

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

January 12, 2017

## 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. Roberts moved for approval of the minutes of the December 1, 2016, MTS Executive Committee meeting. Mr. McClellan seconded the motion, and the vote was 4 to 0 in favor with Ms. Cole absent.

C. COMMITTEE DISCUSSION ITEMS

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

This item takes nominations to appoint a primary representative and alternate representative for the San Diego Association of Governments (SANDAG) Transportation Committee.

Action Taken

Mr. McClellan moved to nominate Harry Mathis, Chairman of the MTS Board of Directors to serve on the SANDAG Transportation Committee for the 2017 calendar year as the primary representative. Ms. Rios seconded the motion, and the vote was 3 to 0 in favor with Ms. Cole absent and Mr. Mathis abstaining.

Mr. McClellan moved to nominate Lorie Bragg from the MTS Board to serve on the SANDAG Transportation Committee for the 2017 calendar year as the alternate representative. Ms. Rios seconded the motion, and the vote was 4 to 0 in favor with Ms. Cole absent.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS (TAKEN OUT OF ORDER)

Mr. Jablonski provided a brief update on the recent issues with fraudulent activity on Webtix (MTS's online website to purchase fare products). He stated that internal staff just completed creating a new in-house Webtix program which contains more security features. Mr. Jablonski noted that by creating the program in-house instead of having Cubic update the program, it saved MTS approximately \$900,000 and six months of time. He stated that the new program was launched last night and is working well.

C. COMMITTEE DISCUSSION ITEMS (continued)

2. San Diego Transit Corporation (SDTC) Pension Investment Status (Jeremy Miller, Representative from RVK and Larry Marinesi)

Larry Marinesi, Chief Financial Officer, introduced Jeremy Miller with RVK and Anne Harper with Cheiron Inc. He noted that Mr. Miller will provide the first presentation regarding pension investment and Ms. Harper will provide the second presentation regarding the actuarial valuation.

Mr. Miller provided a presentation on the SDTC Pension Investment Status. He prefaced the presentation by noting that the past year of the plan has not been ideal however the entire life of the plan has done well. Mr. Miller continued the presentation and discussed the investment structure as of June 30, 2016; the investment details of the plan; fiscal year performance for 2016; performance details as of June 30, 2016; and performance details for fiscal year to date in 2017.

Action Taken

No action taken. Information item only.

3. San Diego Transit Corporation (SDTC) Employee Retirement Plan's Actuarial Valuation as of July 1, 2016 (Anne Harper of Cheiron Inc. and Larry Marinesi)

Ms. Harper provided a presentation on the SDTC employee retirement plan's actuarial valuation as of July 1, 2016. She provided an overview of the actuarial experience study which was completed in April 2016. Ms. Harper reviewed the plan cost changes as well as the breakdowns for plan costs by source including normal costs, UAL payments and administrative expenses. Alice Alsberghe of Cheiron Inc. continued the presentation and discussed the plan history related to contributions, funding, and active membership. Ms. Harper discussed the plan's composition and the plan's future projections. Lastly, she reviewed the projected total contributions and projected funded ratio.

Action Taken

Ms. Rios 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, 2016, and adopt the pension contribution amount of \$15,087,407 for fiscal year 2018. Mr. McClellan seconded the motion, and the vote was 4 to 0 in favor with Ms. Cole absent.

4. Potential for MTS Sales Tax Ballot Measure (Karen Landers)

Karen Landers, General Counsel, provided a presentation on the potential for MTS to issue a sales tax ballot measure. She reviewed specific sections in the California Constitution and MTS's enabling legislation which states that MTS is not authorized to pursue its own sales tax measure. Ms. Landers noted that SANDAG is allowed to pursue a tax measure on behalf of MTS. She stated that current state law does not authorize MTS-only sales tax measure and a statutory amendment would be required to allow for an MTS-only sales tax measure. Ms. Landers said that there are two options MTS could take which would amend either the MTS statute or the SANDAG statute to either

authorize MTS to directly pursue a sales tax measure to fund MTS projects and operations; or authorize SANDAG to pursue a more narrow sales tax measure (non-county-wide) within the existing framework.

Ms. Landers noted that in her research she found a 1965 code section that would allow the County of San Diego to create the San Diego County Transit District which would then be allowed to issue a property tax. She explained that she is still researching this option however there could be a few issues regarding jurisdiction and establishment of the Board. Mr. Roberts suggested possibly looking into amending that specific statute. Ms. Landers said that she will continue to research this matter and bring it back to the Board. She said there was also another potential item in MTS's existing legislation that says MTS could fall under a special benefit assessment district however that legislation is set to expire in 2021. This option, if done quickly, would allow funds from property taxes to be used for capital projects and equipment only. Ms. Landers stated that this item will be provided to the Board at next week's meeting for further discussion.

Action Taken

No action taken.

D. REVIEW OF DRAFT January 19, 2017 BOARD AGENDA (TAKEN BEFORE CLOSED SESSION)

Recommended Consent Items

6. Solar Powered Rail Lubricators - Contract Award  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1342.0-17 with Zemarc Corporation for the provision of up to 16 solar powered rail lubricator kits.
7. Proposed Revisions to San Diego Metropolitan Transit System (MTS) Board Policy No. 44, "Travel Expense Policy"  
Action would approve the proposed revisions to MTS Board Policy No. 44, "Travel Expense Policy".
8. Siemens Industry, Inc. (Siemens) Traction Power Substations (TPSS) Procurement: Release for Exercising TPSS Option Notice - Up to an Additional 17 TPSS  
Action would authorize the Chief Executive Officer (CEO) to issue a Release for Exercising TPSS Options Notice to Siemens for the purchase of up to 17 TPSS.
9. MTS Sale of 2014 Ford E450 Starcraft Paratransit Bus to First Transit Inc.  
Action would authorize the negotiated sale of MTS Vehicle No. 3936 (2014 Ford E450 Starcraft, VIN #1FDFE4FS7EDB17985) to First Transit, Inc.
10. Green Line Train to Wayside Communications (TWC) System Upgrade - Contract Award  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL214.0-17 with Global Signals Group, Inc. (GSG) for TWC system upgrade.
11. Courthouse Station - Purchase New Shelters - Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1328.0-17 with Tolar Manufacturing Company, Inc. for the purchase of Courthouse Station Shelters.

12. Investment Report - November 2016
13. 2017 State and Federal Legislative Programs  
Action would approve staff recommendations for 2017 federal and state legislative programs.
14. Fare Collection Concept of Operations - Contract Award  
Action would: (1) Ratify the Chief Executive Officer's approval of a contract (MTS Doc. No. G1923.1-16) with CH2M for Support for Fare Collection System Design Decision Process in the amount of \$38,594.70; and (2) authorize the Chief Executive Officer (CEO) to extend the contract with CH2M (MTS Doc. No. G1923.1-16) for an additional \$252,596.00, consistent with draft Amendment No. 2.
15. San Diego Trolley, Inc. (SDTI) Internal Revenue Service-Required Pension Resolution  
Action would adopt the Resolution No. 17-1 that would allow SDTI employees to make pension contributions on behalf of the Employer on a pre-tax basis.

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 10:05 a.m.

- C5. CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS Pursuant to California Government Code Section 54957.6  
Agencies: San Diego Transit Corporation (SDTC) and San Diego Trolley, Inc. (SDTI)  
Employee Organization: Public Transit Employees Association (PTEA) (Representing SDTI Train Operators, Electromechanics, Servicers and Clerical Staff)  
Employee Organization: International Brotherhood of Electrical Workers, Local 465 (Representing SDTC Mechanics and Servicers)  
Employee Organization: International Brotherhood of Electrical Workers, Local 465 (Representing SDTI Flaggers)  
Agency-Designated Representative: Jeff Stumbo

The Executive Committee reconvened from Closed Session at 10:20 a.m.

Oral Report on Final Actions Taken in Closed Session

C5. Staff gave a report to the Executive Committee and received direction.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for February 2, 2017, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 10:20 a.m.

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

Chairman

Attachment: A. Roll Call Sheet

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

ROLL CALL

MEETING OF (DATE) January 12, 2017

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

RECESS \_\_\_\_\_

RECONVENE \_\_\_\_\_

CLOSED SESSION 10:05 a.m.

RECONVENE 10:20 a.m.

ADJOURN 10:20 a.m.

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
COLE <input type="checkbox"/> (Gomez) <input type="checkbox"/>		
MATHIS <input checked="" type="checkbox"/>	9:04 a.m.	10:20 a.m.
MCCLELLAN <input checked="" type="checkbox"/> (McWhirter) <input type="checkbox"/>	9:04 a.m.	10:20 a.m.
RIOS <input checked="" type="checkbox"/> (Salas) <input type="checkbox"/>	9:04 a.m.	10:20 a.m.
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:04 a.m.	10:20 a.m.
Transportation Committee Rep Slot (Mathis)		

SIGNED BY THE CLERK OF THE BOARD: Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL: Fanny Card