of the hearing.

3. DISCUSSION OF AGENDA ITEMS

The Chairman may permit any member of the public to address the Committee on any issue relevant to a particular agenda item.

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five (5) speakers with three (3) minutes each under the Public Comment agenda item. Additional speakers will be heard at the end of the Committee's agenda.

Request to Speak Form.doc

<sup>1</sup> REMEMBER: Subjects of previous hearings or agenda items may not again be addressed under General Public Comments.

## Agenda

## Item No. 2

San Diego and Arizona Eastern (SD&AE)  
Railway Company  
Board of Directors Meeting

January 27, 2015

**SUBJECT: STATEMENT OF RAILWAY FINANCES**

### **RECOMMENDATION:**

That the SD&AE Railway Company Board of Directors receive a financial report for the quarter ending December 31, 2014.

#### Budget Impact

None.

### **DISCUSSION:**

Attached are the financial results for the second quarter of Fiscal Year (FY) 2015, which includes the periods ended December 31, 2014 and 2013.

The current year-to-date revenues are \$496,000 favorable to budget primarily due to the Desert Line Lease revenue not included in the budget.

Expenses are \$38,000 unfavorable to budget primarily due to the unfavorable variance in Personnel Costs and Outside Services, including approximately \$25,000 in legal fees for Mexico City legal counsel advising on Desert Line issues. Expenses have increased by \$11,000 over the same period last year primarily due to the increase in Outside Services.

The Net Income for the first two quarters of FY15 was \$459,889 compared to net income of \$469,563 for the same period in FY14.

**Attachments: SD&AE Operating Statement 2<sup>nd</sup> Quarter FY 2015**

SD&AE Operating Statement FY2015-14

	FY 2015			FY 2014		
	Q1 Actual	Q2 Actual	YTD	Budget	Q1 - Q2	Variance
<b>Revenue</b>						
Right of Entry/Permits						
Lease Income	\$ (11,800)	20,506	8,908	\$ 15,000	\$	\$ (3,644)
Desert Line Lease Revenue	18,881	17,623	36,504	34,998	31,721	4,783
SD&IV 1% Freight Fee	250,000	250,000	500,000	-	500,000	-
	9,000	9,000	18,000	17,502	17,704	296
<b>Total Revenue</b>	<b>266,281</b>	<b>297,129</b>	<b>563,410</b>	<b>67,500</b>	<b>561,975</b>	<b>1,435</b>
<b>Expense</b>						
Personnel Costs	32,925	28,889	61,814	46,742	66,923	(5,109)
Outside Services	8,050	25,998	34,048	10,084	18,044	16,004
Risk Management	3,480	3,885	7,375	8,502	7,085	289
Misc. Operating Expenses	284	-	284	252	359	(75)
<b>Total Expense</b>	<b>44,739</b>	<b>58,782</b>	<b>103,521</b>	<b>65,580</b>	<b>92,412</b>	<b>11,109</b>
<b>Net Income/(Loss)</b>	<b>\$ 221,542</b>	<b>\$ 238,347</b>	<b>\$ 459,889</b>	<b>\$ 1,920</b>	<b>\$ 469,563</b>	<b>\$ 12,544</b>

<b>Reserve Balance 2014</b>	<b>\$ 1,576,036</b>
Allocated Interest Earnings - Estimated	2,500
Operating Profit/(Loss)	459,889
<b>Reserve Balance 2015 - Estimated</b>	<b>\$ 2,038,425</b>

## **Agenda Item No. 3**

**San Diego and Arizona Eastern (SD&AE)  
Railway Company  
Board of Directors Meeting**

**January 27, 2015**

**SUBJECT:**

**REPORT ON SAN DIEGO AND IMPERIAL VALLEY (SD&IV) RAILROAD OPERATIONS**

**RECOMMENDATION:**

**That the SD&AE Board of Directors receive a report for information.**

**Budget Impact**

**None.**

**DISCUSSION:**

**An oral report will be given during the meeting.**

**Attachment: Periodic Report for the 4th Quarter of 2014**



SD&AE Board  
C/O MTS  
1255 Imperial Avenue, Suite 1000  
San Diego, California 92101

Jan 15, 2015

## Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company activities of interest for the 4th Quarter of 2014 are listed as follows:

### 1. Labor

At the end of Dec 31, 2014 the San Diego & Imperial Railroad had 9 employees:

- 1 General Manager
- 1 Trainmaster
- 1 Manager - Marketing & Sales
- 1 Office Manager
- 1 Mechanical Manager
- 1 Maintenance of Way Employee
- 3 Train Service Employees

## 2. Marketing

Volume in the 4th Quarter declined 36% as compared to 2013. Bridge traffic had a 44% decrease, primarily driven by a decrease in LPG going into Mexico. Traffic terminating or originating on the SDIY was up 12% versus last year.

## 3. Reportable Injuries/Environmental

Days through year to date, December 31, 2014, there were no FRA Reportable injuries or Environmental incidents on the SDIV Railroad.

Days FRA Reportable Injury Free: 6480

## 4. Summary of Freight

	2014	2013	2012
Total rail carloads that moved by SDIY Rail Service in the quarter.	826	1301	1421
Total railroad carloads Terminating/Originating Mexico in the quarter.	622	1119	1238
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	204	182	183
Total customers directly served by SDIY in the quarter	11	11	9
Regional Truck trips that SDIY Railroad Service replaced in the quarter	2478	3903	4263

Respectfully,

Matt Domen

General Manager

## **Agenda Item No. 4**

San Diego and Arizona Eastern (SD&AE)  
Railway Company  
Board of Directors Meeting

January 27, 2015

**SUBJECT:**

REPORT ON PACIFIC SOUTHWEST RAILWAY MUSEUM

**RECOMMENDATION:**

That the SD&AE Board of Directors receive a report for information.

Budget Impact

None.

**DISCUSSION:**

A report will be presented during the meeting.

**Attachment:** Letter to Mr. Don Stoecklein



## **Pacific Southwest Railway Museum**

**La Mesa Depot 4695 Nebo Drive La Mesa, CA 91941 619-465-7776**

January 16, 2015

SD&AE Board  
c/o Metropolitan Transit System  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

Re: Fourth Quarter 2014

Dear SD&AE Board:

During the fourth quarter of 2014, utilizing all volunteer crews, the Pacific Southwest Railway Museum ran 50 passenger trains carrying 6,765 passengers with no FRA reportable accidents or injuries. Total income from SD&AE property for fourth quarter, 2014 was \$ 196,218; our check for \$3,924 will follow under separate cover. By comparison, PSRM carried 6535 passengers during the fourth quarter of 2013.

Passenger ridership by comparison to the same quarter in previous years:

6,535	Passengers during the fourth quarter of 2013
6,889	Passengers during the fourth quarter of 2012
6,109	Passengers during the fourth quarter of 2011
4,384	Passengers during the fourth quarter of 2010
3,268	Passengers during the fourth quarter of 2009
4,554	Passengers during the fourth quarter of 2008

There was a slight increase in ridership of 230 passengers from fourth quarter 2013 to fourth quarter 2014 due to an increase of two trains during this time period and a slight increase in available seats on each of the twelve North Pole trains.

Maintenance of Way work continues along the right of way including monthly signal and weekly track inspections. The MOW department has organized several work parties during the quarter changing ties, installing gauge rods and other maintenance efforts.

On Sunday, January 4, 2015 the Christmas Train event or Dia de los Tres Reyes Magos was held at the Tecate Stadium in Tecate. The mayor of Tecate, Cesar Moreno and his wife presided over the festivities. Also in attendance was co-founder Margaret Coval and members of the National

Latino Peace Officers Association, San Diego Metro chapter. PSRM was once again unable to provide the train that once carried the three kings, the Christmas Train volunteers and the gifts for the less fortunate children of Tecate for a sixth year as the daylighting efforts of tunnel 3 are not yet complete. We are hopeful, however, that museum excursion trains will resume by the Spring of this year.

It has been two years since PSRM's operating agreement with SD&AE expired. I respectfully request that the SD&AE Board consider one of the following: agree to renew the original operating agreement with the Pacific Southwest Railway Museum or accept the changes agreed upon between PSRM and PIR in a letter addressed to Mr. Don Stoecklein dated January 14, 2013 and integrate those changes within the operating agreement for a new five year contract. Thank you for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read "Diana M. Hyatt", with a long horizontal flourish extending to the right.

Diana M. Hyatt  
President

January 14, 2013

Mr. Don Stoecklein  
President  
Pacific Imperial Rail  
c/o Stoecklein Law Firm  
401 West A Street, Suite 1150  
San Diego, CA 92101

Re: Our meeting Friday, January 11, 2013

Dear Don:

Please accept this letter as a summary of our meeting held at your office last Friday, January 11, 2013. Those in attendance were: Sheila Lemire, PIR, Don Stoecklein, PIR, Greg Luiz, PSRM Director of Operations, Michael Edwards, PSRM Assistant Director of Operations and myself.

The primary objective for this meeting was to discuss the renewal of PSRM's operating agreement with the Metropolitan Transit System (MTS) and its impact upon the parallel operating agreement between MTS and PIR. This letter is intended to identify the responsibilities and establish the administrative infrastructure with regards to rail operations and traffic control as it pertains to the SDAE railway known as the Desert Line between MP 59.94 and MP 74. It was agreed upon that Pacific Southwest Railway Museum will be identified as the "Host Railroad" and control all rail operations between MP 59.94 and MP 74.0, specifically:

1. All rail traffic will be dispatched by PSRM.
2. PSRM will be responsible for training and qualifying dispatchers in accordance with Federal Railroad Administration (FRA) standards including supervision, testing and record keeping.
3. PSRM will establish and maintain all operating rules, policies, timetables, general orders, track bulletins, road frequencies and procedures for all rail traffic operating between MP 59.94 and MP 74.0 in compliance with all FRA and FCC regulations.
4. PSRM will be responsible for maintaining designated track, structures, and right-of-way to Class 2 Federal standards in compliance with all FRA regulations.
5. PSRM will be responsible for vegetation abatement along the right of way and in compliance with Cal-Fire and California PUC requirements.

6. PIR and PSRM agree that PSRM is unable to assume liability for the grade crossings without maintaining financial responsibility for the public utility service at the two automated grade crossing warning systems located at state highway 94 at the west and east ends of the Campo Valley respectively. PSRM will perform all FRA mandated monthly, quarterly, semi-annual and annual inspections and maintenance and any other inspections and maintenance as necessary.
7. The above points shall not inhibit or restrict PIR's ability to operate freight trains along museum's portion of the Desert Line. PIR freight trains will be dispatched in conjunction with PSRM trains and with minimal delay.
8. This agreement shall remain in effect until such time as it naturally expires or until such time as PIR begins revenue freight rail movement on a consistent basis.

Thank you for your time and attention to this matter. I look forward to a mutually benefitting relationship.

Sincerely,

Diana Hyatt  
President

## **Agenda Item No. 5**

**San Diego and Arizona Eastern (SD&AE)  
Railway Company  
Board of Directors Meeting**

**January 27, 2015**

**SUBJECT:**

**REPORT ON THE DESERT LINE**

**RECOMMENDATION:**

**That the SD&AE Board of Directors receive a report for information.**

**Budget Impact**

**None.**

**DISCUSSION:**

**A report was not submitted in time for the mail-out.**

**Attachment: To be provided at the meeting**

## Agenda

## Item No. 6a

San Diego and Arizona Eastern (SD&AE)  
Railway Company  
Board of Directors Meeting

January 27, 2015

### SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE OCTOBER 21, 2014

### RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a report for information.

#### Budget Impact

None.

### DISCUSSION:

Since the October 21, 2014, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-09-383.1: Lease extension to Cox Communications for a billboard at Euclid Ave. and Market St. in San Diego.
- S200-09-413.1: Lease extension to Cox Communications for a billboard at Harbor Drive and Civic Center Drive in National City.
- S200-09-414.1: Lease extension to Cox Communications for a billboard at 28<sup>th</sup> Street and Harbor Drive in San Diego.
- S200-09-415.1: Lease extension to Cox Communications for a billboard at Imperial Avenue and Merlin Drive in San Diego.
- S200-09-416.1: Lease extension to Cox Communications for a billboard at 32<sup>nd</sup> Street and Harbor Drive in San Diego.
- S200-15-609: Construction and Maintenance Agreement to SDG&E for at-grade private crossings along the Coronado Branch in Chula Vista.

- S200-15-610: Easements to SDG&E for at-grade private crossings along the Coronado Branch in Chula Vista.

## Agenda

## Item No. 6b

San Diego and Arizona Eastern (SD&AE)  
Railway Company  
Board of Directors Meeting

January 27, 2015

**SUBJECT:** F Street Underpass Crossing Interstate 5 in Chula Vista

### **RECOMMENDATION:**

That the SD&AE Railway Company Board of Directors receive a report for information only.

#### Budget Impact

None at this time.

### **DISCUSSION:**

SD&AE and the State of California, Department of Transportation (Caltrans), entered into an agreement dated April 12, 1970, (as amended) to document the parties understanding and responsibilities for construction of Interstate 5 (I-5) through the City of Chula Vista.

As part of the agreement, SD&AE agreed to allow Caltrans to demolish the old railroad crossing from SD&AE's Mainline to its Coronado Branch along F Street and construct a new underpass immediately to the north of the present day F Street Overcrossing. The new F Street Underpass railroad bridge was constructed in Caltrans right-of-way. The 1970 Agreement outlined the respective party's responsibilities and authorities relating to construction and maintenance of highway and railroad facilities.

SD&AE is responsible for the operations and maintenance of the F Street Underpass above the bridge seats as described in the agreements. Currently, SD&AE no longer uses the underpass for active railroad service and has removed the connecting infrastructure from the MTS Mainline. The City of Chula Vista and the County of San Diego are interested in using the underpass as a pedestrian / bicycle path to the City of Chula Vista's Bayfront Development and connection to the Bayshore Bikeway.

MTS, Caltrans, and The City Chula Vista staffs have reviewed all the current documentation and discussed the proposal. It appears that there are no objections to

this plan. However, there are a number of discretionary and ministerial actions that would be necessary to accomplish the plan. MTS, through SD&AE, would need to assign its rights and obligations to the F Street Underpass to the City of Chula Vista subject to reversion back to MTS if in the future railroad service is re-established over the bridge. This action would require approval from Caltrans.

MTS sent correspondence to Caltrans, District 11, for concurrence on working together on the proposal, Attachment A, dated November 10, 2014. Also, MTS sent a letter to the City of Chula Vista documenting the intent to cooperate on the proposal, Attachment B, dated November 17, 2014.

As the project progresses, staff will update the Board and seek direction and/or approvals on agreements as necessary.

**Attachments:** Attachment A - Letter dated November 10, 2014 to Caltrans District 11  
Attachment B - Letter dated November 17, 2014 to the City of Chula Vista



ATTACHMENT A

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

Ms. Laurie Berman  
 District Director  
 California Department of Transportation, District 11  
 4050 Taylor Street  
 San Diego, CA 92110

November 10, 2014

Dear Ms. Berman:

Subject: F STREET UNDERPASS ON INTERSTATE 5 IN CHULA VISTA

MTS purchased the San Diego and Arizona Eastern Railway Company (SD&AE) in 1979. As the sole member of the Nevada non-profit corporation, MTS controls SD&AE's assets and has responsibility for its authorities and obligations. SD&AE and the State of California, Department of Transportation (Caltrans), entered into an agreement dated April 12, 1970, (as amended) to document the parties understanding and responsibilities for construction of Interstate 5 (I-5) through the City of Chula Vista.

As part of the agreement, SD&AE agreed to allow Caltrans to demolish the old railroad crossing from SD&AE's Mainline to its Coronado Branch along F Street and construct a new underpass immediately to the north of the present day F Street Overcrossing. The new F Street Underpass railroad bridge was constructed in Caltrans right-of-way. The 1970 Agreement outlined the respective party's responsibilities and authorities relating to construction and maintenance of highway and railroad facilities.

SD&AE is responsible for the operations and maintenance of the F Street Underpass above the bridge seats as described in the agreements. Currently, SD&AE no longer uses the underpass for active railroad service and has removed the connecting infrastructure from the MTS Mainline. The City of Chula Vista and the County of San Diego are interested in using the underpass as a pedestrian / bicycle path to the City of Chula Vista's Bayfront Development and connection to the Bayshore Bikeway.

MTS and Caltrans staffs have reviewed all the current documentation and discussed the proposal. It appears that there are no objections to this plan. However, there are a number of discretionary and ad ministerial actions that would be necessary to accomplish the plan. MTS, through SD&AE, would need to assign its rights and obligations to the F Street Underpass to the City of Chula Vista subject to reversion back to MTS if in the future railroad service is re-established over the bridge. This action would require approval from Caltrans.

It is MTS desire to work cooperatively towards this end and intend to direct staff to put every effort necessary to process the required documentation and project approvals going forward. MTS requests concurrence from Caltrans to cooperate with this joint effort of the City of Chula Vista and the County of San Diego as this proposal moves forward to final authorization.

Sincerely,

A handwritten signature in dark ink, appearing to read "Paul C. Jablonski".

Paul C. Jablonski  
 Chief Executive Officer - MTS  
 President - SD&AE

Concurred by:

A handwritten signature in dark ink, appearing to read "Laurie Berman".

Laurie Berman  
 District Director, Caltrans District 11

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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.





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San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407



November 17, 2014

Honorable Cheryl Cox  
Mayor  
City of Chula Vista  
276 Fourth Avenue  
Chula Vista, CA 91910

Re: Proposed Pedestrian/Bike Path on F Street Railroad Underpass

Dear Mayor Cox:

You have requested that the City of Chula Vista be allowed to use the F Street railroad bridge (called an "underpass" because Interstate 5 passes under the bridge) as part of its proposed network of bike and/or pedestrian paths. The F Street Underpass was built in 1970 to accommodate a connection between the MTS Coronado Branch and the MTS Mainline railroad. The Coronado Branch line is not currently operating and there are no known plans to operate railroad traffic on this line in the future. The connecting infrastructure to the Mainline has been removed.

Through an agreement with Caltrans, the F Street Underpass was constructed over Caltrans right-of-way. Pursuant to that agreement, MTS is responsible for operations and maintenance of the F Street Underpass above the bridge seats. Caltrans maintains the portions accessible only from Interstate 5.

Because this bridge is not currently used for railroad traffic, MTS is willing to assign its rights and obligations regarding the F Street Underpass to the City of Chula Vista, subject to a reversionary right to take back the property if railroad traffic resumes on this segment. Executive management at MTS, Caltrans and the City have agreed to this proposal.

The next steps to move this project forward include:

1. City staff refining the specific design and location of the proposed bike path;
2. Upon development of a sufficiently detailed and final design and scope of the bike path on MTS-controlled property, the following documents will be drafted and executed:

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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.

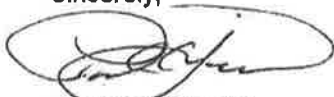


ATTACHMENT B

- a. Assignment of MTS<sup>1</sup> rights and obligations to use the F Street Underpass to the City of Chula Vista, subject to a reversionary right if the property is needed for railroad operations; and
- b. Construction, Maintenance & License Agreement for the use of any other MTS property in the vicinity of the F Street Underpass for this project.

I have directed my staff to work cooperatively with City and Caltrans staff to move this project forward as efficiently as possible. Tim Allison, Manager of Real Estate Assets, has been assigned as the MTS lead. Please have your staff contact him directly at (619) 595-4903 or [tim.allison@sdmts.com](mailto:tim.allison@sdmts.com).

Sincerely,

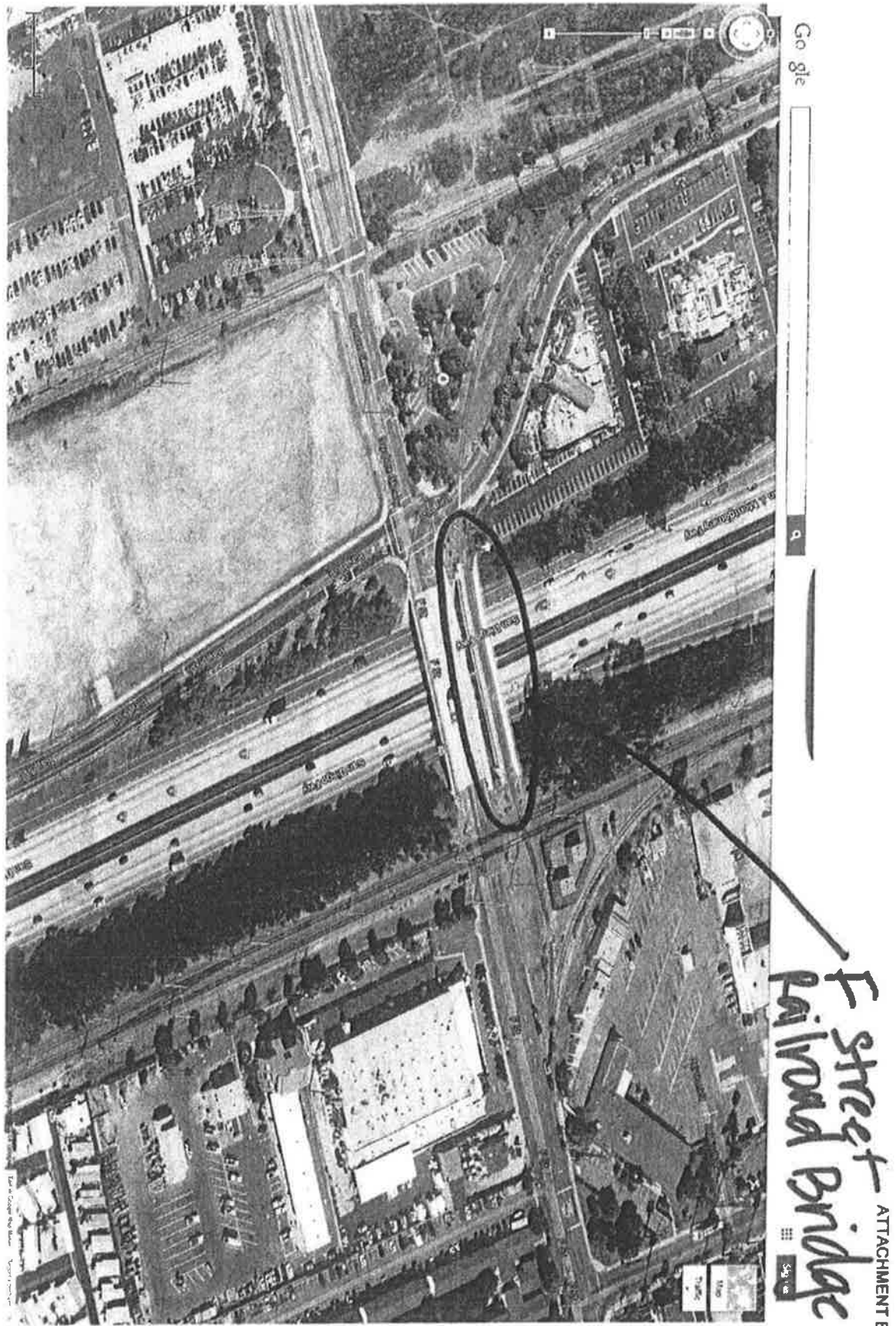


Paul C. Jablonski  
Chief Executive Officer

cc: Laurie Berman, District Director, Caltrans District 11  
Tim Allison, MTS Manager of Real Estate Assets

---

<sup>1</sup> MTS real estate ownership in this area is through its solely owned railroad corporation, San Diego & Arizona Eastern Railway Co.



F Street  
Railroad Bridge

ATTACHMENT B



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

## Agenda Item No. 7

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

February 12, 2015

**Draft for  
Executive Committee  
Review Date: 2/5/15**

**SUBJECT:**

**EXCESS INSURANCE RENEWALS FOR LIABILITY AND WORKERS'  
COMPENSATION PROGRAM**

# This item will be provided with the Board meeting materials





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San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 8

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

February 12, 2015

**Draft for  
Executive Committee  
Review Date: 2-5-15**

#### SUBJECT:

HEWLETT-PACKARD C7000 SERVER PLATFORM

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to issue a Purchase Order to CDW-G for the provision of a Hewlett-Packard (HP) C7000 BladeSystem server platform, including its associated network and storage interconnect modules, as well as software, support, and professional services necessary for the installation, configuration and testing of the equipment. This procurement utilizes the Western States Contracting Alliance (WSCA) / National Association of State Procurement Officials (NASPO) Master Price Agreement Contract Number B27164-CA.

#### Budget Impact

The total cost of this procurement will not exceed \$299,236.16 and the funding and expense itemization are as follows:

MTS Capital Improvement Project: 11380	Hardware:	\$	125,560.98
	Software:		49,715.90
	Installation:		6,599.40
	Tax		10,044.88
		\$	191,921.16
Operating Budget: 532-53910	5 Year Maintenance		107,315.00
Grand Total		\$	299,236.16

Under MTS's Compass Card agreement with North County Transit District (NCTD), NCTD is responsible for 25% of these costs.



## DISCUSSION:

In early 2009, MTS, the San Diego Association of Governments (SANDAG) and NCTD began transitioning from paper fare products to the Compass Card smart card. Under a Memorandum of Understanding between MTS, SANDAG and NCTD, SANDAG's Information Technology (IT) department had the responsibility of operating and maintaining the Compass Card "back office" software programs.

Also, in 2009, SANDAG entered into a five-year agreement with the software developer, Cubic, for software maintenance. The agreement was annually renewable with the last year of service ending on December 12, 2013. In August 2013, MTS and SANDAG negotiated a new agreement with Cubic to continue the service to support daily operations. This was part of the transition of responsibilities of Compass Card program operations from SANDAG to MTS.

In July 2014, MTS took over responsibilities of managing the Compass Card program and all technology-related components including support services from SANDAG.

The Compass Card program operates on a 24 X 7 X 365 schedule, has high visibility and is a critical revenue program for MTS. At this time, the hardware that supports the Compass Card program is out of date and requires replacement.

MTS is standardized on the HP BladeSystem C7000 as a means of providing an economical, flexible, efficient, compact and reliable server platform. MTS currently has two HP C7000's deployed and they have proven to be outstanding general purpose server platforms capable of accommodating all of MTS's business needs. These systems utilize a small footprint and are high-performance, high-efficiency, scalable devices which have allowed MTS to consolidate server, storage, networking and power management into a single solution. The systems are centrally managed and staff is knowledgeable in their configuration and support. MTS will utilize this platform to replace all Compass Card program servers.

The WSCA / NASPO Cooperative Purchasing Organization is a national cooperative purchasing program organized in 2012 by and among the Chief Procurement Officers of all 50 states, the District of Columbia and the organized U.S. territories to create nationwide procurement cooperatives that will leverage the collective procurement expertise and experience among its members. It also leverages the collective bargaining power of all participants in a manner that will spur innovation and promote competition in the marketplace. Agreements awarded by this cooperative procurement organization are results of competitive solicitations.

Staff recommends that the Board authorizes the CEO to issue a Purchase Order to CDW-G for the provision of an HP C7000 BladeSystem which will be used to replace the current end-of-life servers supporting the Compass Card program.



Paul C. Jablonski  
Chief Executive Officer

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



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San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda Item No. 9

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

February 12, 2015

**Draft for  
Executive Committee  
Review Date: 2-5-15**

**SUBJECT:** MIGRATION OF COMPASS CARD PROGRAM "BACK OFFICE" SOFTWARE TO NEW  
HARDWARE

**RECOMMENDATION:**

That the Board of Directors (Board) authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1789.0-15 (in substantially the same format as Attachment A), with Cubic Transportation Systems, Inc. (Cubic), on a sole source basis, for the provision of professional services to migrate all software related to the Compass Card "back office" program from existing hardware to new hardware.

**Budget Impact**

The total cost of this agreement is a firm-fixed price of \$236,531.00, as follows:

Mobilization	\$ 59,132.70
Project Completion	177,398.30
Total	<u>\$ 236,531.00</u>

This project will be funded through the MTS Capital Improvement Program (CIP) project number 11380. Under MTS's Compass Card agreement with North County Transit District (NCTD), NCTD is responsible for 25% of these costs.

**DISCUSSION:**

In early 2009, MTS, the San Diego Association of Governments (SANDAG) and North County Transit District (NCTD) began transitioning from paper fare products to the Compass Card smart card. Under a Memorandum of Understanding (MOU) between MTS, SANDAG and NCTD, SANDAG's Information Technology (IT) department had the responsibility of operating and maintaining the Compass Card "back office" software programs.



Also, in 2009, SANDAG entered into a five-year agreement with the software developer, Cubic, for software maintenance. The agreement was annually renewable with the last year of service ending on December 12, 2013. In August 2013, MTS and SANDAG negotiated a new agreement with Cubic to continue the service to support daily operations. This was part of the transition of responsibilities of Compass Card program operations from SANDAG to MTS.

In July 2014, MTS took over responsibilities of managing the Compass Card program and all technology-related components including support services from SANDAG.

The Compass Card program operates on a 24 X 7 X 365 schedule, has high visibility and is a critical revenue program for MTS. At this time, the hardware that supports the Compass Card program is out of date and requires replacement. MTS has completed a separate procurement for hardware upgrades and is requesting MTS Board approval as a separate agenda item in February 2015.

As the software that makes up the Compass Card program is part of Cubic's proprietary system, MTS must engage Cubic to migrate the software from the old to new hardware. This sole source award is recommended because Cubic software has no licensed third party service providers and all intellectual property rights are held by Cubic.

Staff is recommending that the Board authorizes MTS to contract with Cubic on a sole source basis, for the provision of professional services to migrate all software related to the Compass Card "back office" program to refreshed hardware.

  
\_\_\_\_\_  
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 Standard Service Agreement, MTS Doc. No. G1789.0-15

**ATTACHMENT A  
(DRAFT)**

**STANDARD SERVICES AGREEMENT  
FOR  
COMPASS CARD SOFTWARE MIGRATION**

G1789.0-15  
CONTRACT NUMBER

CIP 11380  
FILE/PO NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, 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: CUBIC Transportation Systems, Inc.

Address: 1308 South Washington Street.

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

Tullahoma, TN 37388

Telephone: (213) 814-5032

Authorized person to sign contracts: Paul McDevitt Project 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 software migration services as described in Cubic Transportation Systems, Inc. Hardware Refresh Scope of Work (attached as Exhibit A), and in accordance with the Standard Conditions Services Agreement, including the Standard Conditions Services (attached as Exhibit B).

Total contract will be a firm fixed price in the amount of **\$236,531.00.**

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>\$ 236,531.00</u>	<u>11380-0200</u>	<u>FY 15</u>

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

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

SA-SERVICES REVISED (REV 6-13)  
DATE



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

## Agenda Item No. 10

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

February 12, 2015

**Draft for  
Executive Committee  
Review Date: 2/5/15**

#### SUBJECT:

FEDERAL DISCRETIONARY STATE OF GOOD REPAIR FUNDING TRANSFER

#### RECOMMENDATION:

That the Board of Directors approve the transfer of \$809,091 of excess State of Good Repair (SGR) funds from the East County Bus Maintenance Facility CNG Station project to the Enterprise Resource Planning (ERP) / Transit Asset Management (TAM) Replacement project.

#### Budget Impact

Funds are available within MTS Capital Improvement Project (CIP) 11482 (ECBMF CNG Station) in the amount of \$809,091 which would be transferred to MTS CIP 11345 (ERP / TAM Replacement).

#### DISCUSSION:

MTS was awarded federal discretionary SGR funding in July 2012, which consisted of \$10,000,000 of funding to support the East County Bus Maintenance Facility (ECBMF) (\$6,000,000 for ECBMF construction and \$4,000,000 for ECBMF CNG Station) project and an additional \$3,000,000 for a TAM system.

The overall ECBMF construction project has been divided into two parts. The San Diego Association of Governments (SANDAG) is overseeing the design-bid-build project for the ECBMF construction and has a budget of \$44,957,017. Due to the considerable experience and knowledge of MTS's own project management staff in regard to construction of CNG stations, MTS is responsible for an additional \$5,000,000 budget for the CNG Station construction project.

The ECBMF construction and CNG Station projects are fully funded. The CNG Station is funded with \$4,000,000 in federal SGR funds and \$1,000,000 of local matching funds. In 2014, the CNG Station was completed and came in \$809,091 under budget.



Per federal grant requirements, the excess SGR funding needs to be spent on either the ECBMF project or the TAM Replacement project.

The TAM Replacement project is part of a larger project to replace MTS's ERP system and is currently not fully funded. Therefore, staff recommends transferring the remaining \$809,091 of funding from MTS CIP 11482 for the ECBMF CNG Station to MTS CIP 11345 for the ERP / TAM Replacement project.

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

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



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## Agenda Item No. 11

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

February 12, 2015

**Draft for  
Executive Committee  
Review Date: 2/5/15**

#### SUBJECT:

UNALLOCATED TRANSPORTATION DEVELOPMENT ACT (TDA) FUNDS FOR  
TRANSIT-RELATED PROJECTS

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to approve the use of \$250,556 in the City of Chula Vista's unallocated TDA funds currently held by the County of San Diego (County). These TDA funds will cover the cost of rehabilitating the John Lippit Public Works Center in the City of Chula Vista.

#### Budget Impact

The use of unallocated TDA funds set aside by the County for transit-related projects in various jurisdictions would have no impact on MTS's operating or capital budgets. This request of \$250,556 will exhaust the entire balance of the total available unallocated TDA funds held by the County for the benefit of the City of Chula Vista.

#### DISCUSSION:

On January 21, 2015, MTS received a request from the City of Chula Vista (Attachment A) for \$250,556 of the City of Chula Vista's portion of the unallocated TDA funds held by the County. The purpose of this request is to rehabilitate the John Lippit Public Works Center which includes the pavement of the transit yard for the City of Chula Vista.

The total available City of Chula Vista's unallocated TDA funds, totaling \$250,556, will be exhausted after this request.



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. Letter from City of Chula Vista





**Public Works Department - Transit Division**

---

January 14, 2015  
File No. DS 022

Mr. Paul C. Jablonski, Chief Executive Officer  
San Diego Metropolitan Transit System  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490

Dear Mr. Jablonski:

**CITY OF CHULA VISTA UNALLOCATED TDA CLAIM**

The City of Chula Vista is requesting City of Chula Vista prior-year, unallocated Transportation Development Act (TDA) funds for the transit yard pavement rehabilitation project. After twelve years of operating transit services from the City's Public Works yard, Transit staff has identified the above mentioned project. On December 12, 2014, the Chula Vista City Council passed a resolution allocating \$261,556 of available City TDA funds for this project. We ask that the MTS Board take action on our behalf in requesting the amount of \$250,556 that is available to the City per SANDAG. Please inform us of any additional requirements and/or procedures we need to complete in order for your agency to process this request. If you need additional information, please call me at 397-6061(o) or 921-9858 (m).

Sincerely,

ANDRES S TRUJILLO  
TRANSIT MANAGER

AST:ast

Attachments

cc: Rick Hopkins, Director of Public Works  
Iracseman Quilantan, Asst. Director of Public Works  
Sookyung Kim, SANDAG  
Eric Cheng, SDMTS

RESOLUTION NO. 2014-247

RESOLUTION OF THE CITY OF COUNCIL OF THE CITY OF CHULA VISTA REQUESTING THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM APPROVE THE USE OF CITY OF CHULA VISTA PRIOR-YEAR UNALLOCATED TRANSPORTATION DEVELOPMENT ACT ARTICLE 4.0 FUNDS IN THE AMOUNT OF \$261,556 FOR THE REHABILITATION OF THE PUBLIC WORKS CENTER/TRANSIT YARD PAVEMENT; ESTABLISHING A NEW CAPITAL IMPROVEMENT PROJECT "PUBLIC WORKS CENTER/TRANSIT YARD PAVEMENT PROJECT" (GG224); AND APPROPRIATING \$261,556 OF TRANSPORTATION DEVELOPMENT ACT FUNDS TO THE GG224 PROJECT

WHEREAS, the City of Chula Vista's transit service has been operating from the John Lippit Public Works Center (PWC) since 2002; and

WHEREAS, the PWC is in need of facility repairs, after twelve years of operating transit services; and

WHEREAS, Public Works staff has recommended the use of City of Chula Vista unallocated prior-year Transportation Development Act (TDA) funds to undertake these repairs; and

WHEREAS, staff has estimated the amount of \$261,556 to complete the recommended repairs that include rehabilitating the PWC yard pavement; and

WHEREAS, the City currently has approximately \$261,556 in unallocated TDA fund that can be used for the above mentioned project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it request that the San Diego Metropolitan Transit System approve the use of \$261,556 in prior-year TDA funds for the rehabilitation of the Public Works Center/Transit Yard pavement and authorize and direct the Director of Public Works to take all actions necessary to secure the funds for this purpose.


BE IT FURTHER RESOLVED by the City Council of the City of Chula Vista that it appropriate \$261,556 to the Transit Capital Projects fund's CIP expense category for the newly established CIP "Public Works Center/Transit Yard Pavement Project" (GG224); this appropriation will be offset by prior-year TDA revenues.


Resolution No. 2014-247

Page No. 2

Presented by

Approved as to form by

  
Richard A. Hopkins  
Director of Public Works

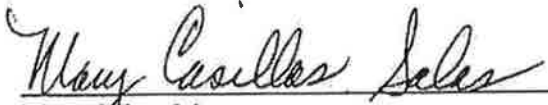
  
Glen R. Gogins  
City Attorney

PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 16th day of December 2014 by the following vote:

AYES: Councilmembers: Aguilar, Bensoussan, McCann and Salas

NAYS: Councilmembers: None

ABSENT: Councilmembers: None

  
Mary Salas, Mayor


ATTEST:

  
Donna R. Norris, CMC, City Clerk

STATE OF CALIFORNIA     )  
COUNTY OF SAN DIEGO    )  
CITY OF CHULA VISTA     )

I, Donna R. Norris, City Clerk of Chula Vista, California, do hereby certify that the foregoing Resolution No. 2014-247 was duly passed, approved, and adopted by the City Council at a regular meeting of the Chula Vista City Council held on the 16th day of December 2014.

Executed this 16th day of December 2014.

  
Donna R. Norris, CMC, City Clerk



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
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## Agenda Item No. 12

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

February 12, 2015

**Draft for  
Executive Committee  
Review Date: 2-5-15**

#### SUBJECT:

THIRD PARTY ADMINISTRATION FOR THE SAN DIEGO TRANSIT CORPORATION  
(SDTC) RETIREMENT PLANS – SINGLE RESPONSIVE PROPOSAL CONTRACT  
AWARD

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to

- 1) execute, as agent for the Retirement Boards of the San Diego Transit Corporation Employees' Retirement Plans (Plan), MTS Doc. No. G1706.0-14 (in substantially the same format as Attachment A) with The Howard E. Nyhart Company, Inc. (Nyhart) for the provision of third party administration services for the Plan for a five-year base period with five one-year optional terms (for a total of 10 years); and
- 2) exercise each option year at the Retirement Boards' discretion.

#### Budget Impact

The total estimated cost of this agreement would not exceed \$309,060. The funding of this expense will be provided by the Plan.

#### DISCUSSION:

Through the San Diego Transit Corporation, MTS participates in the funding of the Plan as a legacy pension plan for SDTC employees. As of June 30, 2014, the Plan has 873 retirees receiving benefits, 648 active employees and 229 vested inactive members.

Effective May 1, 2011, employees in the International Brotherhood of Electrical Workers (IBEW) bargaining unit hired after May 1, 2011 participate in a separate defined contribution IRC 401(a) plan, and effective November 1, 2012, employees in the Amalgamated Transit Union (ATU) bargaining unit hired after November 1, 2012 participate in a separate defined contribution IRC 401(a) plan.



The Plan is managed by Retirement Boards which have plenary authority and fiduciary responsibility for the investment of Plan assets and administration of the Plan. The IBEW Retirement Board consists of three members from MTS and three members from IBEW. The ATU Retirement Board consists of three members from MTS and three members from ATU and the Noncontract Retirement Board consists of three members from MTS.

Since MTS and employee contributions are the sole sources of funding for the Plan, and employee contributions are capped, it is in MTS's best interests to help the Plan control costs and to work closely with the Retirement Boards' chosen third party administrator. Therefore, the MTS procurement department worked with the Retirement Boards and conducted a competitive process to select a new third party administrator. It is proposed that MTS enter into the contract, as the designated agent and contract administrator for the Retirement Board.

MTS Policy No. 52 governing procurement of services requires a formal competitive process for procurements exceeding \$100,000.

On July 18, 2014, MTS issued, on behalf of the Retirement Boards, a Request for Proposals (RFP) for Third Party Administration Services for the Plan to secure a multiyear contract and provide professional services, on behalf of the retirement plans for employees of San Diego Transit Corporation. The services include administering and distributing pension applications, generation and mailing of annual pension statements, tracking participants who have retired on a disability pension, providing a timely customer service and a secure recordkeeping system, and scheduling monthly Pension Board meetings that include pension application presentations.

On September 24, 2014, a single proposal was received from Nyhart, whose proposal satisfactorily met the RFP requirements and was deemed responsive and responsible. To ascertain that the RFP solicitation was properly published and to ensure that its contents were not restrictive, staff conducted a post-proposal survey of potential proposers that chose not to submit a proposal. Based on the responses received, it was determined that there was adequate competition as the reasons for choosing not to submit a proposal were caused by conditions beyond MTS's control.

A selection committee consisting of Retirement Board representatives from the MTS Finance department, ATU and IBEW met and rated the proposals. The ratings were based on the following criteria:

1.	Organizational Structure, Qualifications and Experience of Firm	15%
2.	Proposed Staffing and Management Plan	25%
3.	Proposed Methodology and Work Plan	20%
4.	Cost/Price	<u>40%</u>
		Total 100%

Based on the selection committee's evaluation of the technical proposal, discussions, and analysis of the price offered, it was determined that Nyhart's proposal illustrated a reasonable understanding of the scope of work and offered a knowledgeable and professional management team.

As this is a single responsive proposal, staff performed a cost analysis of the benefits of creating a new position to bring the TPA service in-house as an alternative, and also

compared the independent cost estimate to Nyhart's cost proposal, and determined Nyhart's price to be fair and reasonable (Attachment B).

On January 29, 2015, the SDTC Pension Board voted to recommend that the Board authorize the CEO of MTS, as agent for the Retirement Boards, to execute the contract with Nyhart.

The following table represents the final score for Nyhart:

PROPOSER NAME	TOTAL AVG. TECH. SCORE	AVG. COST SCORE	TOTAL SCORE (Tech + Cost) Total Possible Points: 100
NYHART	36	40	76



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 Standard Services Agreement; Contract G1706.0-14  
B. Cost Analysis

MTS Doc No.: G1706.0-14

**ORIGINAL**

**STANDARD SERVICES AGREEMENT (the "Agreement")  
AMONG**

THE RETIREMENT BOARDS OF THE RETIREMENT PLAN FOR A.T.U. LOCAL 1309 CONTRACT EMPLOYEES OF SAN DIEGO TRANSIT CORPORATION, THE RETIREMENT PLAN FOR I.B.E.W LOCAL 465 CONTRACT EMPLOYEES OF SAN DIEGO TRANSIT CORPORATION, AND THE RETIREMENT PLAN FOR NONCONTRACT EMPLOYEES OF SAN DIEGO TRANSIT CORPORATION,  
METROPOLITAN TRANSIT SYSTEM

**AND**

THE HOWARD E. NYHART COMPANY, INC.  
FOR THE THIRD PARTY ADMINISTRATION SERVICES FOR  
THE RETIREMENT PLAN FOR A.T.U. LOCAL 1309 CONTRACT EMPLOYEES OF SAN DIEGO TRANSIT CORPORATION, THE RETIREMENT PLAN FOR I.B.E.W LOCAL 465 CONTRACT EMPLOYEES OF SAN DIEGO TRANSIT CORPORATION, AND THE RETIREMENT PLAN FOR NONCONTRACT EMPLOYEES OF SAN DIEGO TRANSIT CORPORATION (collectively, the 'Plans')

---

This Agreement is entered into this \_\_\_\_ day of \_\_\_\_\_ 2014, by and among (A) (i) the Retirement Board of the Retirement Plan for A.T.U. Local 1309 Contract Employees of San Diego Transit Corporation, (ii) the Retirement Board of the Retirement Plan for I.B.E.W Local 465 Contract Employees of San Diego Transit Corporation, and (iii) the Retirement Board of the Retirement Plan for Noncontract Employees Of San Diego Transit Corporation (collectively, the Retirement Boards"), (B) the San Diego Metropolitan Transit System (hereinafter MTS), and (C) The Howard E. Nyhart Company, Inc. (hereinafter "Nyhart").

WHEREAS, pursuant to Article XVI, Section 17 of the California Constitution, the Retirement Boards have the responsibility for management of the assets of the Plans; and

WHEREAS, the assets of the Plans are held in a single trust and the Retirement Boards desire to engage the services of a third party administrator with respect to assets of the Plans; and

WHEREAS, Nyhart, as the authorized "Contractor" shall provide third party administration services on behalf of the Plans for employees of the San Diego Transit Corporation as set forth in the Scope of Work (attached as Exhibit A), Nyhart's Proposal dated September 3, 2014 (attached as Exhibit B), in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C); and

WHEREAS, the contract term is for up to a 10-year period (5-year base with five 1-year options exercisable at the Retirement Boards' sole discretion); base period shall be effective December 1, 2014, through November 30, 2019, and Option Years 1 through 5 shall be effective December 1, 2019, through November 30, 2024; payment terms shall be net 30 days from invoice date; total contract cost shall not exceed \$168,762 for the base period and \$140,298 for the option years for a total of **\$309,060**; and

WHEREAS, MTS, a California public agency, is the sole statutory member of San Diego Transit Corporation and, inasmuch as the Retirement Boards do not have any employees or staff to administer and oversee this Agreement, MTS shall act as an agent and contract administrator on behalf of the Retirement Boards; and

WHEREAS, all parties hereto acknowledge and agree that references in the Agreement to MTS shall be deemed to refer to MTS as the agent and contract administrator on behalf of the Retirement Boards, and, without limiting the foregoing, the parties agree that

- (i) the Retirement Boards shall be additional named insureds as provided under Section 2.A(1)(a) of this Agreement;
- (ii) Contractor waives any right of subrogation against the Retirement Boards under Section 2.A(1)(c) of this Agreement;

- (iii) any insurance of the Retirement Boards shall be excess and noncontributory as provided under Section 2.B.11 of the Agreement;
- (iv) the Retirement Boards shall be entitled to indemnification as provided under Section 4 of the Agreement;
- (v) any and all rights to terminate the Agreement, as set forth in Section 3 of the Agreement shall be exercised by the Retirement Boards;
- (vi) any and all rights in connection with the assignability of the Agreement, as set forth in Section 5(a) of the Agreement shall be exercised by the Retirement Boards;
- (vii) ownership of the documents described in Section 18 of the Agreement shall be vested in the Retirement Boards;
- (viii) Exercise of the remedies specified in Section 21 of the Agreement shall be by the Retirement Boards;
- (ix) the Retirement Boards shall be entitled to indemnification as provided under Section 25 of the Agreement; and
- (x) the Retirement Boards shall be entitled to be held harmless as provided under Section 27.E of the Agreement; and

WHEREAS, This Agreement may be amended at any time by mutual written consent; and

WHEREAS, the parties signing below, desire that the recitals set forth above be incorporated into and become part of this Agreement.

IN WITNESS WHEREOF, the parties to this Standard Services Agreement have executed same as of date first above written.

Retirement Board of the Retirement Plan for A.T.U. San Diego Metropolitan Transit System,  
Local 1309 Contract Employees of San Diego a California public agency  
Transit Corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Paul Jablonski,  
Chief Executive Officer

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Retirement Board of the Retirement Plan for  
I.B.E.W Local 465 Contract Employees of San  
Diego Transit Corporation

The Howard E. Nyhart Company, Inc. ("Nyhart")

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Teena M. Sarkissian  
Co-Director, West Coast Operations

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Retirement Board of the Retirement Plan for  
Noncontract Employees Of San Diego Transit  
Corporation

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

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

SA-SERVICES REVISED (REV 2-14)  
DATE

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**3<sup>RD</sup> PARTY ADMINISTRATION SERVICES \_ SDTC PENSION PLAN  
MTS DOC. NO. G1706.0-14**

**COST ANALYSIS**

Description	Nyhart's Proposed Pricing	Independent Cost Estimate (ICE)
Rate per Participant per month (based on est. 835 participants *)	\$37,575	\$37,517
General Misc.	\$ 500	\$ 980
<b>Total Cost – FY15</b>	<b>\$38,075</b>	<b>\$38,497</b>

* Rate per Participant	\$ 3.74	\$ 3.75
------------------------	---------	---------

Description	New MTS Employee – TPA Pension Plan Administrator (In-House Alternative)
Annual Salary	\$ 45,000
Benefits	\$ 32,409
Overhead	\$ 16,341
<b>Total Annual Cost</b>	<b>\$ 93,750</b>
<b>FTE Level</b>	<b>0.5</b>
<b>Estimated Annual Cost</b>	<b>\$46,875</b>



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## Agenda Item No. 13

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

FEBRUARY 12, 2015

#### SUBJECT:

INVESTMENT REPORT – DECEMBER 2014

**Draft for  
Executive Committee  
Review Date: 2-5-15**

#### INFORMATIONAL ONLY

##### Budget Impact

None.

#### DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of December 31, 2014. The combined total of all investments has decreased month to month from \$215.3 million to \$203.1 million. This \$12.2 million decrease is attributable to expenditures of \$10.0 million for acquisition of capital assets, as well as normal timing differences in other payments and receipts.

The first column 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. These restricted funds will be liquidated to satisfy the outstanding debt obligation in full by the end of the calendar year 2015.

The second column, 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 December 2014

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  
December 31, 2014**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<b>Average rate of return</b>
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	9,973,349	9,973,349	0.00%
Total Cash and Cash Equivalents	-	9,973,349	9,973,349	
Cash - Restricted for Capital Support				
US Bank - retention trust account	4,758,582	-	4,758,582	N/A *
San Diego County Investment Pool				
Proposition 1B TSGP grant funds	3,672,380	184,253	3,856,633	
Total Cash - Restricted for Capital Support	8,430,962	184,253	8,615,215	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	19,745,588	48,511,046	68,256,634	0.267%
Total Investments - Working Capital	19,745,588	48,511,046	68,256,634	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	39,433,887	-	39,433,887	
Rabobank -				
Payment Undertaking Agreement	76,816,295	-	76,816,295	7.69%
Total Investments Restricted for Debt Service	116,250,182	-	116,250,182	
Total cash and investments	<u>\$ 144,426,732</u>	<u>\$ 58,668,648</u>	<u>\$ 203,095,380</u>	

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