

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

May 4, 2017

MINUTES

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 8:51 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Ms. Rios moved for approval of the minutes of the April 6, 2017, MTS Executive Committee meeting. Mr. Roberts seconded the motion, and the vote was 4 to 0 in favor with Ms. Cole absent.

G. PUBLIC COMMENTS (TAKEN OUT OF ORDER)

Michelle Krug – Ms. Krug commented that she has had issues with students sitting in the senior/disabled seating area on the buses and bus drivers not asking them to move. She stated that in Los Angeles the bus drivers are able to ask riders for proof of eligibility to sit in the senior/disabled seating area. Ms. Krug also commented that she still sees people not being checked thoroughly while buying and using Senior/Disabled/Medicare (SDM) passes.

C. COMMITTEE DISCUSSION ITEMS

1. Assembly Bill 805 (Sharon Cooney)

PUBLIC COMMENT (Taken before staff presentation)

Michelle Krug – Ms. Krug stated that she is appreciative that the Board took a support position with amendments and thanked the members for taking that action.

STAFF PRESENTATION

Sharon Cooney, Chief of Staff, provided an update on Assembly Bill (AB) 805. She stated that since the last Board meeting, the bill was amended as of April 20; heard and passed in the Assembly Local Government and Transportation Committees; MTS registered a position of support with amendments; and the bill was referred to the Appropriations Committee with no hearing date set. She reviewed the most current amendments which include reinstating the Board-appointed chair but requiring it to be chosen from the sitting Board members; the Board-appointed chair would require a 2/3 vote of the Board, a quorum being present, and a term of 4 years; adding a 2nd Chula Vista Board member; and requiring the mayors of Chula Vista and San Diego to serve on the Board, but allowing other cities to appoint a member from their Council. She stated that the author is planning on removing the mayoral requirement for the City of Chula Vista and San Diego in the next set of amendments. She noted that no

amendments were made to the voting structure since the April Board meeting. Ms. Cooney stated that the Board of Equalization (BOE) has provided an analysis of AB 805 and they are not taking a position on the bill. The BOE is interested in this bill because they must contract with MTS to administer the proposed sales tax. She stated that the BOE has concerns about the difficulty of administering and collecting taxes within MTS's jurisdiction since some of the unincorporated areas of the County are split between MTS and North County Transit District. Ms. Cooney stated that the bill is currently held on suspense in the Appropriations Committee while the Assemblywoman is working on further amendments. She stated that the Assemblywoman has indicated that the forthcoming amendments will include changes to MTS's weighted vote and removal of the requirement that the mayors of Chula Vista and San Diego must serve on the Board. Ms. Cooney reviewed topics that were discussed at April's Board meeting, but are not included in the currently published amendments. Those items include the City of San Diego's controlling vote at 59%; the effect of the all-weight-vote requirement on smaller cities; and the requirement that the mayors of Chula Vista and San Diego must serve on the Board. She stated that the Assemblywoman has indicated that these items would be considered for future amendments.

Chairman Mathis stated that the Board should decide on specific amendments that we would like to see incorporated into the bill. He also inquired about conflict of interest issues that may arise from weighted voting. Karen Landers, General Counsel, stated that there is nothing currently written into the MTS statute that prevents a city councilmember or supervisor from voting on both sides of a transaction with MTS. This could potentially cause issues in determining which side the member is representing. She stated that as an example, a city that has control of the vote could require MTS to transfer assets below fair market value or at nominal value to their city or jurisdiction. Currently, the structure that we have states that a minimum of three jurisdictions are required to pass a weighted vote, which puts in place a check to ensure transactions like that example don't occur. The bill is currently written where the City of San Diego has a controlling vote of 59% in which they would have the ability to take action in the self-interest of their jurisdiction. Ms. Landers stated that there are agencies that have statutory conflict of interest provisions to prevent these issues.

Mr. Roberts inquired if it would be possible to exclude the county portion of MTS's jurisdiction in order to help solve some of the concerns the BOE has raised. Ms. Landers replied that could be a potential recommendation to amend AB 805 to state that MTS may issue a tax within its jurisdiction and exclude the county or allow the tax to be issued in specific portions of MTS's jurisdiction.

Mr. Jablonski noted that another change in the bill would require a 2/3 weighted vote to appoint the Board chair versus the current legislation which requires a 2/3 tally vote to appoint the chair.

Chairman Mathis stated that he would like to put together these concerns and potential solutions and bring them to the Board for discussion and take a position to make specific amendment recommendations. He stated that he particularly has concerns with the requirement of having every vote as a weighted vote instead of a tally vote. He said that the current method in place works well for the entire Board to take a regular tally vote and then take a weighted vote if called.

Ms. Rios stated that she sees no problem with bringing the concerns to the Board for discussion. She commented that the Assemblywoman's goal was not to override other cities and that issue is still being worked through in amendments. She stated that it is important for MTS to have conversations with the Assemblywoman.

Mr. McWhirter stated that the smaller east county cities feel like they will not have a say at the meetings with the weighted vote requirement. He commented that the current voting structure has worked for a long time and believes that it should stay in place.

Mr. Jablonski stated that it would be good to put forth recommendations to the Board for potential specific amendments to forward to the Assemblywoman. He noted that the chair has always been an outside chair dedicated to MTS and that has worked well. The chair has many other responsibilities such as media events, speeches, and other activities, and it may be more difficult for a sitting Board member with another job to be as involved. He also noted that the requirement of a four year term for the chair could pose problems if the timing does not line up with the election cycle. Mr. McWhirter commented that the smaller city members would be excluded because they are part time city officials with other jobs and responsibilities. Ms. Rios stated that is a challenge on all of the Boards they sit on and it depends on the commitment of that member.

Mr. Roberts commented that these current changes would end the regional approach to MTS and would benefit the City of San Diego, but not the outside areas. He stated that they are not in a position today to come to a conclusion, but need to forward the concerns to the Board for further discussion on possible specific amendments.

Ms. Landers stated that this item will be moved to a discussion item on the Board agenda for a potential action. She stated that staff will put together a list of concerns to discuss including conflict of interest; weighted vote structure; tally vote versus weighted vote; sales tax issued in a portion of MTS jurisdiction; and options for appointing a chair.

Action Taken

No action taken. Informational only.

2. Fare Collection Update (Sharon Cooney)

Ms. Cooney provided an overview on the status of MTS's fare collection system, both with the existing system and the future system. Rob Schupp, Director of Marketing and Communications, provided a brief update on mobile ticketing. He stated that mobile ticketing, Compass Cloud, was launched in March. He noted that recent surveys have shown that there are a large number of users in the south bay area. Mr. Schupp stated that they launched an aggressive marketing campaign to encourage riders to use Compass Cloud. He stated that the three month goal was to have 10,000 accounts and we have already obtained 11,500 accounts within the first month. He said that in April we had \$120,000 in sales and the number of accounts and sales are rising. Mr. Schupp noted that Compass Cloud is being well used on buses and we will obtain trolley numbers by hand with the help of the security team. He stated that the next phase of Compass Cloud will include reduced fares and also conducting a pilot with UCSD students in the fall.

Larry Marinesi, Chief Financial Officer, provided an update on the status of stored value. He stated that staff has been working with Cubic as well as NCTD to configure the system and conduct testing. He stated that the process has been significant and they have made good progress over the last few months. He noted that we have also been working closely with Cubic on obtaining the necessary reports for the liability reconciliation. Mr. Marinesi stated that last week there were two specific pilots. There was a pre-pilot which conducted the functionality out on the system which was successful. The second pilot was conducted by a larger group with specific test scripts while riding the system and that pilot was successful. Staff will be looking at a few of the operational aspects from that pilot in order to enhance the experience for our riders. Mr. Marinesi stated that there are a few more things pending before launch, including the configuration changes for the enhancement; follow up training meetings with MTS and NCTD employees; meeting with auditors next week; Marketing department is in the process of developing their plan; and the IT department has final deployment tasks before the go live date. The go live date is currently scheduled for May 30. Mr. Jablonski noted that stored value will require a lot of passenger education to ensure riders know how to use the new system. He provided an example of the differences riders will have to do when they board a bus or a trolley. The Marketing department is working toward making stored value instructions clear. Mr. Marinesi also noted that the Webtix security enhancements project has been completed.

Ms. Cooney also stated that CH2M has been working with MTS to create a concept of operations document for a next generation fare collection system. She noted that staff will bring this to the Board in either June or July.

Action Taken

No action taken. Informational only.

D. REVIEW OF DRAFT May 11, 2017 BOARD AGENDA

Recommended Consent Items

6. San Diego Metropolitan Transit System (MTS) Sale of 2014 Ford E450 Starcraft Paratransit Bus to First Transit, Inc.
Action would authorize the negotiated sale of MTS Vehicle No. 3910 (2014 Ford E450 Starcraft, VIN #1FD4E4FS2EDB10510) to First Transit, Inc.
7. California Department of Transportation (Caltrans) Program of Projects for Federal Transit Administration (FTA) Section 5311 Funding, Federal Fiscal Year (FY) 2017 and FY 2018
Action would approve Resolution No. 17-7, authorizing the use of and application for \$275,000 of FY 2017 and \$275,000 of FY 2018 Section 5311 funds for operating assistance.
8. California Department of Transportation (Caltrans) Program of Projects for Federal Transit Administration Section 5311(f) Funding, Fiscal Year 2017
Action would approve Resolution No. 17-8, authorizing the use of, and application for, \$203,500 of Federal Transit Administration (FTA) Section 5311(f) funds for operating assistance in non-urbanized areas.

9. 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 18, 2017
Action would: (1) Receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Desert Line quarterly reports for information; and (2) Ratify actions taken by the SD&AE Board at its quarterly meeting on April 18, 2017.
 10. Courthouse Station Construction - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL222.0-17 with West Coast General/HMS Construction, Inc., a Joint Venture, for construction of the Orange Line Courthouse Station.
 11. Investment Report - March 2017
 12. Orange Line Track Improvements - Add Alternate Award
Action would: (1) Ratify Construction Change Order Amendments 6 - 8 to MTS Doc. No. PWL211.0-16 for \$33,093.64, 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. PWL211.9-16 - Add Alternate Amendment Award, with Herzog Contracting Corp. (Herzog), for \$2,141,143.00.
 13. Paint Services for San Diego Transit Corporation (SDTC) and San Diego Trolley, Inc. (SDTI) - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL216.0-17 with Anemos Enterprises Inc. for the provision of services, materials, equipment and supplies for Paint Services at MTS's Building B and the Kearny Mesa Division (KMD).
 14. Mobile On Board Video Surveillance System for the Minibus and Paratransit Fleets - Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 9 to MTS Doc. No. B0521.0-09, with Apollo Video Technology (Apollo) for the reallocation of \$281,856.00 originally encumbered and included under Amendment No. 8 as Optional Items to the Capital budget as to support future in-scope On Board Video Surveillance System (OBVSS) operational related services of the minibus and paratransit fleets.
- E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA
- There was no SANDAG Transportation Committee agenda discussion.
- F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS
- There was no Committee Member Communications and Other Business discussion.
- H. NEXT MEETING DATE
- The next Executive Committee meeting is scheduled for June 1, 2017, at 9:00 a.m. in the Executive Committee Conference Room.

Executive Committee Meeting – MINUTES

May 4, 2017

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I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 9:55 a.m.

/s/ Harry Mathis _____

Chairman

Attachment: Roll Call Sheet

EXECUTIVE COMMITTEE
SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ROLL CALL

MEETING OF (DATE) May 4, 2017

CALL TO ORDER (TIME) 8:51 a.m.

RECESS _____

RECONVENE _____

CLOSED SESSION _____

RECONVENE _____

ADJOURN 9:55 a.m.

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
COLE <input type="checkbox"/> (Gomez) <input type="checkbox"/>		
MATHIS <input checked="" type="checkbox"/>	8:51 a.m.	9:55 a.m.
MCCLELLAN <input type="checkbox"/> (McWhirter) <input checked="" type="checkbox"/>	8:51 a.m.	9:55 a.m.
RIOS <input checked="" type="checkbox"/> (Salas) <input type="checkbox"/>	8:51 a.m.	9:35 a.m.
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	8:51 a.m.	9:55 a.m.
Transportation Committee Rep Slot (Mathis)		

SIGNED BY THE CLERK OF THE BOARD: 

CONFIRMED BY THE GENERAL COUNSEL: 