

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

MINUTES

May 13, 2021

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. Note that the meeting was conducted via webinar to comply with public health orders].

1. Roll Call

Chair Fletcher 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

Board Member Goble moved to approve the minutes of the April 8, 2021, MTS Board of Directors meeting. Board Member Moreno seconded the motion, and the vote was 12 to 0 in favor with Board Member Montgomery Steppe, Vice Chair Sotelo-Solis and Board Member Arapostathis absent.

3. Public Comment

Peter Zschiesche – Representing the United Taxi Workers of San Diego made a verbal statement to the Board during the meeting. Zschiesche noted the hardships in the industry; and highlighted the demographics of the drivers who are low wage and drivers' out of pocket payment for commercial insurance, along with permit fee increases causing drivers to leave the industry. Zschiesche urged the Board to create a relief fund for the agency on driver permits and presented a proposal fund.

CONSENT ITEMS

6. Title VI Triennial Program Update Submittal

Action would adopt Resolution No. 21-6 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).

7. California Department of Transportation (Caltrans) Program of Projects for Federal Fiscal Year (FFY) 2021 Federal Transit Administration (FTA) Section 5311 – Formula Funding

Action would approve Resolution No. 21-7 authorizing the use of and application for \$207,000 of FFY 2021 Section 5311 funds for operating assistance in rural areas.

8. California Department of Transportation (Caltrans) Program of Projects for Federal Fiscal Year (FFY) 2021 Federal Transit Administration (FTA) Intercity Bus Program 5311(f) – Competitive Funding

Action would approve Resolution No. 21-8 authorizing the use of and application for \$300,000 of FFY 2021 Section 5311 (f) – competitive funding for operating assistance in non-urbanized areas.

9. Heliox Technology, Inc (Heliox) Fast Dc 180 kW High Powered Electric Chargers (HPC) Chargers – Sole Source Award
Action would authorize the Chief Executive Officer (CEO) to issue a Purchase Order to Heliox for eight (8) Fast DC 180 kW Electric Chargers, and twenty-four (24) overhead inverted pantographs through a sole source procurement in the amount of \$1,275,595.50.
10. Investment Report – Quarter Ending March 31, 2021
11. Las Chollas Bridge Repair – Contract Award
authorize the Chief Executive Officer (CEO) to execute PWL334.0-21, with Blue Pacific Engineering and Construction, a Small Business (SB), for the Las Chollas Bridge Repair in the amount of \$623,100.00 plus 20% contingency.
12. On-Call Electrical Repair Services – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG330.0-21, with ACM Artistic Neon, Inc., dba ACM Lighting Services (ACM), a Disadvantaged Business Enterprise (DBE), for on-call electrical repair services for a period of one (1) base year and an additional two (2) option years for a total contract value of \$227,414.04.
13. Copley Park Division (CPD) Maintenance Shop Flooring Rehabilitation – Work Order Agreement
Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC275-19 under Job Order Contract (JOC) to MTS Doc. No. PWG275.0-19, with ABC Construction Co., Inc. (ABC), in the amount of \$131,013.55 for the rehabilitation to the maintenance shop flooring at the CPD.
14. Portable Toilet Services – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2452.0-21 with United Site Services of California, Inc., for portable toilet services, for three (3) base years with two (2) option years, for a total of five (5) years effective July 1, 2021, at a cost of \$840,462.29.
15. Pest Control Services – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2454.0-21, with Pestmaster Services, L.P., a Small Business (SB), for pest control services totaling \$277,865.24 for five (5) years effective June 8, 2021.
16. Bus Subcomponents – Contract Awards
Action would authorize the Chief Executive Officer (CEO): 1) Execute MTS Doc. No. B0731.0-21, with Mohawk Manufacturing & Supply (Mohawk), in the amount of \$166,134.17 plus 20% contingency for the provision of bus brake and planetary kits, and air brake parts for a five-year term; and 2) Execute MTS Doc. No. B0732.0-21, with Vehicle Maintenance Program [a Women's Business Enterprise (WBE)], in the amount of \$118,811.83 plus 20% contingency for the provision of and disc brake parts for a five-year contract term.

17. Payment Card Industry Data Security Standards (PCI-DSS) Professional Consulting Services – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2444.0-21, with CampusGuard LLC, for the PCI-DSS Professional Consultancy Services for a three (3) year base term with two (2) one-year options in the amount of \$684,000.00.
18. Communication Equipment Heating Ventilation Air Conditioning (HVAC) Maintenance Services – Amendment
Action would: 1) Ratify Amendments 1-3, 5 and 6 (4 was not used) under MTS Doc. No. PWG225.0-17 (Attachments B – F) with Comfort Mechanical, a Small Business (SB), for a total of \$98,919.00; and 2) Authorize the Chief Executive Officer (CEO) to exercise Amendment 7, inclusive of option years 3 and 4, and increase the number of locations for the additional Mid-Coast stations under MTS Doc. No. PWG225.7-17 with Comfort Mechanical for a total of \$98,948.50.
19. Amendments to County and MTS Sublease (Mills Building)
Action would authorize the Chief Executive Officer (CEO) to execute an Amendment to Sublease between MTS and the County of San Diego (County) related to the Mills Building located at 1255 Imperial Avenue in San Diego, in substantially the same format as Attachment A.

PUBLIC COMMENT

Gretchen Newsom – Representing IBEW 569 made a verbal statement to the Board during the meeting. Newsom noted agenda item 12 being awarded to an out of county contractor. Newsom continued that with a project labor agreement, the agency could ensure the county taxpayers that the labor used for this project is sourced to local construction skilled and trained workforce.

Action on Recommended Consent Items

Chair Fletcher moved to approve Consent Agenda Item Nos. 6 to 19. Board Member Sandke seconded the motion, and the vote was 12 to 0 in favor with Vice Chair Sotelo-Solis, Board Member Montgomery Steppe and Board Member Arapostathis absent.

NOTICED PUBLIC HEARINGS

25. Proposed Fiscal Year (FY) 2022 Operating Budget (Mike Thompson)

Mike Thompson, MTS Director of Financial Planning and Analysis, presented on: Fiscal Year 2022 Operating Budget. Mr. Thompson outlined the following: Revenue Assumptions - Passenger Levels, Passenger Revenue, Other Operating Revenues, Revenue Summary, Final Adjustments, Expenses Summary, Consolidated Revenues less Expenses, Reserve Balance, 5 Year Projection, Major Initiatives and Staff Recommendation.

PUBLIC COMMENT

Carolina Martinez – Representing the Environmental Health Coalition made a verbal statement to the Board during the meeting. Martinez asked the Board for a more detailed report on the stimulus funding utilization. Martinez was interested in understanding the allotment of the stimulus for both CARES and American Rescue Plan funds that would advance solutions for environmental justice communities.

BOARD COMMENTS

Board Member Goble was concerned about the 1-million-dollar shortfall and was concerned about lending convenience.

Mr. Thompson clarified the allocations was exclusively a contingency reserve.

Board Member Goble asked how tourism and hospitality would affect ridership.

Sharon Cooney, MTS Chief Executive Officer, replied tourism and education are industries that make up large portions of ridership. She stated the agency was conservative in its ridership forecast and will be closely and constantly monitoring ridership levels.

Chair Fletcher noted, the ridership projections are very conservative.. He continued, there is an anticipated spike in vacation demand, which may lead to increased tourism and hospitality numbers throughout the reopening. He was conscious that the convention center business would be slow to attract tourism, but he was optimistic to revise the conservative ridership projection. He was hopeful the data could be revised this summer to show a faster than expected recover.

Board Member Goble agreed with the Chair's comment. He also asked if the agency felt comfortable in its protection of investments in workers and infrastructure and not creating deferred maintenance.

Mr. Thompson noted the agency is utilizing CARES Act funding to balance spending during this time.

Chair Fletcher acknowledged that the Boards' prerogative is to increase ridership which will require marketing investment. He acknowledged the agency's financial strength, coupled with the federal funds creates optimism for the agency's financial recovery.

Board Member Sandke validated the pent-up demand in tourism statement made by the Chair. He acknowledged transit as a common form of transportation for some foreign countries. He highlighted tourism as an opportunity for increasing ridership because visitors pay the full fare amount. He noted the increasing dependence on subsidies and expense growth causes him concern. He was concerned some programs, such as youth opportunity passes, could hurt the agency's revenue in the long term. He commented on MTS's push for housing development and noted missed opportunity with long-term land lease revenue. He acknowledged the balance between programs and policies with fiscal reality is a fragile one and encouraged the Board to look at the long-term financial health of the agency.

Board Member Moreno highlighted the challenges the agency faces as ridership remains at half of pre-pandemic levels. She urged the Board to focus on ridership recovery to avoid service cuts once federal stimulus money runs out. She asked staff where in the budget it showed ridership as a metric.

Mr. Thompson referred to page 114 of the proposed budget for FY 20, FY 21 and FY 22.

Board Member Moreno urged the Board to refer to passenger ridership as a predominant matrix and was concerned about passenger revenue projections since it predicts a five-year recovery to reach pre-pandemic levels. She urged staff to boost ridership by conducting market research to understand ways to convince previous riders to use the system again. She asked staff to pursue a ridership recovery action plan.

Ms. Cooney noted numerous efforts in place and confirmed that staff would provide a report at the upcoming MTS Board meeting. She explained ridership data is closely monitored and presented annually. She stated ridership isn't only important to the agency for attaining revenue, but also to meeting environmental goals. The focus on revenue is a key metric, because that is how the agency balances the budget. She highlights the agency's intentionality with offsetting the costs of inflation in ways beyond raising fares for over 12 years. She stated the upcoming COVID-19 presentation would show data on passenger impacts.

Board Member Moreno supported the budget cautiously and restated the importance of having a recovery action plan.

Chair Fletcher encouraged the creativity of ideas to increase ridership. He listed growing frequency, partnerships, youth opportunity passes, and employee pass programs that could entice ridership.

Board Member Elo-Rivera commended staff for their work in balancing the budget with so many shifting variables. He agreed with concerns to increase revenue as an essential part of balancing the budget. He noted particular support to achieve this with youth opportunity passes as an investment to create long-term ridership. He asked staff if the mid-year adjustment allowed the agency to provide a plan for youth opportunity passes.

Ms. Cooney confirmed it allows staff to review the feedback being made today. She noted there would need to be communication with stakeholders to make sure the process is done in an equitable fashion.

Board Member Elo-Rivera agreed with Mr. Sandke's thoughts on maximizing revenue wherever possible and using tourists who visit the city as a mode of revenue.

Board Member Whitburn commended the agency's involvement in regional solutions for homelessness. He noted the primary benefits as humanitarian and the latter economically. He noted the concern to retain an incentive to continue visiting the downtown area and using transit.

Chair Fletcher made an amendment to the motion to direct staff to present a ridership recovery plan to the Board, and to conduct an analysis related to youth opportunity passes and bring the findings back to the Board during the mid-year budget process. He asked Board Member Moreno if she agreed to add these stipulations to her motion.

Board Member Moreno updated her initial motion to reflect the summarized points by Chair Fletcher.

Board Member Goble noted a relationship opportunity with the attainment of youth opportunity passes. He compared it to coupons, as a way of reducing the risk of trial and create a relationship with the customer. He continued with the comparison and explained raising prices for existing customers has less marketing appealing compared to finding new customers.

Board Member Galvez asked if a marketing campaign was in place to utilize space on the system to promote ridership.

Ms. Cooney replied, these initiatives already exist, the latest campaigns being the Eat Shop Play and Clean Ride campaigns.

PUBLIC COMMENT

Chris Sotomayor – Representing Mid-City CAN made a verbal statement to the Board during the meeting. They commended the Board for supporting youth opportunity passes. They noted that student or employment status is a form of discrimination through classism.

Action Taken

Board Member Moreno moved to 1) Hold a public hearing, receive testimony, and review and comment on the FY 2022 budget information presented in this report; 2) Enact Resolution No. 21-5 adopting the FY 2022 operating budget for MTS and approving the operating budgets for San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services and the Coronado Ferry; 3) Direct MTS staff to present a ridership recovery plan to the Board; and 4) Direct staff to conduct an analysis for youth opportunity passes and present the findings to the Board during the mid-year budget process. Vice Chair Sotelo-Solis seconded the motion, and the vote was 13 to 0 in favor with Board Member Montgomery Steppe and Board Member Arapostathis absent.

DISCUSSION ITEMS

30. None.

REPORT ITEMS

45. Policy 18 – Joint Development Program Status (Tim Allison)

Tim Alison, MTS Manager of Real Estate Assets, and Karen Landers, General Counsel, presented on Policy 18 – Joint Development Program status. They outlined the following items: previous Policy 18 changes; Morena Vista development; Smart Corner; Grossmont Trolley Station; Villa Encantada; development locations in the City of San Diego, City of National City, City of Chula Vista, and development locations in East County; AB 1486 noticing requirements; E Street Trolley Station; 12th & Imperial Transit Center; Grantville Trolley Station; Palm Avenue Station; Beyer Boulevard Trolley Station and Rancho Bernardo Transit Center; El Cajon Transit Center; City of La Mesa TOD feasibility study; Spring Street Station; Amaya Drive Station; 24th Street Trolley Station; Palomar Trolley Station; H Street Trolley Station; Riverwalk property; and the Mid-Coast – Clairemont Drive Trolley Station.

Ms. Cooney elaborated on the Mid-Coast extension with the developer's thoughts on parking limitations at the Clairemont Drive Trolley Station, because the site is targeted for transit oriented development (TOD). She noted since this agreement is federally funded, parking needs to be provided as part of NEPA (National Environmental Policy Act) requirements. This is important since the federal government uses this as a demand estimate.

As it relates to the 12th & Imperial Transit Center expansion/TOD project, Board Member Elo-Rivera asked staff to clarify the density housing options and whether these housing estimates were plausible.

Mr. Allison noted that architectural and financial analysis was conducted and the Board at the time gave direction to staff to seek out the highest possible density.

Ms. Cooney replied that during the Request for Qualification (RFQ) process, the agency did not limit developers on parking requirements. She clarified the parking allotment was not based on the request of the agency, rather developer's ability to receive financing to build a project of this size.

Board Member Elo-Rivera was under the perception that parking availability would incentivize housing financing.

Ms. Cooney noted that this incentive was true for market-based housing only.

Board Member Elo-Rivera acknowledged that before he joined the Board, affordability would be prioritized above the money the Agency would be able to financially secure from a project. He hopes the objective remains to be affordability and ridership incentive.

Board Member Whitburn asked for clarity on the illegal activity and solutions noted in the presentation related to 12th and Imperial.

Ms. Cooney stated that the crime rate impact is the highest in this block. She noted issues with staff and passengers being threatened and riders being unable to stand on the sidewalk due to tents and encampments. She noted the areas are alleviated at times during Padres games and police intervention.

Ms. Landers explained the TOD plan also includes an expansion of the transit center. She noted the agency would expand the bus and transit center and leave room for the developer to build above the structure. This would allow for more bus space and true passenger amenities and platforms. She stated the transit center expansion efforts will continue with TOD opportunities later on.

Board Member Mendoza asked about the Massachusetts Trolley Station property. She noted the project was not listed and asked staff if that was due to lack of developer interest or property constraints.

Mr. Allison clarified the site did not have obstacles and that the City was undergoing land use and density planning.

Board Member Goble asked about the agency's analysis of the Morena Vista 2006 and Grossmont 2010 data monitoring after its 2010 goals.

Mr. Allison replied that an analysis has not been conducted.

Board Member Goble emphasized that capturing the data was important to allow the agency to make improvements, informed recommendations and strategies.

Board Member Sandke asked for the 12th and Imperial site to be thought of as a mobility hub.

PUBLIC COMMENT

Chris Sotomayor – Representing Mid-City CAN made a verbal statement to the Board during the meeting. They were concerned about the criminalization of the unhoused community and the potential effects of gentrification. They urged the Board to receive staff training on the

unhoused community or contract out services to support the needs of the community being served.

Ms. Cooney clarified the people threatening parking attendants were drivers and not unhoused individuals.

Action Taken

No action taken. Informational item only.

46. Report on Activities Related to COVID-19 (Sharon Cooney)

Sharon Cooney, MTS Chief Executive Officer, reported on activities related to COVID-19. She outlined the following information: COVID-19 response measures, passenger safety/confidence measures, ridership level results, passenger survey results, employee safety/confidence measures, and next steps.

Board Member Elo-Rivera gave his condolence to the employee lives lost during the pandemic. He praised the agency on the protocols adopted. He asked what permanent protocols will remain after the pandemic.

Ms. Cooney responded the bus barriers, high level of filtration and cleaning protocols that were enacted during the Hepatitis A outbreak and COVID-19 testing along with COVID-19 and flu vaccinations would remain as editions to the agency's protocol.

Board Member Elo-Rivera was pleased with the reply as these protocols help keep the community safe.

Chair Fletcher stated that encouraging employees to stay home when they feel sick is important to protecting community health, along with a COVID-19 booster shot to be released in the fall.

Board Member Hall asked for the count of employees who are vaccinated.

Ms. Cooney replied that at a minimum there have been 800 employees that received a vaccine administered by the agency along with most of the management departments on the 9th and 10th floor.

Board Member Goble commended the confidence they instilled in the riders through its recovery of service during the pandemic.

Vice Chair Sotelo-Solis echoed sentiments of continued good work MTS staff achieves. She noted with reopening, there are conflicting messages which may pose an obstacle for the agency, however keeping a consistent message about mask requirements is important.

Chair Fletcher acknowledged the agency's successes are quantifiable enough to claim to be the best transit system in America. He commended the agency for doing the best it could do during the pandemic.

Action Taken

No action taken. Informational item only.

OTHER ITEMS

60. Chair Report

There was no Chair report.

61. Chief Executive Officer's Report

Ms. Cooney noted the SANDAG Regional Transportation Plan (RTP) draft will be released the 21st of May, and SANDAG will provide a report to the Board in June to review the RTP.

62. Board Member Communications

There were no Board Member communications.

63. Additional Public Comments on Items Not on the Agenda

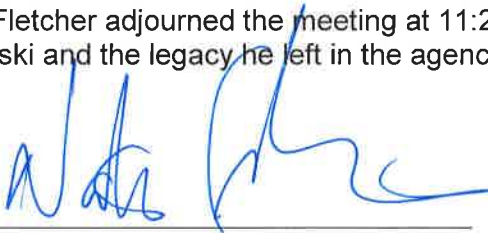
Craig Monday – Made a public comment to the Board during the meeting. Monday referred the written comment submitted to the Board. Monday was concerned about overcapacity on the buses on the Super Loop and asked for priority boarding for Compass and cash fares ahead of UCSD student passes.

64. Next Meeting Date

The next regularly scheduled Board meeting is June 17, 2021.

65. Adjournment

Chair Fletcher adjourned the meeting at 11:27 a.m. He acknowledged the passing of Paul Jablonski and the legacy he left in the agency and in the transit industry overall.



Chairperson
San Diego Metropolitan Transit System

Filed by:



Clerk of the Board
San Diego Metropolitan Transit System

Approved as to form:



General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

MEETING OF (DATE):	<u>May 13, 2021</u>	CALL TO ORDER (TIME):	<u>9:00 am</u>
RECESS:	<u></u>	RECONVENE:	<u></u>
CLOSED SESSION:	<u></u>	RECONVENE:	<u></u>
PUBLIC HEARING:	<u>9:07am</u>	RECONVENE:	<u>10:00 am</u>
ORDINANCES ADOPTED:	<u></u>	ADJOURN:	<u>11:27 am</u>

SIGNED BY THE CLERK OF THE BOARD:

DeGorzy