

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

MINUTES

February 16, 2017

[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 9:00 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. McWhirter moved to approve the minutes of the January 19, 2017, MTS Board of Directors meeting. Mr. McClellan seconded the motion, and the vote was 10 to 0 in favor with Mr. Alvarez, Ms. Mendoza, Mr. Roberts and Ms. Zapf absent and Ms. Bragg abstaining.

3. Public Comments

Gretchen Newsom – Ms. Newsom spoke on behalf of IBEW Local 569 and reported on their follow up meeting with MTS staff regarding bus shelter installations and public safety. She said that the meeting went great and they received additional information that they will be following up on in the future.

SPECIAL PRESENTATION

Chairman Mathis and Mr. Jablonski provided a special presentation on the recent exemplary performance of staff resolving an issue with MTS's Webtix program (MTS's online program to purchase fare media). Mr. Jablonski stated that Webtix had been experiencing an increase in credit card fraud and the program ultimately needed to be fixed or replaced. Cubic, the developer of Webtix, stated that they could provide a new solution with increased security features for approximately \$900,000. Internal staff including Gary Dexter, Application Development and Support Manager; Ivan Augustino, Senior Application Developer; Jan-Michael Reyes, Business Systems Analyst; and Erin Dunn, Controller, all worked to resolve the issues in house. Ivan Augustino, under the supervision of Gary Dexter and assistance from Jan-Michael Reyes, developed a new code to improve the current Webtix program with increased security features. The new program was tested and rolled out with great success. The percentage of chargebacks has since decreased by 90%. In addition, Erin Dunn worked closely with the San Diego Police Department to assist with information leading to an arrest of one suspect who committed a large amount of the fraud on Webtix. The suspect was arrested and charged with 70 counts of fraud. Chairman Mathis and Mr. Jablonski thanked the staff for their great work, which also saved the agency approximately \$900,000 by resolving the issue using in house resources.

CONSENT ITEMS

6. Excess Insurance Renewals for Liability and Workers' Compensation Program
Action would approve the purchase of excess liability insurance (at limits of \$75 million less at \$2 million self-insured retention [SIR]) and excess workers' compensation insurance (at statutory limits less a \$1 million SIR). The new policies would be in effect from March 1, 2017 through March 1, 2018.
7. Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards and Payments
8. San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Action Taken by the SD&AE Board of Directors at its Meeting on January 17, 2017
Action would receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Pacific Imperial Railroad, Inc. (PIR) quarterly reports for information.
9. Operations and Maintenance Services for Compressed Natural Gas Fueling Facilities - Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 2 to MTS Doc. B0522.0-09 with Trillium USA LLC to upgrade compressed natural gas (CNG) dispensers.
10. Investment Report - December 2016
11. Orange Line Track Improvements - Change Order Amendments 1 - 5
Action would: (1) Ratify Construction Change Order Amendments 1 - 4 to MTS Doc. No. PWL211.0-16, with Herzog Contracting Corp. (Herzog), for \$89,669.42, which was previously issued under the Chief Executive Officer's (CEO) authority, for Orange Line Track Improvements on MTS's Orange Line Light Rail Vehicle (LRV) service route; and (2) Authorize the CEO to execute MTS Doc. No. PWL211.5-16 - Change Order 5, with Herzog, for \$98,850.97.
12. SDSU Tunnel Ventilation Jet Fans and Dampers Service - Award Work Order Under a Job Order Contract
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC7504-25 (in substantially the same format as Attachment A), under MTS Doc. No. PWL204.0-16 with ABC Construction, Inc., for the provision of labor, materials, equipment, and supplies for the repair, installation, and testing of eight jet fans and dampers at the SDSU underground station tunnel.
13. San Diego Gas & Electric Company (SDG&E) Relocation Cost Sharing Agreement (Courthouse Station Project)
Action would authorize the Chief Executive Officer (CEO) to execute an agreement(s) with SDG&E to pay for new service connections and share in the costs of relocating SDG&E utility facilities as part of the MTS Courthouse Station Project.
14. Federal Communications Commission-Mandated 800 MHz Band Reconfiguration - Reprogramming Services for San Diego State University (SDSU) Tunnel Bi-Directional Amplifier

Action would: (1) Authorize the Chief Executive Officer (CEO) to negotiate pricing with Axel Wireless Limited, doing business as Cobham Wireless, for hardware and services required to reprogram the SDSU tunnel bi-directional amplifier in an amount not to exceed \$200,000; and (2) Approve a sole source contract with Axel Wireless Limited, doing business as Cobham Wireless, for hardware and implementation services required to reprogram the SDSU tunnel bi-directional amplifier based on the final negotiated price.

Action on Recommended Consent Items

Mr. Cunningham moved to approve Consent Agenda Item Nos. 6 – 14. Mr. Minto seconded the motion, and the vote was 15 to 0 in favor.

CLOSED SESSION

24. Closed Session Items

The Board convened to Closed Session at 9:11 a.m.

- a. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
Pursuant to California Government Code Sections 54656.6
Case: In Re Pacific Imperial Railroad, Inc., US Bankruptcy Court, SD Cal, Bankruptcy No. 16-06253-LT11
- b. CLOSED - PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONFERENCE WITH
LABOR NEGOTIATORS - CHIEF EXECUTIVE OFFICER Pursuant to California
Government Code Sections 54957 and 54957.6;
Agency-Designated Representative: Harry Mathis
Employee: Paul C. Jablonski

The Board reconvened to Open Session at 11:00 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 legal counsel.
- b. The Board conducted a performance evaluation and gave instructions to its labor negotiator.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS:

30. Measure A Report (Rob Rundle with SANDAG)

Sharon Cooney, Chief of Staff, introduced Rob Rundle with SANDAG to provide a presentation on the Measure A election results. Mr. Rundle reviewed the Measure A expenditure plan

funding breakdown; the list of all projects included in Measure A; and the regional results of Measure A. He presented maps showing the election results by jurisdiction, noting that Chula Vista, National City and Imperial Beach did meet the 2/3 vote requirement. He also presented maps showing the election results by SANDAG sub-region, County Supervisorial districts and City of San Diego Council districts, as well as maps comparing the TransNet election compared to the Measure A election.

Public Comments

Kathleen Ferrier – Kathleen commented on behalf of Circulate San Diego. She said that they would support a sub-region measure and hopes to hear more discussion.

BOARD DISCUSSION

Ms. Salas asked for more information regarding polling that was done specific to the transit only portion of the measure. Mr. Rundle replied that polling was initially done when the expenditure plan was being developed and they tested certain projects. The projects they were testing were not done throughout the whole region, but in the areas where the project would be located. Ms. Cooney mentioned that the county was polled years ago, but the polling did not meet the passing threshold. Ms. Salas inquired if the Board would have interest in partnering with SANDAG to develop a sub-regional transit only measure.

Ms. Gomez stated that she would also be interested into looking at a sub-regional measure.

Mr. Alvarez inquired about the transit capital funding numbers. Mr. Jablonski commented that the amount was approximately 42%. Mr. Alvarez asked for information to be provided to the Board on what the member cities revenue would have been based on transit only. Mr. Rundle said that he will get that information to provide with the Board. Mr. Alvarez inquired about what the potential impact will be to MTS with the shortfalls of the 2004 TransNet projections. Mr. Rundle replied that he does not have that information on hand, but will research and provide to the Board. Mr. Alvarez inquired if an MTS sales tax measure would require a two-thirds vote. Ms. Landers replied that this type of sales tax would require a two-thirds vote, but she would confirm at the next meeting in case further research says otherwise. Mr. Alvarez requested that additional research be conducted and brought back next month for further discussion.

Ms. Salas commented that knowing the MTS jurisdiction polling could be beneficial to looking into a sub-regional measure.

Mr. Roberts agreed that it will be interesting to see the results of the MTS jurisdiction polling. He noted that other cities are also interested in roads as well as transit and this measure would have helped both of those causes.

Chairman Mathis stated that staff will follow up on the requests made and the item will be brought back to the Board for further discussion.

Action Taken

No action taken.

31. Security Services Agreement - Contract Amendment (Mike Thompson and Manny Guaderrama)

Mike Thompson, Director of Financial Planning and Analysis, provided a presentation on the Security Services contract amendment with Universal Protection Service (UPS). He provided a background on the recent minimum wage legislation and the new rate requirements. Mr. Thompson reviewed the UPS original cost breakdown and the procurement approach once the minimum wage legislation passed. He stated that UPS provided a revised proposal to meet the new requirements. The Board and Budget Development Committee (BDC) directed staff to revisit the current methodology for more cost effective options and a more aggressive approach in order to control costs. Staff continued negotiations with UPS and presented their proposal to the BDC in January 2017.

Manny Guaderrama, Chief of Police, stated that staff has researched changing internal personnel to become more efficient both operationally and economically. He stated that UPS currently has 194 personnel with 85 armed officers and 83 unarmed officers. MTS has 34 Code Compliance Officers (CCOs), which are public officers with powers of arrest. Mr. Guaderrama reviewed the new staffing proposal change which would reduce the number of contracted security officers by 50 and increase the number of CCOs by 30. Mr. Guaderrama discussed the benefits of the proposed staffing change and reviewed staffing tables which compares the current coverage and proposed coverage, noting the increase in enforcement ability. He discussed the deployment plan and the benefits of the proposed staffing change. Mr. Guaderrama reviewed the officer reallocation budget impact and noted that this would reduce the total UPS contract to \$35.9 million versus \$43.9 million.

Mr. Thompson reviewed the combined budget and contract impact and stated that the total net contract budget impact to MTS will be \$3.8 million.

Mr. Alvarez asked for clarification regarding the total contract change costs. Mr. Jablonski clarified that MTS's proposed staffing plan would increase internal costs by \$6.9 million and reduce UPS staffing which would reduce that contract by \$7.9 million. The net result for only personnel is approximately \$1.0 million in savings. Then, due to the minimum wage increase for all of the remaining officers, there is an increase of \$3.8 million.

Ms. Gomez inquired if there is an overtime cost assumption in the contract. Mr. Thompson replied that there is an overtime cost assumption in the contract and it is included in the total. Ms. Gomez asked what the base pay is for CCOs. Mr. Guaderrama replied that the starting pay is approximately \$16 to mid-\$16 range with progressive steps as they advance.

Action Taken

Mr. Alvarez moved to: (1) Receive a report on updated negotiations with Universal Protection Services (UPS) and a reallocation of UPS contracted officers to internal Code Compliance Officers; (2) Approve the increased contract spend to the UPS security services contract, MTS Doc. No. G1828.0-15, as a result of the latest minimum wage modifications and negotiations with UPS; and (3) Approve reducing a total of fifty (50) full time equivalent (FTE) UPS contracted officers (27 Unarmed Officers, 20 Armed Officers and 3 Armed Sergeants) from the existing UPS contract and increasing internal Code Compliance Officers by 30 FTEs. Mr. McClellan seconded the motion, and the vote was 13 to 0 in favor with Ms. Cole and Mr. Roberts absent.

REPORT ITEMS

47. Operations Budget Status Report for December 2016 (Mike Thompson) (TAKEN OUT OF ORDER)

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

Action Taken

No action taken. Informational item only.

46. On Board Transit Passenger Survey (Brian Lane with SANDAG) (TAKEN OUT OF ORDER)

Ms. Cooney introduced Brian Lane with SANDAG to provide a presentation on the results of the On Board Transit Passenger Survey. Mr. Lane stated that the data collected included information on demographic profiles, trip behaviors, payment information and service assessments. He discussed the data uses of the survey such as Title VI/social equity analysis, modeling, and transit planning. Mr. Lane reviewed the results of the survey based on demographic analysis and customer behavior information. The full results of the survey can be found online at:

http://www.sandag.org/index.asp?classid=13&subclassid=9&projectid=494&fuseaction=projects_detail

Ms. Gomez asked if there were any areas that needed improvement. Mr. Lane replied that this survey was primarily capturing the raw data, not noting areas that need improvement. Ms. Cooney commented that the survey is still in draft form and has not been presented to the SANDAG Board.

Ms. Zapf asked what staff will do with this information. Ms. Cooney replied that MTS uses this information for a number of reasons including Title VI analysis for service changes or improvements; researching infrastructure placement; the transit optimization plan; or fare and ridership research. Ms. Zapf commented that the survey results show that many people walk to transit which means that we need more transit oriented developments. She also commented that point to point transportation and paratransit is important to improve the senior ridership numbers.

Action Taken

No action taken. Informational item only.

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

This item was deferred to the March 2017 meeting.

60. Chairman's Report

There was no Chairman's report.

61. Chief Executive Officer's Report

Mr. Jablonski reported the following travel: February 8-9 he attended the SANDAG Board Retreat; February 11-13 he attended the APTA Transit CEOs Seminar in San Diego; and February 14-15 he traveled to Washington DC to meet with our congressional delegation.

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 March 9, 2017.

65. Adjournment

Chairman Mathis adjourned the meeting at 12:17 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): February 16, 2017

CALL TO ORDER (TIME): 9:00 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:11 a.m.

RECONVENE: 11:00 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 12:17 p.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:03 a.m.	12:07 p.m.
ARAMBULA	<input type="checkbox"/> (Mendoza) <input checked="" type="checkbox"/>	9:03 a.m.	12:09 p.m.
BRAGG	<input checked="" type="checkbox"/> (Spriggs) <input type="checkbox"/>	9:00 a.m.	12:17 p.m.
COLE	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:00 a.m.	11:40 a.m.
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:00 a.m.	12:00 p.m.
GOMEZ	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:00 a.m.	12:17 p.m.
MATHIS	<input checked="" type="checkbox"/>	9:00 a.m.	12:17 p.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Goble) <input type="checkbox"/>	9:00 a.m.	12:17 p.m.
MCWHIRTER	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:00 a.m.	12:17 p.m.
MINTO	<input checked="" type="checkbox"/> (Hall) <input type="checkbox"/>	9:00 a.m.	12:17 p.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:00 a.m.	12:17 p.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:10 a.m.	11:45 p.m.
SALAS	<input checked="" type="checkbox"/> (Diaz) <input type="checkbox"/>	9:00 a.m.	12:17 p.m.
SANDKE	<input checked="" type="checkbox"/> (Donovan) <input type="checkbox"/>	9:00 a.m.	12:17 p.m.
ZAPF	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:10 a.m.	12:17 p.m.

SIGNED BY THE CLERK OF THE BOARD:

Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL:

Karen Cade