

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

MINUTES

April 14, 2016

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:05 a.m. A roll call sheet listing Board member attendance is attached.

Chairman Mathis stated that agenda item 30, Silver Line Naming Rights and Sponsorship Agreement, will be deferred to the May 12, 2016 Board meeting.

2. Approval of Minutes

Mr. Minto moved to approve the minutes of the March 17, 2016, MTS Board of Directors meeting. Ms. Zapf seconded the motion, and the vote was 14 to 0 in favor with Mr. McWhirter absent.

3. Public Comments

Louis Pruitt – Mr. Pruitt stated that when he is leaving work he often has to walk miles in order to get home, because the route 901 does not run late enough. He said that it is a dangerous route for him to walk and requested that the route 901 operate until 3:00 a.m.

Mitchel Beauchamp – Mr. Beauchamp discussed some of the ongoing issues with the lack of policing on the Desert Line. He commented about the Coronado Belt Line and stated that there is interest from the Navy and the City of Imperial Beach to access the line. He said that he heard a rumor that a portion of the tracks are to be removed from National City. He also asked about the non-profit status of the San Diego & Imperial Valley Railroad. He asked for leadership from the Board regarding these issues.

Eduard Schmiede – Mr. Schmiede stated that he has ideas on how to increase ridership and would like to share his recommendations with staff.

Michael Horgan – Mr. Horgan asked what the next generation fare system will be. He also asked if the route 280 and 290 buses will have announcements on board similar to the other buses.

CONSENT ITEMS

6. San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at its Meeting on January 19, 2016
7. Authorization to Increase Legal Services Contract with Tyson & Mendes, LLP to Pay Projected Expenses

Action would: (1) approve increasing the spend authority for Tyson & Mendes, LLP contract by \$200,000 to cover anticipated legal expenses; and (2) extend the contract for an additional two years with this firm effective January 1, 2017 through December 31, 2018.

8. Arc of San Diego Interior Bus Cleaning Services - Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0602.1-13, to amend the contract with The Arc of San Diego (Arc) to authorize an additional expense authority of \$216,248.45 for the remainder of the contract term.
9. Rail Welding Maintenance Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL169.0-15, with Morrison Metalweld Process Corp. for the provision of rail welding maintenance services for five years, beginning on May 1, 2016 and ending on April 30, 2021.
10. Investment Report - February 2016
11. Light Rail Vehicle (LRV) Tire Kits - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1285.0-16 with Siemens Industry, Inc., for the purchase of Light Rail Vehicle (LRV) tire kits for up to six years.
12. San Diego Metropolitan Transit System (MTS) Intranet Redesign, Implementation, and Annual Maintenance Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1866.0-16 with Steer Davies & Gleave, Inc. for the provision of redesign and implementation services for MTS's Intranet, as well as, software maintenance services for three (3) years.

Action on Recommended Consent Items

Mr. Roberts moved to approve Consent Agenda Item Nos. 6 – 12. Mr. Cunningham seconded the motion, and the vote was 14 to 0 in favor with Mr. McWhirter absent.

CLOSED SESSION – PUBLIC COMMENTS – Item 24b

Eliot Kevin – Mr. Kevin stated that he has a video to present regarding the ongoing access issue at the San Ysidro transit station. He played the video for the Board.

Oscar Marmol – Mr. Marmol gave his speaking time to Eliot Kevin.

CLOSED SESSION – PUBLIC COMMENTS – Item 24c

Alan Aegerter – Mr. Aegerter stated that he is the manager of the Coronado Shores Association No. 8. He stated that when the Association was formed, they created a Landscape and Recreation Committee. Mr. Aegerter said his association has a complaint about the use of private property for a bus stop and layover area on Avenida de las Arenas. He provided background about the 904 bus stop being approved to be located on their private property in 2011. Mr. Aegerter stated that he is only representing his residents in the El Encanto Tower and he provided some general information about his residents and the tower. He referenced the

pictures in the packet he provided to the Board members. He stated that they are opposed to this bus stop.

Beth Elardo – Ms. Elardo stated that she and her husband own and live in a condo at the Coronado Shores. She said that she is speaking on behalf of herself and the other residents of Coronado Shores to remove the 904 bus stop on their private property. She stated that in 2011, the Coronado Shores invited MTS to use their private street for a bus stop, and in 2015, the Coronado Shores uninvited MTS to use their private street, but MTS is still operating this bus stop. Ms. Elardo stated that she and her husband are attorneys and they, along with four other attorneys, have researched this matter and have the opinion that this bus stop is trespassing on private property. She said that they are asking for the immediate removal of the 904 bus stop on the Coronado Shores property.

CLOSED SESSION

24. Closed Session Items

The Board convened to Closed Session at 9:35 a.m.

- a. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54957.6
Agency: San Diego Trolley, Inc. (SDTI)
Employee Organization: International Brotherhood of Electrical Workers, Local 465 (Representing SDTI Train Operators, Electromechanics, Servicers and Clerical)
Agency-Designated Representative: Jeff Stumbo
- b. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(d)(1) San Diego Metropolitan Transit System v. Grand Central West LLC San Diego Superior Court Case No. 37-2014-00044014-CU-OR-CTL
- c. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION Pursuant to California Government Code Section 54956.9 (One potential case: John Albert Elardo, Sr.; Marion Elizabeth Elardo; Coronado Shores Landscaping & Recreational Committee, et al.)

The Board reconvened to Open Session at 11:18 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board received a report. No vote was taken.
- b. The Board received a report from legal counsel.
- c. The Board received a report and gave direction to staff.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. Silver Line Naming Rights and Sponsorship Agreement (Rob Schupp)

This item was deferred to the May 12, 2016 Board meeting.

Action Taken

No action was taken.

31. Potential Funding Measure (Sharon Cooney)

Sharon Cooney, Chief of Staff, provided a report on the potential funding measure. She noted that SANDAG is proposing to add a funding measure to the November 2016 ballot. Ms. Cooney stated that this would be a 40 year measure, ½ cent sales tax, with a \$288 million annual revenue projection. She stated that the most recent draft, Refined Hybrid Alternative, designates 41.7% of the measure's anticipated revenue for transit capital and operations. Ms. Cooney stated that the measure bridges many of MTS's future funding gaps. She reviewed the various projects and items that could be funded if the measure passes and noted that it would also fund new transit services in the MTS service area. Ms. Cooney reviewed the staff recommendations and asked for comments from the Board.

PUBLIC COMMENTS

Richard Thompson – Mr. Thompson referenced the handout he provided to the Board members. He commented on the funding split between MTS and North County. He also commented on statements made by the Chief Executive Officer in North County.

BOARD COMMENTS

Mr. Gloria commented that he noticed there is no mention of a youth opportunity pass in the program. He advised staff to conduct some cost benefit analyses on some of the other program proposals and to consider adding a youth or student discount proposal to the program.

Ms. Rios asked if the Purple Line would be included as one of the proposed projects in the program. Ms. Cooney replied that the Purple Line is being included as one of the proposed projects.

Mr. Jablonski commented on the arbitrary split in the money allocation between MTS and NCTD. He said that we need flexibility going forward for potential funding options in the future.

Mr. Alvarez asked about the vote that will be taken today. Mr. Jablonski stated that this item is informational and does not require a vote, but it is asking for comments. Mr. Alvarez inquired if MTS has the authority to request a tax. Ms. Cooney replied that MTS can request a tax within our jurisdiction, but it would not be region wide.

Mr. Cunningham stated that Poway staff has recommendations and asked when the deadline is to make any changes. Mr. Jablonski stated that everything MTS would like to see is in the Hybrid Plan and we are not asking for any other changes. Mr. Cunningham asked about the roll out of the funding, if the measure passes. Mr. Roberts commented that there are certain select projects that would start immediately and other projects would be addressed later. Mr. Cunningham inquired if most of the initial money would be allocated to habitat acquisition first. Mr. Roberts replied that is still unknown, but there is a commitment of significant resources that would go to habitat acquisition over the 40 year period.

Mr. McClellan inquired if the public may think the name Refined Hybrid Alternative could mean that MTS is going toward electric buses. Mr. Roberts stated that the name Refined Hybrid Alternative is not meant to imply electric buses for transit.

Mr. Gastil stated that this measure needs to pass and wants to see something that is popular throughout the county to ensure that the measure does pass.

Action Taken

No action was taken.

32. Mobile Ticketing Services Agreement - Contract Award (Rob Schupp)

Rob Schupp, Director of Marketing and Communication, provided a presentation on the mobile ticketing services agreement. He gave a brief overview of the history of mobile ticketing with MTS. He stated that a survey was conducted in 2014 with riders about their cell phone usage, which resulted in a majority consensus that people would like to have mobile ticketing as an option to pay for fares. Mr. Schupp reviewed the Request for Proposals process and presented a video from GlobeSherpa on their mobile ticketing phone application. He provided background about GlobeSherpa and their accomplishments with the mobile ticketing application with other agencies and companies. He presented sample pictures of what the application will look like on mobile devices. Mr. Schupp also reviewed the customer experience, the products that will be available, the security features, fraud prevention, added functionality and implementation.

Mr. Alvarez commented that he read reviews about this product with TriMet and asked if the account problems TriMet experienced had been addressed and fixed for MTS's version. Mr. Schupp replied that has been addressed and this version will not have those problems. Mr. Alvarez inquired about future updates and the cost associated with those updates. Mr. Schupp replied that updates are covered under the contract, but upgrades are not covered under the contract. He noted that it would be an easy process to implement upgrades in the future. Mr. Alvarez asked about fraud protection under the contract. Mr. Schupp replied that GlobeSherpa is compliant with Payment Card Industry Data Security Standards.

Ms. Zapf inquired about the everyday use case commissions. Mr. Schupp replied that means all ticket products will be available on this application. Previously, MTS only used mobile ticketing for special events.

PUBLIC COMMENTS

Colin Parent – Mr. Parent stated that he is representing Circulate San Diego. He referenced the letter that was provided to all Board members and noted that they are in support of this contract.

BOARD COMMENTS

Ms. Zapf inquired about the stored value feature of the application. Mr. Schupp stated that stored value will be an option. He noted that it won't be ready in the first phase, but will be implemented in a later phase. Mr. Jablonski commented that a person can go to a 7 Eleven store and buy a PayPal prepaid card and load that card on the application and then use that money to spend on the various type of fares.

Ms. Salas inquired about the timelines for the different phases. Mr. Schupp replied that the majority of the application features will be launched in August. He stated that other features, such as the ride tap solutions and traditional store value, will be phased in after the initial launch.

Action Taken

Ms. Zapf moved to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1818.0-15 with GlobeSherpa, for the provision of Mobile Ticketing Services for three (3) base years with an option to extend for an additional three (3) years. Mr. Gastil seconded the motion, and the vote was 11 to 0 in favor with Ms. Cole and Messrs. Gloria, McWhirter and Minto absent.

REPORT ITEMS

45. MTS Compass Card Stored Value Payment Option (Larry Marinesi)

Mr. Jablonski stated that the Board had previously requested an update on stored value. He stated that the stored value initiative began a few years ago working with Cubic staff, however it was not successful. He noted that about a month ago, those discussions with Cubic started again. Mr. Jablonski stated that Cubic initially thought it was going to be an easy feature to turn on, but they found there were multiple tasks that needed to be solved before implementation. He said that there have been follow up meetings between Cubic and MTS staff to go through the issues that need to be addressed before turning on stored value. Mr. Jablonski noted that staff and Cubic are working as quickly as they can to solve any issues in finalizing and implementing stored value.

Ms. Salas inquired if Cubic will provide an estimate for what stored value will cost. Mr. Jablonski stated that Cubic will be providing a quote and believes the cost will be over \$50,000. Ms. Salas commented that she is in favor of the stored value option on compass cards to ensure that everyone will have an option for stored value regardless if you have a smart phone or not.

PUBLIC COMMENTS

Colin Parent – Mr. Parent stated that Circulate San Diego is appreciative that MTS staff is making stored value a priority.

BOARD COMMENTS

Mr. Alvarez commented that stored value will normally be used for choice riders and not frequent riders. He asked if there is a potential for stored value to roll out in August with mobile ticketing. Mr. Jablonski stated the timeline will depend on Cubic's analysis of the system, but he hopes it will be available when mobile ticketing is implemented. Mr. Alvarez asked about the length of the contract with Cubic. Mr. Jablonski replied that as long as we have the Cubic system, we will be under contract with Cubic. He noted that a representative from Cubic, Anita Draa, was in the audience to answer any questions. Mr. Alvarez asked Ms. Draa how long she thinks it will take to implement stored value and what else can MTS provide to move forward in the process. She stated that the major requirements are to work on the business roles with MTS. She stated that there are reports that MTS has requested quotes for and the quotes should be available tomorrow. Ms. Draa also stated that the collaboration with MTS will help move the process along. She said there are various ways to use this system and they need to work together to figure out exactly how to implement the system in the specific way MTS needs it to operate. Larry Marinesi, Chief Financial Officer, commented that MTS will be receiving quotes for reports and is also waiting on liability tracking reconciliation reports. Mr. Marinesi stated that they will be receiving those items tomorrow and will have a meeting with Cubic on Monday to go over those materials and start the discussion on how the system will be rolled out to the public. Mr. Alvarez asked if this system will be ready to roll out in August, based on the information that has been provided. Mr. Marinesi replied that he is not sure on the timeline, but is hopeful that it will be ready to launch by that time. He stated that they are working as quickly as possible to implement the system. Mr. Jablonski commented that they are working to get everything done as soon as possible, but it is hard to put a timeline in place because of the unknown issues that can arise during testing and/or implementation. Mr. Alvarez requested for continuous updates on this project.

Action Taken

No action taken. Informational item only.

46. Enterprise Resource Planning/Transit Asset Management Implementation - Final Update (Larry Marinesi)

Mr. Marinesi provided a presentation on the Enterprise Resource Planning/Transit Asset Management Implementation. He reviewed the project background, project scope, procurement process, the accomplishments to date and the functionality improvements. He also discussed what went well during the project, the system benefits, the current status as well as the next steps with the system.

Mr. Jablonski commented that the project is on time and on budget and has been a great success to date.

Action Taken

No action taken. Informational item only.

60. Chairman's Report

There was no Chairman's Report.

61. Chief Executive Officer's Report

Mr. Jablonski reported that he traveled to Sacramento for the second Advanced Clean Transit Workgroup meeting regarding the potential California Air Resources Board mandate on zero emission buses.

62. Board Member Communications

There were no Board Member communications.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

64. Next Meeting Date

The next regularly scheduled Board meeting is May 12, 2016.

65. Adjournment

Chairman Mathis adjourned the meeting at 12:32 p.m.



Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:



Clerk of the Board
San Diego Metropolitan Transit System



General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): April 14, 2016

CALL TO ORDER (TIME): 9:05 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:35 a.m.

RECONVENE: 11:18 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 12:32 p.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:05 a.m.	12:32 p.m.
BRAGG	<input checked="" type="checkbox"/> (Spriggs) <input type="checkbox"/>	9:05 a.m.	12:32 p.m.
COLE	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:05 a.m.	11:40 a.m.
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:05 a.m.	12:32 p.m.
GASTIL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:05 a.m.	12:32 p.m.
GLORIA	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:05 a.m.	11:40 a.m.
MATHIS	<input checked="" type="checkbox"/>	9:05 a.m.	12:32 p.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Ambrose) <input type="checkbox"/>	9:05 a.m.	12:32 p.m.
MCWHIRTER	<input type="checkbox"/> (Arapostathis) <input type="checkbox"/>		
MINTO	<input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>	9:05 a.m.	11:36 a.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:05 a.m.	12:32 p.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:05 a.m.	12:20 a.m.
SALAS	<input checked="" type="checkbox"/> (Miesen) <input type="checkbox"/>	9:05 a.m.	12:32 p.m.
WOIWODE	<input checked="" type="checkbox"/> (Sandke) <input type="checkbox"/>	9:05 a.m.	12:32 p.m.
ZAPF	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:05 a.m.	12:32 p.m.

SIGNED BY THE CLERK OF THE BOARD:

Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL:

Sam Carls