

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

MINUTES

April 12, 2018

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

1. Roll Call

Chair Gomez called the Board meeting to order at 9:05 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Ms. Salas moved to approve the minutes of the March 8, 2018, MTS Board of Directors meeting. Ms. Bragg seconded the motion, and the vote was 11 to 0 in favor with Mr. Arambula, Ms. Cole, Mr. Cunningham, and Mr. McWhirter absent.

3. Public Comments

Kristen Victor – Ms. Victor commented on behalf of the Pacific Beach (PB) Eco District on the relocation of the PB Farmers' Market. She asked for the Board's support in having a main street farmers' market in PB. She requested for this topic to be placed on the May 2018 Board meeting agenda for further discussion.

Katie Matchett – Ms. Matchett commented on behalf of the PB community. She stated that Garnet Avenue has two of the most dangerous intersections in the City of San Diego. Ms. Matchett said that PB has been asking for the closure of a portion of Garnet Avenue for part of a day once per week for the PB Farmers' Market. She requested for the Board to add an action agenda item to next month's Board meeting to further discuss and support the PB Farmers' Market relocation.

Henish Pulickal – Mr. Pulickal commented on behalf of the PB Planning Group. He stated that they would like to have the Board's support in re-routing the buses on Garnet Avenue to help relocate PB Farmers' Market once per week. Mr. Pulickal stated that this change would help the PB Community Plan which stresses pedestrian and non-vehicle transit. He noted that the change would also help promote local businesses, stimulate community interaction and promote walkability in the community. Mr. Pulickal requested for the Board to add a formal action item to the May 2018 Board meeting agenda regarding this matter.

Dave Patel – Mr. Patel commented on behalf of JN Financial Services, a major property owner on Garnet Avenue in PB. He stated that they are in support of the relocation of the PB Farmers' Market to Garnet Avenue. He stated that this change will benefit the community by creating a safe environment for the high pedestrian and bicycle activities.

Denise Friedman – Ms. Friedman commented on behalf of the community of PB and the PB Town Council. She stated that they are in support of the relocation of the PB Farmers' Market

on Tuesdays to Garnet Avenue. She noted that Garnet Avenue is listed as the eighth most dangerous corridors in the City of San Diego. Ms. Friedman requested that the Board add an action item to the May 2018 Board meeting agenda to discuss the PB Farmers' Market relocation.

Brian Dunlap – Mr. Dunlap commented on behalf of Discover PB and the Mad Beet, a small local business on Garnet Avenue. He stated that all of the businesses on the Garnet Avenue corridor support the relocation of the PB Farmers' Market and believe it would positively help the community.

Laura Ambrose – Ms. Ambrose stated that she owns Woodstock's Pizza on Garnet Avenue in PB. She stated that as a longtime resident and business owner in PB, she supports the effort in moving the bus routes off of Garnet Avenue one day per week for the relocation of the PB Farmers' Market. Ms. Ambrose asked the Board to place this item on the agenda for discussion at the next Board meeting. She noted that this is the last impediment to moving forward on the relocation and urged the Board to please consider this matter as quickly as possible.

Sara Berns – Ms. Berns commented on behalf of Discover PB. She stated that the relocation of the PB Farmers' Market has been requested by both the residential community and business community. Ms. Berns stated that she has been working with the City of San Diego and MTS staff for a couple years on this matter and have yet to receive a proposal that would be a viable solution for the market and the bus routes. She requested for the Board to place this item on the Board's agenda next month for further discussion and action.

Valerie Hightower – Ms. Hightower requested for increased service on Route 4. She requested that the bus windows be unlocked for passengers to have fresh air. She proposed creating a compass card for dogs to ride the buses and trolleys and requested for dogs to be in carriers or muzzled for safety reasons. Ms. Hightower requested for the installation of bus benches at 47th & Imperial and 47th & Market. She also asked for staff to inform the bus drivers what dual purpose means.

BOARD COMMENTS

Chair Gomez commented in response to the PB Farmers' Market requests and stated that MTS will be communicating with City of San Diego staff to discuss the status of this matter. She noted that it is unknown at this time if this matter will be on the agenda for the next meeting. Chair Gomez thanked the speakers for bringing this item forward.

Ms. Zapf commented that she would like to see a robust informational or action item related to the proposed changes being asked by the supporters of the PB Farmers' Market at the next Board meeting.

CONSENT ITEMS

6. Revisions to MTS Advertising Policy, Board Policy No. 21
Action would approve the revisions to MTS Board Policy No. 21, "MTS Revenue-Generating Display Advertising, Concessions, and Merchandise".

7. MTS Taxicab Public Liability Insurance Requirements
Action would authorize the Chief Executive Officer (CEO) to reduce the Taxicab Public Liability Insurance Requirement from \$1,000,000 Combined Single Limit (CSL) to \$350,000 CSL.
8. Hosted Text Messaging Services – Contract Award
Action would: (1) Execute MTS Doc. No. G2067.0-18 with Enghouse Transportation (Enghouse) for the provision of hosted text messaging for a three (3) year base period with two (2) 1-year options, exercisable at MTS's sole discretion; and (2) Exercise each option year at the CEO's discretion.
9. Orange Line Track Improvements – Change Order Amendment Number 12 – 14
Action would: (1) Ratify Construction Change Order Amendments 12 - 13 to MTS Doc. No. PWL211.0-16 for \$99,627.81, which was previously issued under the Chief Executive Officer's (CEO) authority, for Orange Line Track Improvements; and (2) Authorize the CEO to execute MTS Doc. No. PWL211.0-16 - Change Order Amendment 14, with Herzog Contracting Corp. (Herzog) for \$33,000.00.
10. Vehicle Advertising – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2014.0-17, with Clear Channel Outdoor, Inc. (CCO), to provide Vehicle (MTS Buses and Trolley Rail Cars) Advertising services for a five (5) year base term with five (5) one year options.
11. Phase II Propane Fueling Services at Copley Park Division (CPD) – Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0656.2-16 with Ferrellgas, LP (Ferrellgas) for the provision of propane fueling services.
12. Phase III Propane Fueling Services at Copley Park Division (CPD) – Contract Award
Action would: (1) Execute MTS Doc. No. B0673.0-18 with Ferrellgas, LP (Ferrellgas) for the provision of propane fueling services for a 5-year base period with two 1-year options, exercisable at MTS's sole discretion; and (2) Exercise each option year at CEO's discretion.
13. San Diego Metropolitan Transit System (MTS) Task Order Contract Approval for Rio Vista Station Retaining Wall and Station Repairs
Action would authorize the Chief Executive Officer (CEO) to execute Work Order WOA1949-AE-06 for MTS Doc. No. G1949.0-17 with Jacobs Engineering Group, Inc. for \$119,904.34 to perform Design-Engineering Services for the Rio Vista Station Retaining Wall and Station Repairs ("Project").
14. Light Rail Vehicle (LRV) Upper Level Work Platforms – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL240.0-18, with MTM Builders, Inc., for the construction of LRV Upper Level Work Platforms.
15. Static Info Kiosk Replacement Project – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute PWL245.0-18 with Clear Signs for the Static Info Kiosk Replacement Project.
16. Investment Report – February 2018

17. Pest Control Services – Contract Award

Action would authorize the Chief Executive Officer (CEO) to execute a contract for up to a three-year period in response to MTS Doc. No. L1423.0-18, to Corky's Pest Control, Inc. for Pest Control Services in an amount not to exceed \$100,212.

18. Closed-Circuit Television On-Call Services – Contract Amendment

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG166.1-15 with Electro Specialty Systems (ESS) for \$677,458.48.

BOARD COMMENTS

Ms. Zapf inquired about consent item 10 related to vehicle advertising. She asked about the pending bankruptcy proceedings of Clear Channel Outdoor. Larry Marinesi, Chief Financial Officer, responded that staff had extensive discussions related to this matter during negotiations. He noted that Clear Channel Outdoor's parent company, iHeart Media, recently restructured their debt. Mr. Marinesi stated that their balance sheets are very strong and MTS staff is comfortable with their financial situation and believes this is the right decision to move forward with their contract.

Mr. Alvarez inquired about the minimum annual guarantee (MAG) Clear Channel Outdoor is required to pay MTS. Mr. Marinesi responded that the MAG for year-one will be \$955,000.00. Mr. Alvarez asked about the recourse action if Clear Channel Outdoor did not make their monthly payments to MTS. Karen Landers, General Counsel, stated that MTS would have the right to declare them in default of the contract and give them a certain amount of time to cure before cancelling the contract.

Mr. Alvarez inquired about consent item 6 related to the MTS Advertising Policy. He stated that MTS previously did not allow a non-profit organization to advertise about voter registration. He asked if that policy still remains in effect. Ms. Landers responded that MTS does not allow issue advertisements, however we do allow public service announcements (PSAs). She stated that the PSAs have to be sponsored by MTS or another public agency, but we do not allow independent agencies to do PSAs in order to stay away from controversial political debates.

PUBLIC COMMENT – CONSENT ITEM NO. 7

Mikail Hussein – Ms. Hussein commented on behalf of the United Taxi Worker of San Diego. He stated that the MTS Taxicab Administration staff has been doing a great job with helping the taxicab industry. He stated that there are still a lot of issues with the industry at the Airport and hotels. Ms. Hussein commented that many drivers are giving up their permits and medallions. He noted that the Taxicab Advisory Committee and the City of San Diego City Council both approved the recommendation to lower the insurance limits to \$350,000.00. Mr. Hussein asked for the Board to approve the recommendation to lower the insurance limits to \$350,000.00 and to have that approval go into effect as of today.

Abdi Abdul – Mr. Abdul gave his speaking time to Mr. Hussein.

Adrian Kwiatkowski – Mr. Kwiatkowski commented on behalf of the Transportation Alliance Group representing all of the taxicabs at the Airport. He stated that they are in support of

lowering the insurance limits to \$350,000.00. Mr. Kwiatkowski asked for the Board to support the recommendation to lower the insurance limits.

Margot Tanguay – Ms. Tanguay commented that she agrees with lowering the insurance levels for taxicabs to \$350,000.00. She stated that the taxicabs are covered at all times and the Transportation Network Company (TNC) cars are only covered when the passenger gets in the vehicle. She stated that taxicabs also have many other restrictions they must follow in comparison to TNC cars.

BOARD COMMENTS

Ms. Zapf commented that the San Diego City Council had a robust conversation about this matter and passed this recommendation. She stated that she is pleased to move approval on this item and the remaining consent items.

Mr. Hall commented that he does not feel comfortable with this change of insurance limits, but understands that a change needs to happen in order to maintain the taxicab industry.

Ms. Landers noted that if this item is approved, it would go into effect today.

Action on Recommended Consent Items

Ms. Zapf moved to approve consent agenda item numbers 6 – 18, excluding number 7. Mr. Hall seconded the motion, and the vote was 12 to 0 in favor with Mr. Arambula, Ms. Cole and Mr. McWhirter absent. The vote for consent agenda item number 7 was 11 to 1 in favor with Mr. Hall voting no and Mr. Arambula, Ms. Cole and Mr. McWhirter absent.

FINANCE WORKSHOP

19. Fiscal Year 2019 Operating Budget Discussion (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis, provided a presentation on the fiscal year (FY) 2019 operating budget. He reviewed the budget development process; revenue assumptions for subsidies and passenger levels; assumptions for service levels; expense assumptions for personnel, purchase transportation and energy; and consolidated revenues less expenses. Lastly, he reviewed the plan of action related to the \$9.9 million deficit.

Ms. Bragg inquired about the long term strategy using the fare increase to address the deficit. She asked if staff was modeling the low, medium or high fare increase option to determine that result. Mr. Thompson replied that they used the medium fare increase option in this model.

Ms. Zapf commented on the fare increase and recommended staggering the increase by five years. Mr. Marinesi replied that she is referring to increasing the senior age from 60 to 65 years old. He stated that the proposal for that program is to increase the age by one every year so that people already in the program will not be kicked out. Ms. Zapf recommended for staff to look into ride sharing options as alternatives modes of transit for riders.

Mr. Cunningham commented on taking money out of the contingency reserves to help pay for the sales tax ballot measure. He asked what the contingency policy states for reserves. Mr.

Thompson replied that the policy provides a target of 12.5% of the operating budget. He noted that removing \$1 million in reserves would drop that amount slightly below 12.5%. Mr. Jablonski commented that there are other alternatives such as taking the \$1 million from the capital budget or confirmed SB 1 funds. He noted that he instructed staff to look at other possible options besides the capital budget to fund the sales tax measure campaign.

Action Taken

No action taken.

CLOSED SESSION

24. Closed Session Items

The Board convened to Closed Session at 10:15 a.m.

- a. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL REGARDING PENDING LITIGATION Pursuant to California Government Code Section 54956.9/ANTICIPATED LITIGATION Pursuant to Government Code Section 54956.9(d)(4)
Case: Augustino vs San Diego Metropolitan Transit System, et al.
San Diego Superior Court Case No. 37-2018-00009620-CU-OE-CTL
- b. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(d)(1)
Lawrence Howard v. San Diego Transit Corporation, Metropolitan Transit System et al.
San Diego Superior Court Case No. 37-2017-00010560-CU-PA-CTL

The Board reconvened to Open Session at 10:30 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board received a report and gave instructions to legal counsel.
- b. The Board received a report and gave instructions to legal counsel.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. None.

REPORT ITEMS

45. Fiscal Year 2018 Second Quarter Performance Monitoring Report (Denis Desmond)

Denis Desmond, Director of Planning, provided a presentation on the FY 2018 second quarter performance monitoring report. Mr. Desmond discussed the details of MTS Policy 42 related to evaluation criteria. He reviewed the results for total passengers; ridership; passengers per revenue hour; on-time performance; and Transit Optimization Plan (TOP) preliminary data.

Mr. Alvarez inquired about the TOP routes and asked what the expected increases were anticipated to be after implementation. Mr. Desmond responded that the TOP anticipated approximately 1.6 million additional riders per year. He stated that we are currently in the second month of implementation and it is estimated that it could take anywhere from six to eighteen months for a route to fully mature. Mr. Alvarez asked about the September 2018 TOP changes. Mr. Desmond responded that the three TOP routes that will be changed in September are beach-area routes. He stated that these routes traditionally have increased service in the summer months and the TOP changes will reduce the frequency in September.

Action Taken

No action taken. Informational item only.

46. Desert Line Status Update (Karen Landers)

Karen Landers, General Counsel, provided a status update on the Desert Line Binational Freight Railroad Project. Ms. Landers provided a brief overview and history of the Desert Line. She presented a map of the Desert Line and the San Diego corridors and Tijuana/Tecate region corridors. Ms. Landers discussed the issues related to determining a location and design of the Customs Inspection Facility. She presented pictures of the US-side border tunnel and the Mexico-side border tunnel. She also presented pictures of the border crossing to the Campo yard location. Ms. Landers discussed the issues related to the Customs and Border Protection (CBP)/Office of Field Operations (OFO) access to the crossing facility. She reviewed the issues related to OFO staffing resources in order to staff the crossing facilities once operations commence. Lastly, Ms. Landers provided an update on recent outreach efforts related to the Desert Line Project.

Mr. Alvarez asked if lease payments from Baja Rail Road are up to date. Ms. Landers replied yes. Mr. Alvarez asked about the possibility of joint-inspection facilities. Ms. Landers replied that due to the remote location in Mexico, CBP did not find it as an acceptable location for its officers. She stated that they are looking into the most efficient and economical possible solution. Ms. Landers commented that they are looking at way to include the sharing of data between the two separate facilities.

Action Taken

No action taken. Informational item only.

47. Dockless Bike Update (Sharon Cooney)

Sharon Cooney, Chief of Staff, provided an update on dockless bikes and scooters. Ms. Cooney discussed the recent deployments of dockless bikes and scooters and the impact they have had on MTS property and operations. She stated that MTS staff has met with most of the mobility companies to establish communications and understand their business operations. Ms. Cooney noted that MTS has educated the companies on best practices for operating near MTS services. Current MTS policies allow us to take corrective action if necessary in the future. Ms. Cooney presented pictures and examples of dockless bikes and scooters on our properties and how they have affected some of our operations.

Ms. Zapf commented that her district is inundated with bikes and scooters. She stated that we need to work together to ensure that the operators are notifying their customers of where to park safely and legally. She commented that Coronado has started impounding the bikes and scooters that are in illegal areas.

Mr. Diaz recommended that the mobility companies look into deploying an option where they assess fines to customers that do not leave the bikes or scooters in the proper areas. He stated that individual cities may also decide to enforce where the bikes and scooters are parked. Ms. Cooney stated that the City of Seattle has ordinances in place that are related to enforcement of similar bikes and scooters.

Ms. Bragg commented that she gave the mobility companies a strong warning at the City of Imperial Beach related to impeding access to people with disabilities. She asked for Ms. Cooney to please forward the Seattle ordinances to the Board as a reference.

Mr. Roberts commented that the mobility companies can only do so much to inform their customers and that there will always be customers that ignore those rules. He stated that each individual city will need to think of ways to also help enforce those rules to ensure we do not see further problems.

Mr. Jablonski commented that we are and will continue to keep a close eye on this matter.

Action Taken

No action taken. Informational item only.

60. Chair Report

There was no Chair report.

61. Chief Executive Officer's Report

There was no Chief Executive Officer's report.

62. Board Member Communications

Ms. Rios commented that she attended the APTA Legislative Conference. She stated that it was a great opportunity to attend the conference and advocate our issues to our delegation.

63. Additional Public Comments on Items Not on the Agenda

Margot Tanguay – Ms. Tanguay commented on the dockless bikes and scooters. She stated that she saw a person throw one of the dockless bikes against a car. Ms. Tanguay also commented on the PB Farmers' Market. She stated that maybe the City of San Diego can find a more viable option for the Farmers' Market in order to not block Garnet Avenue from transit and emergency vehicles.

64. Next Meeting Date

The next regularly scheduled Board meeting is May 10, 2018.

65. Adjournment

Chair Gomez adjourned the meeting at 11:13 a.m.

/s/ Georgette Gómez
Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

/s/ Julia Tuer
Clerk of the Board
San Diego Metropolitan Transit System

/s/ Karen Landers
General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): April 12, 2018

CALL TO ORDER (TIME): 9:05 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 10:15 a.m.

RECONVENE: 10:30 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:13 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Cate) <input type="checkbox"/>	9:00 a.m.	11:08 a.m.
ARAMBULA	<input type="checkbox"/> (Mendoza) <input type="checkbox"/>		
BRAGG	<input checked="" type="checkbox"/> (Spriggs) <input type="checkbox"/>	9:00 a.m.	11:13 a.m.
COLE	<input type="checkbox"/> (Ward) <input type="checkbox"/>		
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:20 a.m.	11:13 a.m.
DIAZ	<input checked="" type="checkbox"/> (Aguilar) <input type="checkbox"/>	9:00 a.m.	11:13 a.m.
FAULCONER	<input type="checkbox"/> (Zapf) <input checked="" type="checkbox"/>	9:00 a.m.	11:13 a.m.
GOMEZ	<input checked="" type="checkbox"/> (Bry) <input type="checkbox"/>	9:00 a.m.	11:13 a.m.
HALL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:00 a.m.	11:13 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Goble) <input type="checkbox"/>	9:00 a.m.	11:13 a.m.
MCWHIRTER	<input type="checkbox"/> (Arapostathis) <input type="checkbox"/>		
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:00 a.m.	11:13 a.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:00 a.m.	11:13 a.m.
SALAS	<input checked="" type="checkbox"/> (Aguilar) <input type="checkbox"/>	9:00 a.m.	11:13 a.m.
SANDKE	<input checked="" type="checkbox"/> (Donovan) <input type="checkbox"/>	9:00 a.m.	11:13 a.m.

SIGNED BY THE CLERK OF THE BOARD:

Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL:

Paula Cera