

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

MINUTES

January 17, 2019

[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 9:00 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 December 13, 2018, MTS Board of Directors meeting. Ms. Rios seconded the motion, and the vote was 10 to 0 in favor with Ms. Aguirre, Mr. Arambula, Mr. Arapostathis, Mr. Hall absent, and Ms. Moreno abstaining.

3. Public Comments

John Brady – Mr. Brady commented on behalf of Voices of Our City Choir. He stated that the Choir represents the homeless community in San Diego. Mr. Brady commented about disabled and reduced fare passes. He stated that they are looking into the legality of the MTS process in approving disabled and reduced fare passes. Mr. Brady requested that the reduced fare passes be offered to the low income and homeless population.

Martha Welch – Ms. Welch commented that she has issues with the Blue Line and Orange Line no longer ending at the same station. She commented about the Routes 11, 12 and 901 buses, as well as the lack of bus benches on Broadway. Ms. Welch stated that there should be public restrooms at stations. She also said that the bus routes are constantly changing in San Diego.

Steven Ried – Mr. Ried commented about the Route 1 bus not going all the way down to the bottom of the hill by the trolley station at 70th Street. He noted that he is going to forward a video to the Board of himself going to the hill in his wheelchair. He stated that this is dangerous and should be addressed. Mr. Ried stated that at the bus stop on Elkelton and Jamacha does not have an area to easily get on and off the bus. He commented that the stop is difficult for wheelchair riders to get on and off. Mr. Ried stated that he strongly objects to the trolley officers always asking him to show proof of his bus pass.

Jack Shu – Mr. Shu commented about security issues on the MTS system. Mr. Shu stated that he has seen targeting of homeless people and internalized oppression. He said this is not the kind of enforcement the area needs. Mr. Shu recommended changing the attitude of MTS and its security enforcement. He stated that enforcement should be a public service and not focused primarily on fare enforcement. Mr. Shu stated that the security officers should be making the transit system a welcoming environment for all of its riders.

Valerie Hightower – Ms. Hightower commented that the Route 4 service needs to be increased. She asked for more bus benches to be installed in the communities. Ms. Hightower stated that Routes 4, 916 and 917 should have increased service. She recommended charging riders to use public restrooms at transit stations. She stated that there is illicit behavior that occurs at the Old Town Trolley Station. Ms. Hightower asked for the bus windows to be unlocked for the riders.

4. Elect Vice Chair, Chair Pro Tem, and Committee Appointments (Sharon Cooney)

Chair Gomez stated that the Ad Hoc Nominating Committee recommended a proposed slate of appointments to the Board for approval. She noted that she would like to make a motion to move those recommended appointments forward with one amendment. Chair Gomez stated that she would like to amend the SANDAG Board appointments to reflect Mona Rios as the primary representative and Nathan Fletcher as the alternate representative.

Action Taken – Elect Vice Chair, Chair Pro Tem and Committee Appointments

Chair Gomez moved to elect Mona Rios as Vice Chair, Bill Sandke as Chair Pro Tem, and approve the proposed slate for the appointment of representatives to MTS committees and other outside committees for 2019, with the following amendment: appointing Mona Rios as the primary SANDAG Board representative and Nathan Fletcher as the alternate SANDAG Board representative. Mr. Ward seconded the motion and the vote was 11 to 0 in favor with Ms. Aguirre, Mr. Arambula, Mr. Arapostathis and Mr. Hall absent.

[Clerk's Note: A FPPC Form 806 was completed for all MTS Board officer positions and committee appointments.]

CONSENT ITEMS

6. Security for South Bay Bus Rapid Transit

Action would authorize the Chief Executive Officer (CEO) to execute Amendment Number 5 to MTS Doc. No G1828.0-15 with Allied/Universal dba Transit Systems Security, to provide additional security services for coverage of the new South Bay Rapid (Route 225) through June 30, 2021.

7. Lease Agreement with Brick by Brick, LLC at 675 West G Street, San Diego

Action would authorize the Chief Executive Officer (CEO) to execute a Lease Agreement with Brick By Brick, LLC for a lease at 675 West G Street, San Diego.

8. Mills Building Retail Lease: Extension of A-Mart Lease

Action would authorize the Chief Executive Officer (CEO) to execute an amended and restated Lease Agreement with Ramzi and Anwar Murad dba A-Mart, MTS Doc. No. G0202.2-93, including an extension of up to ten (10) years.

9. Imperial Avenue Division (IAD) Maintenance Floor Project – Award Work Order Under a Job Order Contract (JOC)

Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC7503-13 to MTS Doc. No. PWL234.0-17 with ABC Construction Company, Inc. (ABC) for the epoxy floor installation in the maintenance building at IAD.

10. Fashion Valley Stair Repair – Award Work Order Under a Job Order Contract (JOC)
Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC7504-24 for MTS Doc. No. PWL204.0-16 with ABC Construction Company, Inc. (ABC) for the Fashion Valley Stair Repair located at Fashion Valley Transit Center.
11. Design Services for Zero Emission Bus (ZEB) Pilot Program, Chargers Phase II – Work Order
Action would authorize the Chief Executive Officer (CEO) to execute Work Order WOA1947-AE-34 for MTS Doc. No. G1947.1-17 with HDR Engineering, Inc. (HDR) in the amount of \$245,460.38 for design services for ZEB Chargers Phase II.
12. Kearny Mesa Division (KMD) Concrete Replacement – Award Work Order Under a Job Order Contract (JOC)
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC7504-50 for MTS Doc. No. PWL204.0-16 with ABC Construction Company, Inc. (ABC) for the partial replacement of concrete at KMD.
13. Paint Booth Blower Upgrades and Repair – Award Work Order Under a Job Order Contract (JOC)
Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC7503-47 for MTS Doc. No. PWL234.0-17 with ABC Construction Company, Inc. (ABC) for Paint Booth Blower upgrades and repair at the Trolley Paint Booth.
14. South Bay Maintenance Facility Flooring – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWB265.0-19 with Stoncor Group, Inc. dba Stonhard (Stonhard) for the installation of a multi component epoxy mortar floor system (flooring) in the maintenance bays at the South Bay Bus Maintenance Facility.

COMMENTS – CONSENT ITEMS

Chair Gomez noted that consent item number 6 had a number of public comment requests, so she would pull that item for comments. Chair Gomez also noted that consent item number 7 would be pulled and removed from today's agenda and brought back at a later Board meeting.

Action on Recommended Consent Items, excluding number 6 and 7

Mr. Ward moved to approve Consent Agenda Item Nos. 8 – 14. Ms. Rios seconded the motion, and the vote was 11 to 0 in favor with Ms. Aguirre, Mr. Arambula, Mr. Arapostathis and Mr. Hall absent.

STAFF REPORT – Consent Item Number 6

Ms. Cooney commented that there will be a new Bus Rapid Transit (BRT) Route opening in the South Bay at the end of this month. The new Route will require additional security coverage. She stated that the security contract did not include coverage for this Route (Route 225), and this item is requesting the Board's approval to provide additional security coverage for Route 225.

PUBLIC COMMENTS – Item Number 6

John Brady – Mr. Brady commented that MTS security officers are aggressive toward riders. He stated that the amount of money spent on security does not equate to the number of people it enforces and does not have the proper accountability measures in place. Mr. Brady said that MTS security should include citizen accountability and reporting policies. He commented that the bus drivers have been friendly and helpful, but the trolley officers do not act in the same manner. Mr. Brady said that the security officers are unapproachable and intimidating. He commented that the zero tolerance policy that was recently implemented with trolley passes needs to be reevaluated and reverted back to a discretionary enforcement practice.

Steven Ried – Mr. Ried commented that the security personnel are generally abusive and abrasive. He stated that it is an unpleasant experience when approached by the majority of the security officers on the trolleys. Mr. Ried commented that he would much rather prefer an accountable security force.

Mark Sheetz – Mr. Sheetz commented that he has a problem with the zero tolerance policy on transit passes. He stated that the officers do not give riders an opportunity to purchase a pass before writing tickets. Mr. Sheetz said that there are times when he does not have time to purchase a pass before the trolley arrives and the officers will not allow riders to purchase a pass at the next stop.

Marchelle Minafee – Ms. Minafee commented that she believes the security officers perceive her to be homeless, but she is not. She asked that the security officers be compassionate, humane and accountable. Ms. Minafee suggested that the officers receive special training for interactions with the public. She stated that the zero tolerance policy needs to be reevaluated.

Anne Barron – Ms. Barron commented on behalf of Women Occupy San Diego. She stated that they are working heavily on creating strong citizen oversight for police practices and they now want to include the MTS security officers. Ms. Barron commented that she sees the bus drivers utilize de-escalation skills, but she does not see that in the security officers. She stated that she has been documenting interactions between the security officers and the trolley riders. Ms. Barron commented that she has seen security officers hassle young women on the trolleys. She stated that they have reports of aggression and discrimination by the security officers. Ms. Barron asked if the security contract includes options to assert oversight over the contracted security officers.

Ellis Rose – Mr. Rose commented about an incident where one of his friends was riding the trolley and when she came into a stop, there were about thirty security officers that required all of the riders to get off the trolley and provide proof of their fares. He stated that this experience is not appropriate. Mr. Rose commented that when he lived in Chicago, he was never asked to provide proof of fare on the train because of the turnstile security system. He stated that the trolley system is setup in such a way to tempt and entice people, especially homeless people, to ride the trolley with no fare in order to get to assistance agencies when they have no other means. Mr. Rose recommended MTS to look at the security enforcement issues. He stated that a customer service approach is needed, instead of the manner in which the officers behave today.

Tasha Williamson – Ms. Williamson commented that MTS has lost millions of dollars over lawsuits concerning its security officers. She stated that the riders will be launching a boycott over MTS. Ms. Williamson commented that the low-income public should not be brutalized by the security officers on the MTS system. She stated that she has witnessed many videos of the security officers behaving aggressively and inappropriately. Ms. Williamson said that riders will boycott the system, because there have been no changes to the security enforcement behaviors. She stated that she would be putting her name on the ballot for Mayor for 2020 to address these issues among other outstanding issues in the community.

BOARD COMMENTS

Mr. Ward commented that he understands the need for security services and additional security for new service, however he has an overriding concern with how MTS is using public investments with security. He stated that he will not be able to support this item today, due to some of the outstanding issues related to the security department and the homeless population. Mr. Ward commented that he hopes the reallocation of some of the current funds could help pay for the security coverage needed for the new Route 225 service. He stated that he is looking forward to a much broader conversation about security policies.

Ms. Montgomery recommended removing this item from the agenda today and postponing it to a future meeting to have further discussions. She commented that there seems to be large differences between what the public is saying and showing in videos versus what staff is reporting. She stated that there needs to be accountability and she will address that in the MTS Public Security Committee meetings. Ms. Montgomery said that training is another issue she would like to raise and address for security. She noted that she understands this agenda item is to amend the contract for adding coverage to new service, however she wants to ensure that these other outstanding issues are addressed to the overall contract.

Ms. Salas asked if there is any oversight related to the quality of security personnel and incidents by security personnel. Manny Guaderrama, MTS Chief of Police, replied that MTS Security does have oversight of its personnel and any incidents that occur. He stated that he and the supervisors review and document any incident and all potential use of force cases. He noted that a potential use of force case includes any time a person is handcuffed. Mr. Guaderrama stated that they review every reported incident and use of force case videos. He noted that they take use of force cases seriously and there have been times where the case was substantiated and those employees were terminated. Ms. Salas asked if general courtesy and behaviors of security are reviewed on a regular basis. Mr. Guaderrama replied that all of all the security officers and code compliance inspectors (CCIs) go through training. He stated that CCIs have annual de-escalation training and they have had PERT training recently. He noted that all officers are trained and have been through the laws of arrest class. Mr. Guaderrama stated that they do not tolerate discourtesy when it comes to their attention. He stated if that comes to their attention, they will review the incident and address the issue. Ms. Salas asked what the turnover staff rate is for security personnel. Mr. Guaderrama stated that the contracted security personnel turnover rate is very high, however the CCI personnel turnover rate is lower. Ms. Salas commented that the turnover rate is also problematic, because of having to continually train and retrain new personnel. Mr. Guaderrama commented that the staffing of contracted security personnel is difficult due to the pay rates and competing security jobs. Ms. Salas stated that we may have to relook at the pay rates and wage scale for the contract. She commented that she agrees that we will need to take extra time to look at the long term policies

and changes to the entire security contract. Ms. Salas noted that she is committed to helping with that process, but also understands that today's motion needs to move forward in order to ensure that enough security personnel is staffed for the new Route 225.

Mr. Fletcher commented that he is concerned by the public's comments today about the security officers. He stated that he wants to ensure that the officers tasked with making people feel safe are actually making people feel safe and not threatened. Mr. Fletcher asked when the new bus service would be opening. Ms. Cooney replied that the new service will begin on Sunday, January 27th. She noted that the Route 225 is a TransNet funded route and therefore TransNet will fund the security services. Mr. Fletcher asked if any of the officers receive mental health awareness training. Mr. Guaderrama replied that the CCIs do receive that type of training, and it is up to the security contractors to provide their training. He noted that they have certain mandated types of training they are required to comply with and mental health awareness training is not one of the mandated trainings, but it is recommended. Mr. Fletcher commented that type of required training for all officers is something the Board should consider. Mr. Fletcher asked if there are any oversight or citizens' review boards similar to the police or Sheriff's departments. Mr. Guaderrama replied no. Mr. Fletcher stated that he would like to have more substantive discussions related to these issues surrounding training, funding and oversight.

Mr. Jablonski commented that all of the CCIs receive de-escalation and sensitivity training. He noted that the private security officers are paired with the CCIs during shifts. Mr. Jablonski stated that there is a newly appointed MTS Public Security Committee and staff can schedule a meeting to begin these discussions. Mr. Fletcher asked what the percentage of officers have that training versus the officers that do not have the training. Mr. Jablonski replied that approximately 60 out of about 120 officers have the training. Mr. Fletcher stated that he is interested in scheduling the Public Security Committee meeting soon and to possibly compare other transit system security services to MTS at that meeting.

Chair Gomez commented that she is happy there is a new Public Security Committee and that the committee can drive these discussions going forward. She stated that she has directed her staff to work with MTS on pulling all of the policies related to security practices to review and update. Chair Gomez commented that this should be a priority of the Board and the Board will look to the Public Security Committee for guidance and recommendations.

Ms. Montgomery commented that she also understands the need for security, however she does not want to wait until a new contract is issued to address some of the ongoing issues in the current contract. She stated that she wants to ensure that these issues will be revisited in the next couple of months. Chair Gomez replied that she agrees that the issues concerning the current contract will be reviewed and discussed in a timely manner.

Mr. Jablonski also commented that staff is happy to help coordinate a ride along with the security officers for any Board Member that is interested.

Action on Recommended Consent Item Number 6

Ms. Salas moved to approve Consent Agenda Item No. 6. Ms. Rios seconded the motion, and the vote was 8 to 3 in favor with Mr. Fletcher, Ms. Montgomery and Mr. Ward voting no, and Ms. Aguirre, Mr. Arambula, Mr. Arapostathis and Mr. Hall absent.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

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

Larry Marinesi, Chief Financial Officer, introduced this item and Jeremy Miller with RVK. Mr. Marinesi noted that the SDTC Pension Plan is a closed plan, which means that no new non-management employees are included in the plan. He noted that all new non-management employees are part of a defined contribution pension plan. Mr. Marinesi stated that Jeremy Miller will present on the SDTC pension investment status results for fiscal year 2018. He also noted that Anne Harper and Alice Alsberghe with Cheiron would present on the next agenda item related to the SDTC Employee Retirement Plan's Actuarial Valuation.

Mr. Miller continued the presentation and reviewed the investment structure; investment details; fiscal year 2018 performance; and performance details as of June 30, 2018. He noted that the fiscal year 2018 performance return was just under 6%. Mr. Miller noted that the actuarial assumed rate of return is 7%. He commented that the rate of return fluctuates from year to year and generally reflects how markets did for that fiscal year. Mr. Miller stated that the portfolio is well positioned for the future given the plan dynamics.

PUBLIC COMMENT

Tasha Williamson – Ms. Williamson commented that there will be a boycott in 90 days on the bus system until the security team is fired. She stated that the loss of revenue will affect the pension funds for the employees. She said that the Board Members need to think about the previous comments made related to the security officers and how a boycott could affect staff and their retirement plans with the loss of revenue.

BOARD COMMENTS

Mr. McClellan commented about the past rate of returns and asked if additional money needs to be contributed into the fund to address the lower rate of returns. Mr. Marinesi replied that in the next presentation we will go into a deeper review of the plan for the fund going forward. Mr. McClellan noted that the average ten year rate of return is below the actuarial rate of return of 7%. Mr. Marinesi stated that the actuarial rate of return was recently reduced to 7% from 7.5% in 2016. Mr. McClellan stated that he believes that number the rate of return should be reduced again.

Ms. Moreno asked how the plan's performance compares to other major index funds. Mr. Miller replied that the plan compares fairly close to those indexes, however it is still slightly under. He also noted that this type of plan is different from those major index funds based on the types of investments. Mr. Marinesi commented that this plan has about \$160 million of assets and many of the major indexes have assets in the billions of dollars, which gives those funds the ability to withstand market fluctuations. He stated that we do not invest in higher risk investments

compared to the major indexes. Ms. Moreno asked when the pension plan closed. Mr. Marinesi stated that the plan closed in 2012.

Mr. Jablonski noted that MTS has three different pension plans. He stated that the plan being discussed today is for San Diego Transit, which includes the bus drivers and the maintenance workers on the bus side. He noted that San Diego Trolley has a CalPERS pension plan, but does not pay into Social Security, and MTS has a CalPERS pension plan and also pays into Social Security. Mr. Jablonski stated that these are three different legacy pension plans from before all entities were combined under MTS.

Mr. Ward commented that he is concerned with some of the future projections in the presentation. Mr. Miller replied that the numbers included in the presentation are historical only, not forward looking. He noted that they do look at forward looking projections on an annual basis. Anne Harper, with Cheiron, commented that they also make future projections and every five years they conduct an experience study, which projects assumptions for assets in the plan. Based on the experience study, they are able to make a recommended expected rate of return for the portfolio. Mr. Ward stated that the Board will need to address future concerns with the expected and actual rate of returns.

Ms. Galvez commented that she believes the rate of return should potentially be lowered to 6.5% or 6%. She asked what the process would be to do that. Mr. Marinesi replied that an actuarial experience study is conducted every five years. He commented that they can look at starting the experience study sooner to begin evaluating the plan and the markets and how that would impact the rate of return and the costs associated with the plan.

Action Taken

No action taken. Informational item only.

CLOSED SESSION COMMENTS – TAKEN OUT OF ORDER

Steve Padilla – Mr. Padilla commented on behalf of Grand Central West, LLC regarding their ongoing litigation with MTS about the property immediately behind and adjacent to the McDonalds building at the San Ysidro Transit Center. He stated that MTS has pursued a policy regarding this property, which is a public asset and should be used as public property and not private property. Mr. Padilla stated that MTS has put the traveling public at risk by pursuing their policy of this property. He said that the property was previously acquired by MTS with public funds to use as a bus platform to connect travelers to private intercity bus connections. Mr. Padilla stated that MTS has pursued litigation against Grand Central West for the last four years in pursuit of a policy that would treat that public property as private property. He stated that at the end of December of last year, the trial court rendered its decision against MTS. Mr. Padilla commented that he hopes the agency will not appeal and use additional public funds to pursue a policy that does not benefit the community or transit riders. He stated that the money used in this litigation should have been used on the transit riding public.

Miguel Aguirre – Mr. Aguirre gave his speaking time to Mr. Padilla.

31. San Diego Transit Corporation (SDTC) Employee Retirement Plan's Actuarial Valuation as of July 1, 2018 (Anne Harper and Alice Alsberghe of Cheiron Inc. and Larry Marinesi)

Ms. Harper provided a presentation on the SDTC Employee Retirement Plan's Actuarial Valuation as of July 1, 2018. Ms. Harper discussed the plan cost changes; plan cost by source; plan history contributions; plan history funding; plan history membership; and plan composition. Ms. Alsberghe discussed the plan projections for the future. She reviewed the projected total contributions and the projected funded ratio. Ms. Alsberghe noted that the plan is projected to be fully funded by 2037.

Ms. Moreno inquired about the possible future funding issues of the plan. Mr. Marinesi stated that once the plan was closed in 2012, we were able to calculate our funded ratio and determine the plan going forward to drive the funded ratio from 58% to 100% funded over the course of about twenty years. Ms. Moreno asked if the numbers will change if we change the actuarial rate of return. Mr. Marinesi replied that the funding percentages will still stay the same, but the amount contributed into the plan would then increase. Ms. Moreno asked how the plan will have enough assets to cover its liabilities. Ms. Harper replied that the contributions are assumed to be made to the plan to cover its liabilities.

Mr. McClellan commented that he believes we need to be contributing more to this plan in order to help ensure that there are no issues in the future with funding retirees.

Ms. Galvez asked how quickly the Board could see the estimates based on a 5% rate of return. Mr. Marinesi replied that they can begin working on the actuarial experience study to bring back to the Board next year. He noted that the process is very extensive and time consuming.

Action Taken

Ms. Salas moved to receive the SDTC Employee Retirement Plan's (Plan) actuarial valuation as of July 1, 2018, and adopt the pension contribution amount of \$15,919,058 for fiscal year 2020. Ms. Rios seconded the motion, and the vote was 11 to 0 in favor with Ms. Aguirre, Mr. Arambula, Mr. Arapostathis and Mr. Hall absent.

REPORT ITEMS

45. E Street Trolley Station Joint Development and Reimbursement Agreement with the City of Chula Vista (Tim Allison)

Tim Allison, Manager of Real Estate Assets, provided a presentation on the E Street Trolley Station joint development and reimbursement agreement with the City of Chula Vista. He introduced Kevin Pointer with the City of Chula Vista's Economic Development Department. Mr. Allison provided pictures of the E Street Trolley Station and City of Chula Vista F Street Yard properties. He reviewed the site details of both properties. Mr. Allison discussed the adopted City of Chula Vista Urban Core Specific Plan for this area. He reviewed the proposed strategy for pursuing this joint development and noted that the City of Chula Vista is hiring Keyser Marston and Associates, Inc. for the purposes of market and financial analysis; RFQ/RFP development; and to evaluate developers.

Ms. Salas commented that the City of Chula Vista is looking forward to working with MTS on this joint development project. She thanked Kevin Pointer with the City of Chula Vista for his help on this project. Mr. Pointer stated that he is very proud to be working alongside MTS to engage with developers and the proposals to achieve the objectives of both agencies for the project.

Ms. Moreno thanked MTS staff and the City of Chula Vista for bringing forward this joint development project. She stated that this project can serve as a template for MTS to partner with other cities to provide and build more housing.

Ms. Galvez inquired about a small portion of a property adjacent to these properties, located on the corner of F Street. She asked what it would take to acquire and utilize that adjacent piece of property in this project. Mr. Allison replied that area of property contains traction power substations for trolley utilization and unfortunately cannot be removed. Ms. Landers noted that there is an opportunity to remove the abandoned freight tracks adjacent to the property to increase the footprint.

Action Taken

No action taken. Informational item only.

46. Update on Innovative Clean Transit Regulation (Paul Jablonski)

Mr. Jablonski provided an update on the California Air Resources Board (CARB) Innovation Clean Transit (ICT) Regulation. Mr. Jablonski noted that the CARB Board approved the ICT Regulation in December 2018. He reviewed and discussed all of the major components and minor components of the ICT Rule. Mr. Jablonski noted that MTS will be doing an electric bus pilot program and the buses for the pilot program have been ordered and purchased. He presented a sample picture of the electric buses that will be used in the pilot program.

PUBLIC COMMENTS

Gretchen Newsom – Ms. Newsom commented on behalf of the IBEW 569. She stated that they are big supporters of the ICT Rule and of transitioning transit to clean technologies. Ms. Newsom invited any Board Members to tour their training facility, which demonstrates the skills of their electrical trainees.

Jack Shu – Mr. Shu commented on behalf of the Cleveland National Forest Foundation and the Sierra Club. He stated that he agrees with Ms. Newsom's statements about the ICT Rule. Mr. Shu stated that he travels to China frequently and he saw China transition rapidly to electric buses. He said that he's looking forward to this region doing the same.

Lorraine Leighton – Ms. Leighton asked about the future electric cutaway buses. Mr. Jablonski noted that the cutaway buses are not included in the regulation at this time.

BOARD COMMENTS

Ms. Rios commented that she understands there are exemptions to the ICT Rule, but she believes that we should continually move forward with the transition to all zero emission buses.

Action Taken

No action taken. Informational item only.

47. Operations Budget Status Report for November 2018 (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis, provided a report on the operations budget status for November 2018. He reviewed the total operating revenues; total operating expenses; and total operating variance. Mr. Thompson reviewed details of on-going concerns including regional sales tax receipts; STA formula funds; passenger levels; and energy prices.

Action Taken

No action taken. Informational item only.

59. Ad Hoc Ballot Measure Committee Report

Chair Gomez noted that the Board appointed a new Ad Hoc Ballot Measure Committee today. She stated that they will be scheduling those meetings now that the new Committee has been created. Chair Gomez commented that the previous Committee had completed acquiring the team of consultants to assist in the Ballot Measure process and development. She stated that there have been some initial discussions of projects and the initial polling of those projects will be conducted in early February. She noted that the outcome of the polling will be discussed with the Committee. Chair Gomez stated that the outreach process will begin in March, which will create focus groups and possibly a stakeholder working group. She commented that they will be engaging the public and all necessary stakeholders during the process.

PUBLIC COMMENTS

Vianney Ruvalcaba – Ms. Ruvalcaba commented on behalf of the City Heights Community Development Corporation (CDC). She stated that they are a part of the San Diego Transportation Equity Working Group and they are excited to be working with this group. Ms. Ruvalcaba stated that City Heights is one of the highest transit ridership areas in the city and they are looking forward to enhancing transit service in this area. She stated that the Working Group has submitted a letter to the Board that addresses the recommendations and needs for a future ballot measure.

Jack Shu – Mr. Shu stated that he supports the Quality of Life Coalition's letter to the Board in relation to this ballot measure. He commented that the methodology and process related to this ballot measure needs to be changed. He stated that the same processes SANDAG used should not be used here.

Bee Mittermiller – Ms. Mittermiller commented on behalf of San Diego 350. She stated that they are partners with the Working Group. She stated that they support the ballot measure. She commented that it is important to be transparent and to include public outreach during the process. Ms. Mittermiller stated that the chances of the ballot measure passing depends on the

input from the public and the voters. She commented that they are proposing to make the Ad Hoc Committee a public forum.

Gretchen Newsom – Ms. Newsom commented on behalf of the IBEW 569. She stated that they are also Quality of Life Coalition members and are hopeful that the Board is going to develop a very public process with a lot of transparency.

Sophie Wolfram – Ms. Wolfram commented on behalf of the Climate Action Campaign. She stated that they see a lot of potential in this ballot measure to help improve the environment and increase the quality of life as well as transit service in the region. Ms. Wolfram commented that the ballot measure needs to be developed through a transparent and public process. She stated that they are asking for the Ad Hoc Committee to be a public committee and that two of the seats on the committee be community seats. She stated that they are also asking for a community working group to be developed by MTS as well.

Rosa Olascoaga – Ms. Olascoaga commented on behalf of Mid-City CAN. She stated that they would like the ballot measure process to be transparent and include community input. She asked that the Ad Hoc Committee be a public forum so the community can provide input and participate.

Ana Castro Reynoso – Ms. Castro Reynoso provided a presentation on transportation justice projects and policies for the ballot measure. She discussed the San Diego Transportation Equity Working Group and its members. She reviewed the issues they believe to be top priorities including increasing transit access to jobs, decreasing the cost to riders, and helping the region achieve climate targets. Ms. Castro Reynoso reviewed their various priority projects and policies for the ballot measure. A complete copy of the presentation is included in the final meeting packet.

Esperanza Miranda – Ms. Miranda commented that she is advocating with the Environmental Health Coalition and the San Diego Transportation Equity Working Group on behalf of public transportation. She stated that she supports the Working Group's proposed projects and policies in relation to the ballot measure. She commented that they would like to see 24-hour service in their community, more frequent service and more security.

Lorraine Leighton – Ms. Leighton commented on the proposed ballot measure and asked that the Board explain why they should raise the fares. She also commented on another issue and stated that there have been a lot of drug dealings at El Cajon Transit Center.

Peter Brownell – This speaker was not present.

BOARD COMMENTS

Ms. Rios thanked the community and speakers for sharing their thoughts about the ballot measure. She stated that this process will include meaningful public outreach and inclusion. She stated that she would support making the Committee a public Committee.

Chair Gomez commented that there will be plenty of community input and they will ensure this process is a transparent process before the Board makes any decision on whether we will be moving forward with a ballot measure.

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

There were no Board Member communications.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

CLOSED SESSION – TAKEN OUT OF ORDER

24. Closed Session Items

The Board convened to Closed Session at 11:47 a.m.

- a. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to California Government Code Section 54956.9(d)(1) San Diego Metropolitan
Transit System v. Grand Central West LLC and related cross-complaints (San Diego
Superior Court Case No. 37-2014-00044014-CU-OR-CTL)

The Board reconvened to Open Session at 12:29 p.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.

64. Next Meeting Date

The next regularly scheduled Board meeting is February 14, 2019.

65. Adjournment

Chair Gomez adjourned the meeting at 12:30 p.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): January 17, 2019

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 11:47 a.m.

RECONVENE: 12:29 p.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 12:30 p.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
AGUIRRE	<input type="checkbox"/> (Spriggs) <input type="checkbox"/>		
ARAMBULA	<input type="checkbox"/> (Mendoza) <input type="checkbox"/>		
ARAPOSTATHIS	<input type="checkbox"/> (TBD) <input type="checkbox"/>		
FAULCONER	<input type="checkbox"/> (Moreno) <input checked="" type="checkbox"/>	9:00 a.m.	12:30 p.m.
FLETCHER	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:00 a.m.	12:30 p.m.
FRANK	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:00 a.m.	12:30 p.m.
GALVEZ	<input checked="" type="checkbox"/> (Diaz) <input type="checkbox"/>	9:00 a.m.	12:30 p.m.
GOMEZ	<input checked="" type="checkbox"/> (Campbell) <input type="checkbox"/>	9:00 a.m.	12:30 p.m.
HALL	<input type="checkbox"/> (McNelis) <input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Goble) <input type="checkbox"/>	9:00 a.m.	12:30 p.m.
MONTGOMERY	<input checked="" type="checkbox"/> (Bry) <input type="checkbox"/>	9:00 a.m.	12:30 p.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:00 a.m.	12:30 p.m.
SALAS	<input checked="" type="checkbox"/> (Diaz) <input type="checkbox"/>	9:00 a.m.	12:30 p.m.
SANDKE	<input type="checkbox"/> (Donovan) <input checked="" type="checkbox"/>	9:00 a.m.	12:30 p.m.
WARD	<input checked="" type="checkbox"/> (Kersey) <input type="checkbox"/>	9:00 a.m.	11:20 a.m.

SIGNED BY THE CLERK OF THE BOARD:

Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL:

Karl Bad