

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

June 2, 2016

MINUTES

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:53 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Ms. Bragg moved for approval of the minutes of the April 7, 2016, MTS Executive Committee meeting. Mr. Cox seconded the motion, and the vote was 4 to 0 in favor with Mr. Gloria absent.

OTHER COMMENTS

Mr. Jablonski briefly updated the Executive Committee on the status of the Teamsters Local 542 strike against First Transit. He reported that First Transit and the union had a tentative agreement (TA) and the union members were going to vote on the TA this morning. Mr. Jablonski stated that he will keep the Board updated on the results.

(*Clerk's note: The vote on the TA was subsequently approved and all union workers were scheduled to return to work the following day).

C. COMMITTEE DISCUSSION ITEMS

1. El Cajon Transit Center Joint Development Memorandum of Understanding with the City of El Cajon (Karen Landers and Tim Allison)

Tim Allison, Manager of Real Estate Assets, provided a presentation on the El Cajon Transit Center joint development memorandum of understanding (MOU) with the City of El Cajon. He noted that City of El Cajon staff was in the audience to answer any questions. Mr. Allison reviewed the details of the El Cajon Transit Center. He described the MOU and noted that it would establish roles and responsibilities between MTS and El Cajon to develop a mixed use project at the station. The MTS commitment will be to contribute up to \$50,000 for consultant fees and to provide staff support. Mr. Allison presented visual simulations of the potential property developments at the station.

Action Taken

Ms. Bragg moved to approve the Chief Executive Officer executing the proposed Memorandum of Understanding with the City of El Cajon. Mr. McClellan seconded the motion, and the vote was 4 to 0 in favor with Mr. Gloria absent.

2. Revisions to Ordinance No. 3 (Regulating Parking at MTS Parking Lots) and Board Policy No. 23 (Parking at MTS Facilities) (Karen Landers)

Karen Landers, General Counsel, provided a presentation about updating the ordinance and policy related to parking at MTS facilities. She reviewed the old regulations for

Ordinance No. 3 and noted that it was last updated in 1996; it only covered trolley parking lots; and it had a general maximum parking limit of 24 consecutive hours. Ms. Landers also reviewed the old regulations for Policy No. 23 and noted that it was last updated in 2004; it established criteria for a permit to park in excess of 23 hours; and was limited to trolley stations. She discussed the proposed revisions to Ordinance No. 3 and Policy No. 23. The revisions include covering all MTS parking lots open to the public; allowing the CEO to establish parking hours on a lot-by-lot basis; restricting access to individual lots to transit patrons only and/or charge a fee for use; designating certain parking spaces for special uses; and establishing a permit process to allow overnight parking at designated MTS parking facilities.

Ms. Bragg inquired if the issue of motor homes parking in the lots would be addressed. Ms. Cooney replied that staff is currently working with the Parks and Recreation Department regarding that issue. Mr. Cox inquired if permits could be available online. Ms. Landers replied that the parking permit process is still being researched to determine the best way to issue the permits.

Ms. Landers also noted that both MTS and SANDAG staff are working on a study to evaluate parking demand and the options to restrict parking for transit patrons only. Ms. Landers stated that the changes to Ordinance No. 3 and Policy No. 23 clarify the CEO's authority to make determinations for parking availability and limits.

Action Taken

Mr. Cox moved to forward a recommendation to the Board of Directors that it approve the proposed changes to MTS Ordinance No. 3 and Board Policy No. 23, regulating parking at MTS facilities. Ms. Bragg seconded the motion, and the vote was 4 to 0 in favor with Mr. Gloria absent.

3. Fare Collection Update (Paul Jablonski)

Mr. Jablonski provided an update on MTS's fare collection systems. He discussed the stored value feature and noted that staff has been meeting with Cubic to reinstitute stored value. He stated that the cost will be approximately \$45,000 to implement stored value. Mr. Jablonski noted that MTS has issued a notice to proceed with Cubic, and there will be a pilot in October 2016, with a go-live date in November 2016.

Mr. Jablonski also provided an update on Payment Card Industry (PCI) compliance. He explained that the current Cubic software version is the reason why MTS is not PCI compliant. He stated that not being PCI compliant is not breaking the law, but it is a standard that credit card companies recommend. Mr. Jablonski said that if the current software is updated, we will be able to finish the other necessary requirements to become PCI compliant. He noted that MTS hired a consultant to look at this matter and advise MTS on PCI compliance. The consultant has stated that he is not concerned and does not see any high risks currently. Mr. Jablonski said that staff is still moving forward on becoming PCI compliant. It will cost approximately \$12 million to upgrade the Cubic software to version 7; however that version will only help facilitate MTS becoming PCI compliant and it will not come with other upgraded features, such as an account-based system. Mr. Jablonski said there are two possible alternatives. One option is to upgrade the software to version 7 and also upgrade to a fully loaded system, with state of the art features. The other alternative is to go out into the market and find a whole new system.

Mr. Jablonski said that the first step is to determine what attributes we want in a fare collection system. He stated that they have formed a task force and are in the process of hiring outside consultants to help develop a report detailing what MTS wants for a future fare collection system. After that is complete, staff will conduct site visits with other agencies that have upgraded fare collection systems, and will also explore other options and vendors. Mr. Jablonski stated that staff will provide a more formal report to the Board of Directors in September once they are further into this process. He noted that work is still being done internally to ensure that we are working towards becoming more PCI compliant.

Ms. Bragg commented that it is important to understand riders' payment preferences for riding transit. Mr. Jablonski discussed the different types of fare collection options including mobile ticketing and account based systems, which is a cloud based system versus MTS's current card based system.

Action Taken

No action taken. Informational item only.

D. REVIEW OF DRAFT June 9, 2016 BOARD AGENDA (TAKEN BEFORE CLOSED SESSION)

Recommended Consent Items

6. San Diego Metropolitan Transit System MS4 Phase II - Municipal Permit
Action would authorize the Chief Executive Officer (CEO) to execute Work Order 13.02 to MTS Contract No. G1492.0 with Parsons Brinckerhoff Inc. (Parsons) for MS4 Phase II Municipal Permit Compliance.
7. Enterprise Resource Planning / Transit Asset Management Implementation Services Agreement - Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 9 to MTS Doc. No. G1731.0-15 with Labyrinth Solutions, Inc. (LSI), to upgrade the current SAP Business Warehouse (SAP BW) version 7.4 to SAP BW 7.5, with a migration to the SAP high performance analytic appliance (SAP HANA).
8. San Diego Metropolitan Transit System (MTS) Task Order Contract Approval for Fashion Valley Station Second Elevator Project; Finding that Project is Exempt Under the California Environmental Quality Act
Action would authorize the Chief Executive Officer (CEO) to execute Work Order 13.12 for MTS Doc. No. G1496.0-13 with RailPros, Inc. to perform Design-Engineering Services for the Fashion Valley Station Second Elevator Project ("Project") and find the Project exempt under the California Environmental Quality Act ("CEQA").
9. Transit On Board Video Surveillance System Post-Warranty Maintenance, Repair, and Support Services - Sole Source Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0645.0-16, with Apollo Video Technology (Apollo), on a sole source basis, for the provision of post-warranty maintenance, repair and support services for the MTS bus fleet On Board Video Surveillance System (OBVSS) for two (2) base years with an option to extend for an additional three (3) years.

10. Taxicab Advisory Committee Lease Driver Member Election Results
Action would approve appointing new members to the Taxicab Advisory Committee as stated in the results of the Taxicab Advisory Committee member election.
11. Taxicab Advisory Committee Permit Holder Member Election Results
Action would approve appointing new members to the Taxicab Advisory Committee as stated in the results of the Taxicab Advisory Committee member election.
12. Portable Toilet Rental Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1881.0-16, with Diamond Environmental, for the provision of Portable Toilet Rental Services for five years effective July 1, 2016 through June 30, 2021.
13. Approval to Close Seven (7) J.P. Morgan Chase & Co. Bank Accounts
Action would approve staff's recommendation to close seven (7) J.P. Morgan Chase & Co. bank accounts to consolidate bank activity.
14. HASTUS Regional Scheduling System Annual Software Maintenance and Support Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1883.0-16 with Giro, Inc., on a sole source basis, for the provision of HASTUS Regional Scheduling System (RSS) annual software maintenance and support services for one (1) base year with an option to extend for an additional two (2) years.
15. Investment Report - April 2016
16. Proposed Revisions to San Diego Metropolitan Transit System (MTS) Board Policy No. 52, "Procurement of Goods and Services" and Repeal of Board Policies No. 3, No. 5, No. 14 and No. 54
Action would: (1) Adopt the revisions to MTS Board Policy No. 52, "Procurement of Goods and Services"; (2) Authorize the Chief Executive Officer (CEO) to modify MTS Board Policy No. 52 Exhibit A relating to MTS's Statutory and Regulatory Requirements; (3) Repeal MTS Board Policy No. 3, "Design-Preparation Plans, Specifications and Estimates"; (4) Repeal MTS Board Policy No. 5, "Construction Contract Administration and Contractor Assurances"; (5) Repeal MTS Board Policy No. 14, "Relief from Maintenance and Responsibility and Acceptance of Work on Construction Contracts"; and (6) Repeal MTS Board Policy No. 54, "Rules of Procedure for MTS Administrative Hearings".
17. San Diego Metropolitan Transit System Automobile Leasing Service - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1872.0-16, with Enterprise Fleet Management (Enterprise) for the provision of non-revenue Automobile Leasing Services, for a five (5) year base term and three (3) one year options, exercisable at MTS's sole determination.
18. San Diego Metropolitan Transit System (MTS) Bus Subcomponents Groups A to H - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute five (5) five-year contracts for the provision of bus brake and axle-related subcomponents.

19. Resolution for Affordable Housing and Sustainable Communities (AHSC) Grant Program Joint Application
Action would: (1) Adopt a resolution in support of the Joint Application with Domus Development for the 2015-2016 AHSC grant cycle; and (2) Authorize the Chief Executive Officer to sign a transit agreement with Domus Development for the transfer of funds to MTS for a bus purchase to support additional transit service.
20. Motorola Regional Transit Management System Annual Maintenance and Support Services - Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute Amendment 17 to MTS Doc. No. G0867.0-03 with Motorola, Inc. (Motorola) to extend the Regional Transit Management System (RTMS) post warrant annual maintenance and support agreement by three months, from July 1, 2016 through September 30, 2016.

COMMENTS ON DRAFT BOARD AGENDA

Ms. Bragg inquired about the payment details for agenda item 6. Ms. Landers responded that this agreement is a five year contract to develop and implement a formal plan committing to storm water management and staying in compliance with the State Water Board. Ms. Landers noted that after the five year contract expires, MTS will issue a new contract.

Mr. Jablonski commented on agenda item 30 and noted that the item relates to the mobile ticketing contract. He provided a brief background on the mobile ticketing contract award and stated that the contract was awarded to Globe Sherpa. Bytemark, Inc., which was another bidder for this contract, protested the bid and requested to appeal to the Board. Mr. Jablonski stated that the pricing for Globe Sherpa was higher than Bytemark, Inc. however Globe Sherpa's product is far superior.

Ms. Cooney commented on agenda item 19 and stated that a developer has reached out to MTS to partner on a resolution for Affordable Housing and Sustainable Communities grant program. The grant funding, if approved, would contribute to adding night and weekend bus service in El Cajon over a three year period.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA (TAKEN BEFORE CLOSED SESSION)

There was no SANDAG Transportation Committee agenda discussion.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS (TAKEN BEFORE CLOSED SESSION)

There was no Committee Member Communications and Other Business discussion.

G. PUBLIC COMMENTS (TAKEN BEFORE CLOSED SESSION)

There were no Public Comments.

The Executive Committee convened for Closed Session at 10:41 a.m.

- C4. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS
PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8
Property: 1255 Imperial Avenue, Suite 100, San Diego, California 92101
Agency Negotiators: Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets
Negotiating Parties: Grab & Go Subs California, Inc.
Under Negotiation: Price and Terms of Payment
- C5. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS
PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8
Property: 100 16th Street, San Diego, California 92101
Agency Negotiators: Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets
Negotiating Parties: JMI Realty, Inc.; Chargers Football Company, LLC; City of San Diego
- C6. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS
PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8
Property: The San Diego and Arizona Eastern Railway Company (SD&AE) Desert Line from approximate Mile Post 60 to approximate Mile Post 130 (Division to Plaster City) in San Diego and Imperial Counties
Agency Negotiators: Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets
Negotiating Parties: Pacific Imperial Railroad, Inc. (PIR)
Under Negotiation: Price and Terms of Payment under Desert Line Lease and Operating Agreement

The Executive Committee reconvened from Closed Session at 11:30 a.m.

Oral Report on Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- C4. The Executive Committee received a report and authorized negotiations for a lease.
- C5. The Executive Committee received an update on the status of negotiations and gave instructions.
- C6. The Executive Committee received a report and gave instructions to negotiators.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for July 7, 2016, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

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

A handwritten signature in black ink, appearing to read "Zach Mathis", written over a horizontal line.

Chairman

Attachment: A. Roll Call Sheet

EXECUTIVE COMMITTEE
SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ROLL CALL

MEETING OF (DATE) June 2, 2016

CALL TO ORDER (TIME) 9:53 a.m.

RECESS _____

RECONVENE _____

CLOSED SESSION 10:41 a.m.

RECONVENE 11:30 a.m.

ADJOURN 11:30 a.m.

BOARD MEMBER				(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BRAGG	<input checked="" type="checkbox"/>	(Rios)	<input type="checkbox"/>		9:53 a.m.	11:30 a.m.
MCCLELLAN	<input checked="" type="checkbox"/>	(McWhirter)	<input type="checkbox"/>		9:53 a.m.	11:30 a.m.
GLORIA	<input type="checkbox"/>	(Cole)	<input type="checkbox"/>			
MATHIS	<input checked="" type="checkbox"/>				9:53 a.m.	11:30 a.m.
ROBERTS	<input type="checkbox"/>	(Cox)	<input checked="" type="checkbox"/>		9:53 a.m.	11:30 a.m.
Transportation Committee Rep Slot (Mathis)						

SIGNED BY THE CLERK OF THE BOARD:

Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL:

Rachel Cervoni