

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

MINUTES

December 8, 2016

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased].

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:10 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Minto moved to approve the minutes of the November 10, 2016, MTS Board of Directors meeting. Mr. McWhirter seconded the motion, and the vote was 14 to 0 in favor with Mr. Cunningham absent.

3. Public Comments

Richard Lujan – Mr. Lujan commented about the bus stops in Lomita Village. He stated that other areas have recently gone through beautification processes, but Lomita Village continues to have poor bus stops with no benches and poor accessibility. Mr. Lujan recommended for the Board Members to go and see the Lomita Village area in person to see the poor conditions of the bus stops.

Angelina Lujan – Ms. Lujan gave her speaking time to Richard Lujan.

Mike Aguirre – Mr. Aguirre was not present to speak.

Chris Olson – Mr. Olson commented on behalf of the community of Pacific Beach. He stated that he was at the previous Board meeting and presented the Board Members with a petition to approve their application to relocate their Farmers Market to Garnet Avenue. Mr. Olson said that they have not received a response from MTS regarding this request. He stated that the petition is continually getting more signatures in support. Mr. Olson said that he will come to next month's Board meeting to speak about this matter again.

Gretchen Newsom – Ms. Newsom commented on behalf of IBEW Local 569. She stated that the new MTS bus shelters being installed by Clear Channel are not being installed correctly, leaving hazards for employees and the public. She said that Clear Channel is not using trained California State certified electricians. Ms. Newsom said that MTS needs to take accountability for the bus shelters to ensure the public is protected from the electrical work that is being done. Ms. Newsom provided a packet to the Board Members of support materials including pictures of the installations. A full transcript of Ms. Newsom's comments is included in the final Board meeting packet.

Mr. Alvarez requested responses to be provided for the three public comments discussed today. Chairman Mathis stated that staff will provide responses to these comments. Mr. Jablonski noted that MTS previously provided the Board a written response regarding the Pacific Beach Farmers Market request and can provide that response again.

CONSENT ITEMS

6. On-Call Tree Trimming and Removal Services for the San Diego Trolley - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL199.0-16 with Singh Group, Inc., a Disadvantaged Business Enterprise (DBE), for on-call tree trimming and removal services for a three (3) year period.
7. Proposed Revisions to San Diego Metropolitan Transit System (MTS) Board Policy No. 41, "Signature Authority", and Repeal of MTS Board Policy No. 4, "Construction Contract Change Orders"
Action would: (1) Approve the proposed revisions to MTS Board Policy No. 41, "Signature Authority"; and (2) Repeal MTS Board Policy No. 4, "Construction Contract Change Orders".
8. MTS Sale of 2007 45' Bluebird Express Commuter Bus to Transdev Services, Inc.
Action would authorize the negotiated sale of MTS Vehicle No. 8511 (2007 45' Bluebird Express, VIN # 1BAGRBFA07W100519) to Transdev Services, Inc.
9. Approval of Route 950 Major Service Changes
Action would approve making permanent the pilot major expansion of Route 950 service that began in January 2016.
10. Architectural and Engineering (A&E) On-Call Services - Master Agreements Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS A&E On-Call master agreements with HDR Engineering, HNTB, Kimley Horn & Associates, Jacobs Engineering, Hatch Mott MacDonald, Dokken Engineering, Pacific Railway Enterprises, Nasland, and Global Signals Group following successful negotiations with each firm for the provision of On-Call A&E services for a five-year agreement.
11. Disadvantaged Business Enterprise (DBE) and Labor Compliance Consulting Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute the following contracts for DBE and Labor Compliance Consulting Services for a five (5) year period: (1) MTS Doc. No. G1964.0-17 with GCAP Services, Inc. (certified DBE firm) for the DBE Consulting Services; and (2) MTS Doc. No. G1965.0-17 with Gafcon, Inc. for the Labor Compliance Consulting Services.
12. Investment Report - October 2016
13. S70 and SD100 Printed Circuit Boards - Sole Source Purchase Order
Action would authorize the Chief Executive Officer (CEO) to issue a purchase order to Siemens Transportation Systems Corporation (Siemens), on a sole source basis, for the purchase of printed circuit boards and related items.
14. Transit Smart Cards - Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1926.0-16 with Paragon Magnadata, Inc. for the provision of Transit Smart Cards for three (3) base years with two (2) 1-year options, exercisable at MTS's sole discretion.

Action on Recommended Consent Items

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

CLOSED SESSION – PUBLIC COMMENTS

Joshua Stolz – Mr. Stolz is the Vice President of the Public Transit Employees Association (PTEA). He stated that he hopes the Board Members will be involved in the contract negotiations with PTEA and SDTI. Mr. Stolz said that they have been working under the same contract with no raise for three years. He stated that he has seen many employees leave due to the lack of progress and said that they are hoping that a contract will be finalized soon.

CLOSED SESSION

24. Closed Session Items

The Board convened to Closed Session at 9:20 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: Public Transit Employees Association (Representing SDTI Train Operators, Electromechanics, Servicers and Clerical Staff)
Agency-Designated Representative: Jeff Stumbo
- b. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(d)(1) Paul Roberts v. San Diego Metropolitan Transit System San Diego Superior Court Case No. 37-2016-00007000-CU-PA-CTL

The Board reconvened to Open Session at 9:32 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board received a report from staff.
- b. The Board received a report and gave instructions to staff.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS:

30. Fare Collection Update and Whitepaper (Sharon Cooney)

Sharon Cooney, Chief of Staff, provided an update on the fare collection system and the fare collection whitepaper. Ms. Cooney noted that the current fare collection system is out of date. She discussed Payment Card Industry Data Security Standard (PCI-DSS) and the requirements needed to become compliant. She said that MTS's immediate options include upgrading the current Cubic system to the latest version of NextFare software or to procure a new system. Ms. Cooney discussed the planning process for modernizing the fare collection system and she reviewed the different Cubic proposals to MTS. The first proposal from Cubic, Option A, would upgrade the software to the latest version of NextFare and Webtix replacement. The second proposal, Option B, would upgrade the system to the latest version of NextFare and include Webtix replacement plus NextAccount, which is an account-based software system. Ms. Cooney noted that staff is taking a parallel path and developed a fare collection whitepaper to help develop more specific sets of items recommended for the fare collection system for the region.

She introduced Alan Cheng, with CH2M, who was hired as the consultant to help develop the fare collection whitepaper. Mr. Cheng stated that their recommendations are outlined in the whitepaper which helps detail and outline what the best practices and options would be going forward for MTS and the region. As part of the whitepaper, MTS hosted a peer agency workshop for other transit agencies from around the country to discuss their respective fare collection systems. Ms. Cooney reviewed the recommendations from the peer agency workshop and the ideal system components. The ideal system components include having an account based system; open architecture (non-proprietary hardware and software); better back office hosting and data reporting; and enhanced security features. Ms. Cooney reviewed the cost estimates and funding options for a next generation fare system, as well as the requirements needed from the next generation vendor. She stated that the current recommendation is to develop a detailed concept of operations to determine whether an upgrade or a full replacement is the best option. The development of the concept of operations will take approximately four to six months.

Robert Borowski, Enterprise Business Solutions Manager, provided the latest update on MTS becoming fully PCI-DSS complaint. He stated that staff has already begun working towards becoming compliant; however there are other requirements that will need to be fulfilled. Mr. Borowski reviewed the different options to become PCI-DSS compliant which include upgrading the fare system software or procuring a new system.

Ms. Cooney provided an update on stored value. She stated that stored value is in the final testing stages and we are planning to go live in mid-late January. Stored Value will be coined as Compass Cash.

Mr. McWhirter asked if a full replacement is inevitable and whether or not continuous upgrades to the software are the right path. Mr. Jablonski replied that the industry is changing and the technology is constantly evolving. He said that the technology is still being developed and there are risks to putting out a new technology that is not quite ready yet however we do want to eventually get to an account based system. By doing the concept of operations, it will help to develop the best path forward.

Mr. Minto asked if the upgraded software would be cloud based. Ms. Cooney said that the NextAccount software system would be a cloud based system. Mr. Minto asked if there is a way to receive residuals from paying a vendor to develop specific software that can be used at other transit agencies. Mr. Cheng replied that many transit agencies request personalized and specific software that has to be developed and those transit agencies will have to pay for those personalized software services. He also stated that his recommendation would be to avoid new software due to it having risks of being untested. Mr. Minto commented that it would be helpful to be able to make updates and changes in the future. Mr. Cheng stated that is one of the most important components of their recommendations is to require open architecture which will allow for anyone or any company to make updates or changes to the system.

Mr. Alvarez commended staff and the consultants for putting together such an informative and thorough report. He asked about the comparison of MTS to other peer transit agencies related to ridership numbers and annual revenue from fare collection. Ms. Cooney replied that MTS's annual ridership is about 93 million and fare collection revenue for FY 16 was \$106 million. Mr. Alvarez asked when the customer experience will be analyzed. Ms. Cooney replied that MTS conducts customer satisfaction surveys every year to analyze the public's opinion. Mr. Cheng commented that presenting the customers with specific options to choose from rather than polling customers with a blank question has been found to be most successful. Mr. Alvarez inquired about the contract negotiations and who would be hired to help assist with that process. Ms. Cooney replied that a consultant who has done similar procurements at other transit agencies would be hired to assist in that process. Mr. Alvarez asked about the account based system. Ms. Cooney replied that the benefit of the account based system is that there is not as much of a need to manage the hardware, which allows for more reliability of the software and system. Mr. Alvarez asked what North County Transit District's share would be for this system. Ms. Cooney replied it would be approximately 25%. Mr. Alvarez asked if convenience fees could be assessed for riders who use credit cards. Mr. Jablonski replied that aspect will be discussed for the future. Lastly, Mr. Alvarez asked about the PCI-DSS upgrades and why there would still be items to be addresses even with an upgrade to the system. Ms. Cooney replied that other items such as standard operating procedures and internal controls will still need to be updated too. Mr. Alvarez stated that he is pleased to see the progress being made on the implementation of Stored Value.

Mr. Woiwode asked about the concept of operations process and next steps going forward. Ms. Cooney replied that the next steps going forward will be for staff to come back to the Board for approval of the consultant contract for the concept of operations.

Action Taken

No action taken.

REPORT ITEMS

45. Operations Budget Status Report for October 2016 (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis, provided a presentation on the operations budget status report for October 2016. He reviewed the total operating revenues; total operating expenses; and total operating variance. Mr. Thompson also discussed ongoing concerns including sales tax subsidy revenue, State of California budget, passenger levels, and energy levels.

Action Taken

Informational item only. No action taken.

46. Transit Optimization Plan (TOP) Update (Denis Desmond)

Denis Desmond, Manager of Planning, provided an update on the TOP. Mr. Desmond provided a background on the TOP and the project schedule. He discussed the results of the community survey and market analysis goals including current housing and employment density; regional plan 2050 countywide projections; population and employment; high jobs to population ratios; low jobs to population ratios; San Diego commuters; senior density; youth density; college-age density; minority density; low-income density; zero-vehicle households; population growth – past and projected; northbound pedestrian border crossings; and age trends. Mr. Desmond also discussed the results of the service evaluation goals including historical trends; ridership by time of day; weekday ridership; Saturday and Sunday ridership; productivity; farebox recovery; subsidy per passenger; and slow routes. Mr. Desmond stated that the service implementation strategy is to address market and performance issues. Lastly, he discussed next steps for the TOP process.

Chairman Mathis and the Board Members commended Mr. Desmond on a thorough and extremely informative report.

Ms. Salas asked about survey distribution and why there was such a low response rate in the south bay area. Mr. Desmond replied that some of the areas and zip codes were added together and some are spread out among several responses. He noted that the responses are well represented in all communities. Mr. Desmond also stated that the survey was conducted in four different languages.

Mr. Roberts noted that there is not much difference displayed on the graphing maps between current housing statistics and 2050 projections. He also commented on the onset of automated driving vehicles and how that will affect us in the future.

Ms. Cole inquired about the timeline for addressing factors such as the time and convenience issues that were noted in the customer surveys. Mr. Desmond said that over the next two months staff will be coming up with proposals to bring to the community for review and opinions.

Mr. Jones commented on the statistics provided in the report and how those statistics will be affected since Measure A was not passed.

Mr. Woiwode noted that the population and employment results for the military bases do not seem to capture the correct numbers. Mr. Desmond replied that staff has noted that and the numbers will be adjusted. The company that conducted this survey handles those statistics differently and that is why those numbers appear to be incorrect.

Mr. Jablonski commented that due to Measure A not passing, staff will begin a budget analysis early next year in order to better analyze future funds.

Mr. Alvarez asked if he could be sent the raw numbers for farebox recovery and subsidy per passenger numbers. Mr. Desmond replied that he will provide that information. Mr. Alvarez asked for legal counsel to research MTS's authority to pursue its own funding measure.

60. Chairman's Report

Chairman Mathis commented that he attended the propane fuel bus media event yesterday. The propane-fueled buses will be used for Access service. He stated that this type of fuel is environmentally responsible and will continue to help lower the emissions in the region.

61. Chief Executive Officer's Report

Mr. Jablonski reported the following business travel: from November 15th to November 17th, he traveled to Oakland for the California Transit Association Annual Conference; and on December 1st, he traveled to Las Vegas to speak at the Las Vegas Transportation Resource Advisory Committee, which was paid for by that agency.

62. Board Member Communications

Chairman Mathis noted that this was Mr. Woiwode's last meeting and thanked him for all of his participation and great service.

63. Additional Public Comments on Items Not on the Agenda

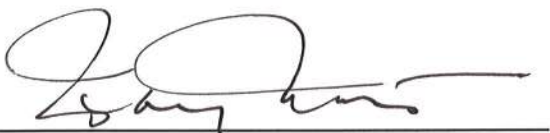
There were no additional public comments.

64. Next Meeting Date

The next regularly scheduled Board meeting is January 19, 2017.

65. Adjournment

Chairman Mathis adjourned the meeting at 11:27 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): December 8, 2016

CALL TO ORDER (TIME): 9:10 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:20 a.m.

RECONVENE: 9:32 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:27 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:10 a.m.	11:27 a.m.
BRAGG	<input checked="" type="checkbox"/> (Spriggs) <input type="checkbox"/>	9:10 a.m.	11:00 a.m.
COLE	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:10 a.m.	11:27 a.m.
CUNNINGHAM	<input type="checkbox"/> (Mullin) <input type="checkbox"/>		
GASTIL	<input type="checkbox"/> (Jones) <input checked="" type="checkbox"/>	9:10 a.m.	11:27 a.m.
GLORIA	<input type="checkbox"/> (Cate) <input checked="" type="checkbox"/>	9:10 a.m.	11:27 a.m.
MATHIS	<input checked="" type="checkbox"/>	9:10 a.m.	11:27 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Ambrose) <input type="checkbox"/>	9:10 a.m.	11:27 a.m.
MCWHIRTER	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:10 a.m.	11:27 a.m.
MINTO	<input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>	9:10 a.m.	11:27 a.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:10 a.m.	11:27 a.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:10 a.m.	11:15 a.m.
SALAS	<input checked="" type="checkbox"/> (Miesen) <input type="checkbox"/>	9:10 a.m.	11:27 a.m.
WOIWODE	<input checked="" type="checkbox"/> (Sandke) <input type="checkbox"/>	9:10 a.m.	11:27 a.m.
ZAPF	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:10 a.m.	10:55 a.m.

SIGNED BY THE CLERK OF THE BOARD: Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL: Rau C