

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

MINUTES

May 12, 2016

1. Roll Call

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

2. Approval of Minutes

Mr. Cunningham moved to approve the minutes of the April 14, 2016, MTS Board of Directors meeting. Mr. McClellan seconded the motion, and the vote was 11 to 0 in favor with Mr. Alvarez, Mr. Roberts, Ms. Salas and Ms. Zapf absent.

3. Public Comments

*Steve Padilla* – Mr. Padilla ceded his speaking time to Miguel Aguirre.

*Miguel Aguirre* – Mr. Aguirre represents Grand Central West, LLC. He discussed the history of the McDonald's building at the San Ysidro Transit Station. He stated that they had a civil engineer prepare an analysis on the structure of the second floor of the McDonald's building. Mr. Aguirre discussed the history and development of the bus access terminal. He commented that the policies are not sustainable and are harming the cross border mobility.

*Jose Sahagun* – Mr. Sahagun is the owner of Rapid Connection, LLC. He stated that he is a member of the Border Transportation Council (BTC). The BTC drafted a letter stating they want Rapid Connection and Tufesa to have exclusive access to their buses from their offices located inside the McDonald's building. He provided a handout to the Board of Directors with his comments and diagrams (handout is included in final meeting packet).

*Lorraine Leighton* – Ms. Leighton inquired about the bus stops being removed from bus route 864. She stated that a bus driver told her that the ramps were only for wheelchairs and not for people on crutches. She also stated that another driver told her they didn't have time to deploy the ramp to enter the bus. Ms. Leighton said that these issues need to be addressed with the training departments.

*John Loomer* – Mr. Loomer commented that buses are becoming less accessible for people in walkers. He said there is not enough seating on the buses. Mr. Loomer stated that he had to let three route 7 buses go by before he was able to have room to sit on the bus with his walker. He provided recommendations on how there could be more seating space on the buses. Mr. Loomer asked if staff could respond to him in a timely manner.

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 April 12, 2016
7. San Diego Metropolitan Transit System (MTS) Heavy Duty Service Trucks - Contract Award  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0637.0-16 with Sunroad Auto LLC, doing business as Kearny Pearson Ford for the purchase of three (3) heavy duty service trucks to support MTS's transit operations.
8. California Governor's Office of Emergency Services (CalOES) California Transit Security Grant Program (CTSGP Funding, Fiscal Year 2015-2016)  
Action would approve Resolution No. 16-11, authorizing the use of, and application for, \$2,779,445 of California CTSGP for capital projects that provide increased protection against security and safety threats, and/or increases the capacity of transit operators to prepare for and provide disaster-response transportation systems.
9. Bus Bench Advertising and Maintenance - Contract Award  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1805.0-15 with Coast United Advertising for the provision of bus bench advertising and maintenance services.
10. Revisions to San Diego Metropolitan Transit System (MTS) Ordinance No. 5, Providing Authority for Taxicab Regulatory Inspectors to Enforce Additional Local and State Ordinances Relating to For-Hire Transportation Regulation  
Action would: (1) Adopt the proposed amendments to Ordinance No. 5, An Ordinance Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II; and (2) Direct publication of a summary of the amendments to Ordinance No. 5.
11. Revisions to San Diego Metropolitan Transit System (MTS) Ordinance No. 11, Providing for the Licensing and the Regulating of Transportation Services Within the City by the Adoption of a Uniform Paratransit Ordinance  
Action would: (1) Adopt the proposed amendments to Ordinance No. 11, An Ordinance Providing for the Licensing and the Regulating of Transportation Services within the City by the Adoption of a Uniform Paratransit Ordinance; and (2) Direct publication of a summary of the amendments to Ordinance No. 11.
12. San Diego Metropolitan Transit System (MTS) SAP Tier 3 Production Support Services - Contract Award  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1865.0-16 with Peloton Alliance; MTS Doc. No. G1911.0-16 with Labyrinth Solutions, Inc., and MTS Doc. No. G1912.0-16 with EPI-USE, for the provision of various SAP Tier 3 Support Services on an as-needed basis for one base-year, and four optional one-year performance periods to be exercised at MTS's sole determination.
13. Investment Report - March 2016

## BOARD COMMENTS – CONSENT ITEMS

Mr. Cunningham commented on consent item number 6 and said that he is pleased to see the progress with the Desert Line. He also commented on consent item number 8 and said he is happy to see this grant application to further fund the security of our transit system.

Ms. Zapf asked about consent item number 8 and if MTS was already approved for the grant money. Mr. Jablonski replied that this item is to approve submitting an application for the grant money. Ms. Zapf asked for clarification on the taxicab ordinance changes. Bill Kellerman, Taxicab Administration Manager, replied that we are authorizing our taxicab inspectors to be able to enforce additional sections already in the California Vehicle Code.

### Action on Recommended Consent Items

Mr. Cunningham moved to approve Consent Agenda Item Nos. 6 – 13. Ms. Zapf seconded the motion, and the vote was 14 to 0 in favor with Mr. Alvarez absent.

## CLOSED SESSION

### 24. Closed Session Items

The Board convened to Closed Session at 9:22 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

The Board reconvened to Open Session at 9:34 a.m.

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

Karen Landers, General Counsel, reported the following:

- a. The Board received a status report from negotiators and no action was taken.

## NOTICED PUBLIC HEARINGS

### 25. Proposed Fiscal Year 2017 Operating Budget (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis, provided a presentation on the proposed fiscal year (FY) 2017 operating budget. Mr. Thompson reviewed the budget development process. He noted that MTS uses a zero based budgeting process and the process begins in December. He reviewed the subsidy revenue assumptions, passenger level revenue assumptions and the revenue projections for FY 2017. Mr. Thompson discussed service levels and expense assumptions for personnel and purchased transportation. He discussed the expense assumptions for energy costs including electricity, compressed natural

gas (CNG), diesel and gasoline. He reviewed the large number of projects within the FY 2017 operating budget. Mr. Thompson discussed the overall expense projections for FY 2017. He reviewed the consolidated revenues less expenses and the five year projection for the operating budget. Lastly, Mr. Thompson discussed the ongoing concerns including the economy; state and local laws impacting operating expenses; energy; ADA Paratransit service levels; trolley capacity constraints; and pension investment returns. Mr. Jablonski noted that the Budget Development Committee (BDC) will begin to meet more frequently regarding some ongoing concerns related to the budget. He noted that some of the impending concerns regard the minimum wage laws, State Transit Assistance (STA) funding, storm water regulations, increase in ADA Paratransit services, and the pension investment returns. Mr. Thompson reviewed the staff recommendation and asked for questions and comments.

## PUBLIC COMMENTS

*Louis Pruitt* – Mr. Pruitt commented about the Access buses. He stated that people 60 years of age and over should be allowed to use that service, in addition to the people with special needs.

*Lorraine Leighton* – Ms. Leighton inquired about bus service if there is a black out in the city. She stated that diesel buses should be kept in service in case there is a black out and the CNG buses cannot be fueled.

## BOARD MEMBER COMMENTS

Mr. Roberts commented that the BDC has met several times and has carefully reviewed the budget documents. He noted that numbers have been adjusted as much as possible to keep MTS in a good position with the budget.

Mr. Gloria inquired if staff will begin using a different system than Excel to conduct the budget process. Mr. Thompson replied that the next budget will be made using SAP. Mr. Gloria inquired about the formula issue resulting in a decline in STA funding. Mr. Jablonski replied that there were questions brought to the State Controller's Office (SCO) regarding the STA formula and as a result, the SCO revamped the formula which resulted in the decrease in funding for many state transit agencies. Mr. Jablonski stated that the California Transit Association (CTA) is working with the transit agencies and they have recently submitted trailer bill language for the state budget which would reverse the funding back to the previous STA formula. He noted that there is no current opposition to the trailer bill language, so it is hopefully that it will be passed. Mr. Gloria asked if MTS can utilize Noble more than SDG&E for energy consumption since Noble's cost is more reasonable. Mr. Thompson replied that we are utilizing Noble as much as possible and are constantly looking to minimize the energy costs. Mr. Gloria inquired about the Transit Optimization Plan and asked if we could see reductions in cost as a result of this plan. Mr. Jablonski replied that it is possible to see cost reductions, but the main purpose of this plan is to validate that the services and operations have been running properly. Mr. Jablonski noted that it will also show what our priorities should be when investing in the future. He said that future money will also depend on the ballot measure.

Ms. Zapf commented on the higher expenses, lower reported ridership, storm water regulation costs and the minimum wage laws. She inquired if the five year projection will be updated to reflect the new minimum wage laws. Mr. Jablonski replied that staff is currently working on completing analyses on storm water regulation costs and minimum wage laws and will be

bringing that report to the BDC for discussion. He said the report can also be brought to the Board for review and discussion. Ms. Zapf inquired about the decrease in ridership. Mr. Jablonski replied that the decrease in ridership has been seen throughout the country. He said the decrease is a result of many things including lower gas prices, increases in people having jobs and making the choice to buy a car.

Mr. Sandke inquired about the status of compass card technology. Mr. Jablonski commented that staff has been meeting frequently with Cubic and they are getting closer to a stored value option. He also stated that we are working on PCI compliance and fare technology. Mr. Jablonski noted that there is an internal task force to work on these matters.

Mr. Cunningham inquired about the increase in San Diego Transit Corporation (SDTC) pension costs. He asked if the change in the mortality rate had already been adopted by CalPERS or if we are out in front of this issue. Mr. Thompson replied that CalPERS has not yet adopted these new mortality rates. Mr. Cunningham asked if there were any other agencies that have adopted the new mortality rate standard. Mr. Marinesi replied that there have been agencies that have adopted it, but he did not have the list at the moment. Mr. Marinesi noted that he would get the list of agencies. Mr. Cunningham asked what our 10 year average return is for the SDTC pension. Mr. Marinesi replied the return is under 6.0%. Mr. Cunningham said he is concerned that a 0.5% change is large and asked whether it would have been better to wait for another year before changing the assumed return on investment. Mr. Marinesi replied that staff worked with both the actuarial consultant and the investment consultant, and they both felt that this was a good step in the right direction to reduce the return from 7.5% to 7.0%. He noted that these evaluations will be reviewed annually. Mr. Cunningham requested that the actuarial consultants come mid-year to discuss this matter further with the Board.

#### Action Taken

Mr. Minto moved to (1) Hold a public hearing, receive testimony, and review and comment on the fiscal year (FY) 2017 budget information presented in this report; and (2) Enact Resolution No. 16-12 adopting the operating and capital budget for MTS and approving the operating budgets for San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services and the Coronado Ferry. Mr. McClellan seconded the motion, and the vote was 14 to 0 in favor with Mr. Alvarez absent.

#### DISCUSSION ITEMS:

30. None.

#### REPORT ITEMS

45. Annual Security Report - January 2015 through December 2015 (Manny Guaderrama)

Manny Guaderrama, MTS Chief of Police, provided the annual security report for calendar year 2015. Mr. Guaderrama reviewed transit enforcement components and staff included in the department. He reviewed the Part I crimes on the trolley and noted that MTS now has access to ARJIS, which is the same program that other law enforcement agencies utilize. He compared the Part I crimes between the ARJIS data and MTS response data, as well as the comparison of Part I crimes between MTS and Los Angeles. Mr. Guaderrama reviewed Part II crimes on the

trolley. He discussed the calls for security service on the bus side, including the Part I crimes and Part II crimes. Mr. Guaderrama discussed the assault statistics and noted that 143 of the 301 assaults on the bus and trolley were on MTS employees. He reviewed the Joint Agency Task Force (JATF) results from February 2015 to February 2016. Mr. Guaderrama provided results for fare inspections and citations. He noted that there was a 12% increase in fare inspections and a 13% increase in citations in 2015. There were 19 special enforcement details, which result in the fare evasion rate on the trolley. The fare evasion rate for 2015 was 2.75%. He discussed the SDM inspection pilot and the results of the increased enforcement on SDM violations. Mr. Guaderrama also discussed quality of life details, the new beat structure, new and future training and the new security contract with Universal Protection Services. Lastly, he discussed future strategies including efficient deployment of resources, a records management system, researching a passenger suspension program and funding opportunities for the JATF.

Ms. Landers commented that she and Mr. Guaderrama are currently working with various community groups in the city and downtown area to find ways to address the quality of life issues in and around the transit system.

Mr. Minto inquired if MTS is involved in the graffiti tracker program. Mr. Guaderrama replied yes. Mr. Minto commented that other jurisdictions should be made aware of new ordinances that are adopted in other cities. Mr. Minto commented that he is pleased to see the proactive steps that have been taken to drive down crime on the system.

Ms. Cole inquired about the differences between the Code Compliance Inspectors (CCIs) and Transit System Security (TSS) officers regarding training and carrying weapons. Mr. Guaderrama replied that the CCIs do not carry firearms, but about 50% of TSS officers do carry firearms. Ms. Cole inquired about the amount training done between CCIs and TSS officers. Mr. Guaderrama replied that most of their training is similar, but MTS does not provide the training for TSS officers. The contractor, UPS, is responsible for the TSS officer training. Mr. Jablonski noted that UPS was recently bought out by Allied Barton.

Ms. Zapf commented that many of the crimes being committed could be coming from the lawless people from the AB 109 early release program and not just homeless people.

#### Action Taken

No action taken. Informational only.

#### 60. Chairman's Report

There was no Chairman's report.

#### 61. Chief Executive Officer's Report

Mr. Jablonski reported that he traveled to Chicago for an emergency APTA Executive Committee meeting, which was paid for by APTA. He also traveled to Washington, D.C. for an APTA Finance Committee.

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 June 9, 2016.

65. Adjournment

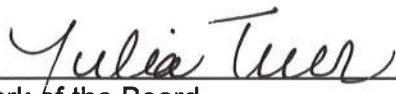
Chairman Mathis adjourned the meeting at 11:17 a.m.



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): May 12, 2016

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

RECESS: \_\_\_\_\_

RECONVENE: \_\_\_\_\_

CLOSED SESSION: 9:22 a.m.

RECONVENE: 9:34 a.m.

PUBLIC HEARING: 10:09 a.m.

RECONVENE: 10:38 a.m.

ORDINANCES ADOPTED: 2

ADJOURN: 11:17 a.m.

| BOARD MEMBER | (Alternate)   | PRESENT<br>(TIME ARRIVED) | ABSENT<br>(TIME LEFT) |
|--------------|---|---------------------------|-----------------------|
| ALVAREZ      | <input type="checkbox"/> (Cate) <input type="checkbox"/>                    |                           |                       |
| BRAGG        | <input checked="" type="checkbox"/> (Spriggs) <input type="checkbox"/>      | 9:04 a.m.                 | 11:17 a.m.            |
| COLE         | <input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>         | 9:04 a.m.                 | 11:17 a.m.            |
| CUNNINGHAM   | <input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>       | 9:04 a.m.                 | 11:17 a.m.            |
| GASTIL       | <input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>        | 9:04 a.m.                 | 11:17 a.m.            |
| GLORIA       | <input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>         | 9:04 a.m.                 | 11:17 a.m.            |
| MATHIS       | <input checked="" type="checkbox"/>   | 9:04 a.m.                 | 11:17 a.m.            |
| MCCLELLAN    | <input checked="" type="checkbox"/> (Ambrose) <input type="checkbox"/>      | 9:04 a.m.                 | 11:17 a.m.            |
| MCWHIRTER    | <input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/> | 9:04 a.m.                 | 11:17 a.m.            |
| MINTO        | <input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>      | 9:04 a.m.                 | 11:17 a.m.            |
| RIOS         | <input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/> | 9:04 a.m.                 | 11:17 a.m.            |
| ROBERTS      | <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>          | 9:06 a.m.                 | 11:17 a.m.            |
| SALAS        | <input checked="" type="checkbox"/> (Miesen) <input type="checkbox"/>       | 9:06 a.m.                 | 11:17 a.m.            |
| WOIWODE      | <input type="checkbox"/> (Sandke) <input checked="" type="checkbox"/>       | 9:04 a.m.                 | 11:17 a.m.            |
| ZAPF         | <input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>         | 9:06 a.m.                 | 11:17 a.m.            |

SIGNED BY THE CLERK OF THE BOARD: Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL: Kamran