

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

MINUTES

May 10, 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 9:02 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 April 12, 2018, MTS Board of Directors meeting. Mr. Sandke seconded the motion, and the vote was 12 to 0 in favor with Mr. Alvarez, Mr. Roberts and Ms. Zapf absent.

3. Public Comments

Colin Parent – Mr. Parent commented on behalf of Circulate San Diego. He stated that Circulate San Diego recently issued a report detailing how MTS can better utilize its real estate assets in order to develop affordable homes. He said that MTS has at least 57 acres of property available for development and many of those are underutilized parking lots. Mr. Parent noted that their report also identified a variety of policies that other peer transit agencies have that allow them to make better use of their real estate assets. He stated that Circulate San Diego has had productive conversations with MTS staff on this matter. He commented that there is also a climate component to consider if more people live and work closer to transit there will be less vehicle miles traveled.

Laura Nunn – Ms. Nunn commented on behalf of the San Diego Housing Federation. She stated that they recently conducted a study and found that there is a shortfall of 142,000 affordable homes in the San Diego region. Ms. Nunn said that they support the Circulate San Diego report and their recommendations.

Mikail Hussein – Mr. Hussein commented on behalf of the United Taxi Workers of San Diego. He stated that there are issues with the Airport concerning equity for all taxi drivers. He said that the Airport will only issue 350 taxis to operate within the Airport. Mr. Hussein stated that they are requesting for the Airport to be open to all taxi drivers. He asked for the Board's support with this request.

Sophie Wolfram – Ms. Wolfram commented on behalf of the Climate Action Campaign. She recommended that MTS develop a permanent Equity Advisory Committee comprised of residents and transit riders from MTS's jurisdiction. This committee will help ensure that the investments in transit are meeting the needs of transit riders. She stated that they will be distributing an email document to all Board Members on various models around the country that

utilize similar types of committees. Ms. Wolfram also commented that the Climate Action Campaign supports the Mid-City CAN effort for no cost transit passes for youth.

Murtaza Baxamusa – Mr. Baxamusa commented on behalf of the San Diego Building Trades Family Housing Corporation. He stated that they are in favor of utilizing the underutilized MTS properties for affordable housing and for career opportunities for San Diego's local workforce. He stated that there should be three requirements related to this effort including for local communities to be hired when the RFP's are released; partnerships with high quality apprenticeship programs; and payment of prevailing wages. Mr. Baxamusa stated that the San Diego Building Trades Family Housing Corporation offers their partnership for this program.

Michelle Krug – Ms. Krug commented that she is in support of increasing affordable housing by using available MTS property. She also thanked MTS staff for quickly addressing her concerns related to Routes 962 and 963 at last week's Executive Committee meeting. She requested for consideration of increasing service to Routes 962 and 963 in the future.

CONSENT ITEMS

6. 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 10, 2018
Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Association Museum (Museum), and Desert Line quarterly reports for information; and (2) ratify actions taken by the SD&AE Board at its quarterly meeting on April 10, 2018.
7. Lease Agreement with Grab & Go at 1255 Imperial Avenue, San Diego
Action would authorize the Chief Executive Officer (CEO) to execute a Lease Agreement with Grab & Go for a lease at 1255 Imperial Avenue, San Diego (MTS Doc. No. G2144.0-18).
8. Title VI Program Submittal
Action would adopt Resolution No. 18-3 approving the Title VI Program, including the plans, notices, records, maps, and data that demonstrate MTS's compliance with requirements of Title VI of the Civil Rights Act of 1964 (Title VI), for submittal to the Federal Transit Administration (FTA).
9. Investment Report - March 2018
10. Purchase of 25 Class B Propane Powered Paratransit Buses - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0689.0-18, (in substantially the same format as Attachment A) with Creative Bus Sales, for the purchase of up to twenty-five (25) propane powered Class B paratransit buses.
11. SAP Training Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to: (1) Executive MTS Doc. No. G2081.0-18 with ExitCertified Corp, for up to a three (3) base years period with two (2) one-year options to provide SAP Training Services; and (2) Exercise each option year at the CEO's discretion.

12. Temporary Staffing Services - Purchase Order Amendment
Action would authorize the Chief Executive Officer (CEO) to amend Purchase Order # 4500011566, with Modis for temporary staffing services for a Senior Application Developer.
13. Number Not Used.
14. Anti-Graffiti Window Film (Materials and Installation) - Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1319.1-16 with NMS Management, Inc. (NMS) for \$201,551.94.
15. On-Board Video Surveillance System (OBVSS) Vehicle Upgrades and External Camera Replacement - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute a contract amendment to MTS Doc. No. B0685.1-18 with Apollo Video Technology ("Apollo") for camera replacement refresh for MTS's fixed route bus fleets.
16. San Diego Metropolitan Transit System Heavy Duty Service Trucks - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0680.0-18 with Raceway Ford Inc. (Raceway Ford), for the purchase of five (5) heavy duty service trucks and (1) power washing utility truck to support MTS's transit operations and passenger facility maintenance.
17. San Diego Metropolitan Transit System (MTS) Task Order Contract Approval for Engineering and Right of Way Services for MTS Land Management Department
Action would authorize the Chief Executive Officer (CEO) to execute Work Order WOA1947-AE-16 for MTS Doc. No. G1947.1-17 with HDR Engineering, Inc. (HDR) for \$419,367.74 to perform Engineering and Right of Way Services for a period of four (4) base years for the MTS Land Management Department.
18. Train Number Signs, Brackets and Support - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1456.0-18, a Sole Source agreement, with Woojin IS America, Inc. (Woojin), to provide train number signs, brackets and support.
19. Uninterruptible Power Supply (UPS) and Batteries Purchase and Replacements - Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute Contract Amendment to MTS Doc. No. G2009.1-17, with Schneider Electric, for UPS and batteries purchase and replacements for all trolley stations and some BRT stations.
20. On-Call Card Access Reader Services - Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute a contract amendment to MTS Doc. No. PWG168.2-15 with Electro Specialty Systems (ESS) for \$256,615.20.

BOARD COMMENTS

Mr. Diaz requested to pull consent item number 7, "Lease Agreement with Grab & Go at 1255 Imperial Avenue, San Diego", for further discussion.

Action on Recommended Consent Items, excluding No. 7

Mr. Hall moved to approve Consent Agenda Item Nos. 6 – 20, excluding number 7. Ms. Cole seconded the motion, and the vote was 14 to 0 in favor with Mr. Alvarez absent.

DISCUSSION – CONSENT ITEM NUMBER 7

Mr. Diaz inquired about the lease costs related to item number 7. Ms. Landers responded that this lease is not intended to be a revenue generator for the first five years of the lease. She stated that the space on the first floor was in bad condition when we started this process due to the previous restaurant tenants. Ms. Landers noted that the previous tenants were ultimately shut down by the Fire Marshall and then the tenants ended their lease. After they left, we decided to move the MTS Transit Store to this location. In order to move the Transit Store to this location, MTS had to completely gut and renovate the unit. The portion of the space left for the Grab and Go restaurant still requires improvements by MTS in order for it to be in a rentable condition. Ms. Landers stated that a significant amount of the cost that would have gone towards revenue in the first five years will go towards these improvements. She also noted that the space is being rented at market rate value.

Action on Recommended Consent Item No. 7

Mr. Sandke moved to approve Consent Agenda Item No. 7. Mr. Hall seconded the motion, and the vote was 14 to 0 in favor with Mr. Alvarez absent.

CLOSED SESSION

24. None.

NOTICED PUBLIC HEARINGS

25. Proposed Fiscal Year 2019 Operating Budget (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis, provided a presentation on the proposed Fiscal Year (FY) 2019 operating budget. Mr. Thompson reviewed the FY 2019 operating budget final adjustments for revenue adjustments, projected Medi-Cal revenue, and total revenue projections. He discussed the FY 2019 operating budget final adjustments for expense changes and reviewed the total expense projections. Mr. Thompson reviewed the consolidated revenues less expenses. He provided an update on the status of contingency reserves and stated that the projected balance will be at the 12.5% target rate. Mr. Thompson reviewed the previous 5 year trend and future projected 5 year trend for the operating budget. Lastly, he discussed on-going concerns including the structural deficit; passenger levels; fare study and potential fare increase; potential SB 1 repeal; capital needs over the next few years; sales tax ballot measure; rising inflation; and Medi-Cal revenues.

Ms. Bragg inquired about the Medi-Cal issue and asked the provider would be in those cases. Mr. Thompson replied that the Medi-Cal Managed Care Plan would assist in providing those services.

Ms. Zapf inquired about the proposed funds for the sales tax ballot measure. Mr. Thompson replied that those funds will be used to review and possibly pursue a sales tax ballot measure for 2020. Ms. Zapf asked for details related to the taxicab paratransit pilot. Mr. Thompson replied that the pilot is anticipated to begin this July and will run for twelve months. Ms. Zapf asked if the projected wage inflation and Consumer Price Index (CPI) were combined increases. Mr. Thompson replied that the projections for wage inflation and CPI are separate assumptions.

Mr. Sandke commented that the SANDAG Transportation Committee just recently had discussions about the Senior Mini-Grant Program which could potentially be used as another alternative for paratransit trips. Mr. Sandke asked about the annual projected funds from SB 1. Mr. Thompson replied that the operating portion of SB 1 is projected at \$12 million annually and \$4.6 million in State of Good Repair Capital money.

Ms. Bragg inquired about the increase to the Security services costs. Mr. Thompson replied that the increase is to the overall cost of the existing security officers. Ms. Bragg asked how many Security personnel we currently have on staff. Mr. Guaderrama replied that we contract for 152 security officers and 73 of those are armed officers.

Mr. Hall inquired about the plan going forward for the projected deficit. Mr. Thompson replied that we will be monitoring the results of the TOP over the next year to see how those changes help in growth. He noted that we are looking at the potential of a fare increase as well as a possible ballot measure. Mr. Jablonski commented that we will continue tracking the results of the TOP reorganization as the primary focus of growth. An additional option will be to recommend a fare increase, which will be a decision made by the Board. He stated that we can utilize SB 1 funding, if necessary. Lastly, he said as a worst case scenario, we would look at cutting back service.

Action Taken

Ms. Salas moved to: (1) Hold a public hearing, receive testimony, and review and comment on the fiscal year (FY) 2019 budget information presented in this report; and (2) Enact Resolution No. 18-4 adopting the operating and capital budget for San Diego Metropolitan Transit System (MTS) and approving the operating budgets for San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services and the Coronado Ferry. Ms. Bragg seconded the motion, and the vote was 13 to 1 in favor with Mr. Hall voting no and Mr. Alvarez absent.

DISCUSSION ITEMS

30. 40-Foot Low-Floor Electric Bus and Optional Depot Chargers - Issuance of Purchase Order (Bill Spraul)

Bill Spraul, Chief Operating Officer – Transit Services, provided a presentation on the purchase of 40-foot low-floor electric buses and optional depot chargers. He reviewed the pilot project update and battery electric bus procurement priorities. Mr. Spraul discussed the Commonwealth of Virginia Contract. He stated that the contract allows for non-Virginia agencies to purchase battery electric buses. He noted that this is the most expeditious strategy for MTS to meet the summer 2019 service goal. Mr. Spraul reviewed the New Flyer battery electric bus specifications. He discussed the Phase 1 pilot bus strategy and the Phase 2 pilot bus strategy.

Mr. Jablonski commented that the depot chargers are listed as optional, because staff is exploring alternatives to purchasing the chargers, including the potential for San Diego Gas & Electric to purchase and install the chargers.

Ms. Rios recommended that the pilot buses operate on the routes with the highest ridership so we can better understand the impacts.

Ms. Cole asked where the buses will be housed for the pilot. Mr. Jablonski replied that the buses will be housed at the Imperial Avenue Division, South Bay Division, Kearny Mesa Division and East County Division, so the buses can be operated on many different routes during the pilot.

Ms. Bragg asked about the projected cost savings by using the piggyback contract option. Mr. Spraul replied that the cost is basically the same as other contracts however we will save more time by using this contract option rather than going out for a new contract.

Mr. Hall inquired about the battery life of the bus. Mr. Spraul replied that the batteries are estimated to last twelve years.

Mr. McClellan inquired on how many Gillig and New Flyer electric buses are currently in service. Mr. Spraul replied that there are no Gillig electric buses currently in service, but there are a number of New Flyer electric buses currently in service.

Action Taken

Chair Gomez moved to authorize the Chief Executive Officer (CEO) to issue a Purchase Order to New Flyer for the purchase of six (6), 40-foot, Low-Floor Electric, Battery-Powered buses and optional purchase of nine (9) Depot Chargers. Ms. Cole seconded the motion, and the vote was 13 to 0 in favor with Mr. Alvarez and Ms. Salas absent.

REPORT ITEMS

45. Fiscal Year 2019 Capital Improvement Program (Mike Thompson)

Mr. Thompson provided a presentation on the 20-year forecast of expected Capital needs. He reviewed the process of developing the projected 20-year Capital Improvement Program (CIP). He discussed bus revenue vehicles and the impact related to the proposed Innovative Clean Transit (ICT) regulation. He reviewed the rail revenue vehicle numbers and the total numbers for all revenue vehicles needed over the next 20 years. Mr. Thompson discussed the current numbers for MTS facilities, needed new facilities and passenger facilities. He reviewed the need for track work, maintenance of way work, and technology. Mr. Thompson reviewed the overall totals for the next 20-years in CIP-related work. He discussed the recurring revenue numbers and non-recurring revenue numbers. Mr. Thompson also discussed the funding deficit and the key takeaways related to the 20-year CIP.

Action Taken

No action taken. Informational item only.

46. Annual Security Report (January 1, 2017 through December 31, 2017) (Manny Guaderrama)

Manny Guaderrama, Director of Transit Enforcement, provided a presentation on the Annual Security Report. He provided a brief introduction on the details of the Transit Enforcement department. He reviewed the service sector/beat structure implementation; Part I reported crimes related to Trolley incidents; Part I crimes related to onboard arrests; Part I crimes by sector; Part I reported crimes compared to Los Angeles; Part II crimes related to Trolley incidents; copper wire theft incidents; calls for service related to bus incidents; Part I crimes related to bus incidents; Part II crimes related to bus incidents; total number of assaults system wide; Joint Agency Task Force (JATF) results; fare inspections and citations; special enforcement detail results; SDM inspection results; quality of life transient encampment detail results; transient encampment details in the San Diego River; non-compliant arrests; training; current challenges; and security contract challenges.

Mr. McWhirter asked if fare evaders could go to jail after receiving a certain number of citations. Mr. Guaderrama replied that if a person fails to appear for the court hearing after receiving a citation, the person will be issued a warrant.

Ms. Cole thanked Mr. Guaderrama for the report and for his work in keeping her council district safe.

Ms. Bragg thanked Mr. Guaderrama for his work on cleaning up the crime and drug dealing occurrences on the Blue Line. She also commented on the issue of fake service animals on the buses and trolleys. She stated that the Accessible Services Advisory Committee (ASAC) has had discussions on this matter and believes that this is a problem. Mr. Jablonski commented on the issue of fake service animals on the system and stated that they are working on possible solutions.

Ms. Zapf asked for staff to look into requiring dogs to wear muzzles on our vehicles. She also inquired about the vandalism numbers on the system. Mr. Guaderrama replied that we generally issue a citation for misdemeanor-level vandalism, but for felony-level vandalism we will call law enforcement. Ms. Zapf asked about the citations issued to transients and how those citations are resolved. Mr. Guaderrama replied that they still have a responsibility to go to court and if they do not appear, then the citation will turn into a warrant for their arrest.

Mr. McClellan commented on an article he read about a judge that was dismissing charges issued to transient residents. Mr. Guaderrama replied that the specific program he is referring to is called homeless court. He stated that the program only accepts people who have qualified for the program and does not accept every homeless person.

Action Taken

No action taken. Informational item only.

60. Chair Report

Chair Gomez commented that MTS was recently awarded \$40 million from the Transit Intercity Rail Capital Program (TIRCP), which will help to upgrade some of our services.

61. Chief Executive Officer's Report

Mr. Jablonski commented that the Courthouse Trolley Station is now open and is running well. He stated that we have seen an increase in the Blue Line and Orange Line on-time performance since its opening.

62. Board Member Communications

There were no Board Member communications.

63. Additional Public Comments on Items Not on the Agenda

John Brady – Mr. Brady commented on behalf of the Voices of Our City Choir which include both sheltered and unsheltered people. He requested for MTS to consider issuing disabled-rate transit passes to specific homeless organizations and riders to help provide low cost options for homeless to ride transit. He stated that this would help to prevent people from trolley hopping without fares.

Richard McNamee – Mr. McNamee commented that he represents the nearly homeless population. He asked for MTS to consider providing free transit passes to qualified homeless riders who are pursuing work. He stated that once those riders obtain jobs, they will then be able to pay for their own transit passes.

Steph Johnson – This speaker was not present.

64. Next Meeting Date

The next regularly scheduled Board meeting is June 14, 2018.

65. Adjournment

Chair Gomez adjourned the meeting at 11:12 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/ Samantha Leslie
Staff Attorney
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): May 10, 2018

CALL TO ORDER (TIME): 9:02 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

PUBLIC HEARING: 9:27 a.m.

RECONVENE: 10:00 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 11:12 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input type="checkbox"/> (Cate) <input type="checkbox"/>		
ARAMBULA	<input checked="" type="checkbox"/> (Mendoza) <input type="checkbox"/>	9:00 a.m.	11:12 a.m.
BRAGG	<input checked="" type="checkbox"/> (Spriggs) <input type="checkbox"/>	9:00 a.m.	11:12 a.m.
COLE	<input checked="" type="checkbox"/> (Ward) <input type="checkbox"/>	9:00 a.m.	11:12 a.m.
CUNNINGHAM	<input type="checkbox"/> (Mullin) <input checked="" type="checkbox"/>	9:00 a.m.	11:12 a.m.
DIAZ	<input checked="" type="checkbox"/> (Aguilar) <input type="checkbox"/>	9:00 a.m.	11:12 a.m.
FAULCONER	<input type="checkbox"/> (Zapf) <input checked="" type="checkbox"/>	9:15 a.m.	11:12 a.m.
GOMEZ	<input checked="" type="checkbox"/> (Bry) <input type="checkbox"/>	9:00 a.m.	11:12 a.m.
HALL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:00 a.m.	11:12 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Goble) <input type="checkbox"/>	9:00 a.m.	11:12 a.m.
MCWHIRTER	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:00 a.m.	11:12 a.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:00 a.m.	11:12 a.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:04 a.m.	10:15 a.m.
SALAS	<input checked="" type="checkbox"/> (Aguilar) <input type="checkbox"/>	9:00 a.m.	10:05 a.m.
SANDKE	<input checked="" type="checkbox"/> (Donovan) <input type="checkbox"/>	9:00 a.m.	11:12 a.m.

SIGNED BY THE CLERK OF THE BOARD: Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL: Kellie Cord