

## MINUTES

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM

#### EXECUTIVE COMMITTEE

February 05, 2026

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. The full comment can be heard by reviewing the recording at the [MTS website](#).]

#### 1. Roll Call

Chair Whitburn called the Executive Committee meeting to order at 9:04 a.m. A roll call sheet listing Executive Committee member attendance is attached as Attachment A.

#### 2. Public Comment

David Rodger – Provided a verbal statement to the Board during the meeting. David expressed concerns about crime and safety along C Street, attributing responsibility in part to MTS operations. He criticized current security practices, called for leadership changes, and urged the Committee to take stronger action. He also raised concerns about system maintenance, including signage issues at the Balboa Trolley station, and encouraged Board members to use the system regularly.

Yolanda France – Provided a verbal statement to the Board during the meeting. Yolanda thanked Chair Whitburn for assistance with a Transdev matter and expressed appreciation for public transit, which she has used by choice since 2001. She suggested exploring a premium “business class” Trolley car during peak hours with added amenities, security, and special access for riders willing to pay a higher fare.

#### 3. Approval of Minutes

Vice Chair Goble moved to approve the minutes of the November 13, 2025, MTS Executive Committee meeting. Board Member Dillard seconded the motion, and the vote was 4 to 0 in favor with Board Member Elo-Rivera, Board Member Montgomery Steppe and Board Member Moreno absent.

#### DISCUSSION ITEMS

#### 4. San Diego Transit Corporation (SDTC) Pension Investment Status (Jeremy Miller and Erik Williams, with RVK Inc., and Mike Thompson)

Mike Thompson, MTS Deputy Chief Financial Officer, Jeremy Miller, RVK Investment Manager, and Erik Williams, RVK Investment Manager, presented on the San Diego Transit Corporation (SDTC) Pension Investment Status. They discussed: investment structure as of 06/30/2025, investment details as of 06/30/2025, FY2025 performance, long term performance details, and investment structure summary.

##### Public Comment

There were no Public Comments.

##### Committee Comment

Chair Whitburn stated that he was curious about the five-year fixed income performance, which appeared to be approximately -6.10%. He asked why fixed income would have experienced a negative performance over that period. Mr. Miller explained that in 2022, inflation drove interest rates sharply higher, which caused bond prices to fall and resulted in negative returns. He noted that this was a rare and significant market event due to the rapid shift from low yields to higher

rates. Mr. Miller added that while the increase in rates caused short-term losses, it created better long-term opportunities through higher yields. He stated that this was why the portfolio began increasing its allocation to bonds.

**Action Taken**

No action taken. Informational item only.

**5. San Diego Transit Corporation (SDTC) Employee Retirement Plan’s Actuarial Valuation as of July 1, 2025 (Anne Harper and Alice Alsberghe with Cheiron Inc., and Mike Thompson)**

Mike Thompson, MTS Deputy Chief Financial Officer, Anne Harper, Cheiron, and Alice Alsberghe, Cheiron, presented on the San Diego Transit Corporation (SDTC) Employee Retirement Plan’s Actuarial Valuation as of July 1, 2025. They discussed: background, plan contributions for FY2026-2027 (based on 2025 Actuarial Valuation), plan history, plan projections, amortization policy review, and staff recommendation.

**Public Comment**

There were no Public Comments.

**Committee Comment**

Board Member Dillard thanked staff for the presentation. She asked a question about page six, directing it to Alice Alsberghe. She inquired about the average contribution of employees who were still contributing to the fund. She stated that she believed she had heard that contributions were lower than usual and sought clarification on whether the normal cost portion was decreasing due to a decline in active participants. Ms. Alsberghe clarified that the normal cost portion was decreasing because there were fewer active employees contributing overall. She explained that, in aggregate, a smaller portion of total contributions reflected normal cost due to the reduced number of active participants. However, she stated that each individual member continued to contribute at their predetermined rate. Ms. Alsberghe added that the Amalgamated Transit Union (ATU), International Brotherhood of Electrical Workers (IBEW), and non-represented groups had slightly different contribution rates, but that member rates were generally around 8%. Board Member Dillard confirmed that employees were still active but fewer in number, which explained the decline in total contributions. Ms. Alsberghe agreed and clarified that while aggregate contributions were decreasing, individual members continued contributing 8%, and MTS contributed more than 8% including normal cost and Unfunded Actuarial Liability (UAL) portions. Karen Landers, MTS General Counsel, asked for clarification for the record, explaining that “normal cost” was a technical term and did not imply the existence of “abnormal” costs. She requested that the presenters define what “normal cost” meant for the record. Ms. Alsberghe explained that “normal cost” was an actuarial term referring to the value of the retirement benefit earned by active employees during a single year. She clarified that it represented the total cost of benefits accrued by all active members for that year of service.

Board Member Dillard asked for clarification on whether that projection meant there would be virtually no members left to retire at that point, with only a few remaining active participants. She then asked whether the absence of negative amortization indicated the plan would remain financially stable and not “upside down.” Finally, she inquired whether there was any recommendation to pay off the remaining unfunded liability sooner than 2046. Ms. Harper responded that the Board had discretion to change the funding policy at any time, including the

alternative amortization policy being discussed. She explained that if, in the future, the Board decided to pay off sooner, it could choose to do so. She emphasized that the determination of amortization periods and whether to accelerate payoff was within the Board's authority. Board Member Dillard stated that the explanation was helpful and noted that the Board would need to evaluate potential cost savings if the liability were paid off earlier, such as 10 years sooner. She added that the Board would also need to determine whether it could afford to accelerate the payoff.

Vice Chair Goble thanked the presenters and complimented the helpful visuals, noting the effectiveness of the plumbing diagram. He directed the group to slide 14 and stated that he viewed the Executive Committee's role as helping guide discussion for the full Board. He asked what percentage of total agency employees were covered under this plan compared to the overall employee population. Mr. Thompson responded that there were approximately 268 active members in the plan as of July 1, 2025, though roughly 300 active members were referenced more generally. He stated that MTS had about 1,600 total employees overall. He added that the plan also included approximately 1,000 individuals currently receiving benefits and another 169 who had earned benefits but had not yet begun receiving them. Vice Chair Goble stated that when the matter is discussed the following week, it would be helpful to clarify the percentage of employees affected by the plan to provide context. He noted that identifying the approximate share of the workforce, such as around 30%, would help emphasize that the discussion applied to a specific segment of the agency rather than the entire organization. Ms. Cooney stated that it was important to emphasize that the pension was a legally required, earned benefit that must be paid regardless of future plan intentions. She noted that, by law, the obligation to pay those benefits remained in place. Mr. Thompson clarified that the obligation to pay earned pension benefits remained unchanged, and that the funding policy only determined how the payments were structured annually. He explained that the policy dictated how much was contributed each year, not whether the benefits would be paid. Ms. Cooney stated that decisions regarding amortization primarily affected the agency's annual operating budget and year-to-year financial planning, rather than impacting employees or individuals who had earned pension benefits.

Vice Chair Goble reiterated that the discussion applied to about 30 percent of employees and noted the importance of clarifying that context. He stated that under the current amortization policy, the plan would be fully funded by 2039 with higher annual payments. Under the alternative approach, annual payments would be lower but extended over a longer period, ultimately reaching the same funding outcome. He suggested presenting it as a budgeting and cash flow decision for the Board. Ms. Harper emphasized that all the amortization policies under consideration were actuarially sound and continued to reduce the unfunded accrued liability. She noted that even under the alternative approach, the plan would pay down nearly \$3 million of the unfunded liability in the next year. She added that many pension plans across the country fail to make their full actuarially determined contributions, and in some cases, only a small portion goes toward reducing principal. She stated that, by comparison, California public retirement systems generally stand out for responsibly funding and paying down their pension liabilities. Vice Chair Goble stated that he understood the recommendation was intended to reduce annual payments over the next 15 years to help manage cash flow and address the fiscal cliff. He noted that the tradeoff was extending the payment schedule slightly longer, while still reaching the same final funding outcome without compromising the ultimate end goal. Ms. Harper explained that under the current policy, the unfunded actuarial liability was scheduled to be paid off in 12 years, with each new base amortized over a shortening period. She noted that as the payoff date approached, any significant investment losses could cause contribution

spikes. She added that the proposed policy would help smooth future contribution volatility and reduce the risk of sharp increases in required payments, which was another reason to reconsider the current approach.

Chair Whitburn acknowledged the budget challenges and noted that lowering short-term payments would help preserve transit service levels, with higher payments shifted to later years. He asked whether this approach created any additional risk to the plan or was simply a matter of paying now versus paying later. Ms. Harper confirmed that the only downside to extending the amortization period was higher total payments over time. She stated that it was simply the tradeoff between shorter, higher payments and longer, lower payments. Chair Whitburn stated that given the current budget challenges, the recommendation made sense to him. He made a motion to adopt the staff recommendation.

### **Action Taken**

Chair Whitburn moved to recommend to the MTS Board of Directors to: 1) Receive the SDTC Employee Retirement Plan's (Plan) Actuarial Valuation as of July 1, 2025; 2) Adopt the staff recommended Unfunded Actuarial Liability (UAL) amortization from the current 12-year remaining term to a recalibrated 20-year amortization; and 3) Adopt the resulting pension contribution amount of \$16,470,975 for Fiscal Year (FY) 2027. Vice Chair Goble seconded the motion, and the vote was 4 to 0 in favor with Board Member Montgomery Steppe, Board Member Elo-Rivera and Board Member Moreno absent.

## **6. Orange Line Improvement Project Update (Heather Furey and Consultant T.Y. Lin)**

Heather Furey, MTS Senior Director of Capital Projects, and David Holman, T.Y. Lin, presented on the Orange Line Improvement Project Update. They presented on: project summary & schedule, Phase 1 & 2 updates, funding other Orange Line work, state agency coordination, risk management and next steps.

### **Public Comment**

There were no Public Comments.

### **Committee Comment**

Vice Chair Goble thanked the presenters for the thorough presentation and directed attention to slide 31. He asked whether, given a fixed total funding cap from TIRCP and CIP, cost increases would require scaling back planned improvements. He questioned whether higher costs might reduce the number of projects completed, for example, decreasing from 100 planned improvements to a smaller number and requested clarification on how such situations would be managed. Ms. Furey responded that for both Phase 1 and Phase 2, the bid documents included a base scope of required work along with alternate items. She explained that alternates such as removing the existing signaling system were included so they could be excluded if costs exceeded available funding. She noted that while some items were desirable, they could be deferred if necessary. She added that state grants required the agency to complete all committed project elements, which would be subject to audit. She stated that contingency funds were built into the overall budget to manage uncertainty. She also noted that Phase 1 costs were more certain due to an executed contract, and that additional clarity for Phase 2 would come once bids were received. Vice Chair Goble stated that the project included built-in contingencies, required statutory elements that must be completed, and additional "nice to have" items that could be deferred if necessary. Vice Chair Goble expressed support for the

strategy and thanked the presenter. Ms. Cooney added that given the volatility of construction inflation, if bids came in significantly higher than the Independent Cost Estimate (ICE), the agency could make adjustments through the CIP process. She noted that this provided additional flexibility to respond to higher than expected costs.

Chair Whitburn observed that the project appeared to be on schedule and on budget, which he noted was positive. He also expressed appreciation for the high percentage of local residents being hired for the work.

### **Action Taken**

No action taken. Informational item only.

## OTHER ITEMS

### **7. Review of Draft February 12, 2026 Board Agenda**

#### Recommended Consent Items

Ms. Cooney highlighted the updated agenda item regarding the SB125 plan, explaining that additional historical context had been added. She stated that the revisions reflected prior Board decisions related to fiscal sustainability discussions in February and November 2025, as well as the recent approval of Route 910 as a permanent overnight service. She noted that the plan also reflected the Board's earlier decision to pause service frequency improvements after January 2025. Ms. Cooney noted that the revisions did not introduce new policy changes and that there was no formal deadline or requirement for Board approval, though the Board had historically endorsed the plan. She asked the Executive Committee how it wished to proceed: whether to place the item on the upcoming Board agenda as a consent item, present it as a discussion item, or bring it back to the committee the following month for a more in-depth presentation.

Board Member Dillard stated that she preferred the option of keeping the item with the Executive Committee for further discussion at the next Executive Committee meeting, before sending it to the full Board. She noted that the information presented was substantial and expressed that the Committee should take the opportunity to fully review and discuss it before seeking Board feedback.

Vice Chair Goble asked whether the proposed changes were primarily a matter of renumbering or reordering the existing material. Ms. Cooney clarified that the revisions were not simply renumbering or reordering, but reflected the Board's February 2025 direction to freeze service levels at January 2025 levels and incorporate related decisions on reserves. She explained that the updated tables codified those prior decisions into the plan being submitted to the State. She noted that the State did not dictate how the Board allocated the funds, as allocations were formula-based. She added that the plan would reflect eligible uses, including contributions to reserves. She also advised that the next meeting would already include several significant items, such as the CIP program for 2027 as well as the mid-year budget. Vice Chair Goble agreed the item should go to the full Board but recommended a brief presentation, noting that it reflected prior decisions and involved no new policy changes. Ms. Cooney explained that the plan was updated to reflect higher than expected operating costs for Iris Rapid and to incorporate the permanent overnight bus service, along with updated ridership figures.

Ms. Landers asked for clarification that the item would return to the March Executive Committee for discussion, after which the Committee would decide how to present it to the full Board.

Board Member Dillard stated that she would feel more comfortable bringing the item back in March so it could be presented in a clearer, more concise manner before advancing to the full Board.

Chair Whitburn noted that there was no urgency on the item and confirmed that there was room on the March Executive Committee agenda to accommodate further discussion.

Board Member Fernandez asked for further clarification that the item involved approving a report reflecting changes previously adopted in February and November, including the Route 910 update, and that the report would be submitted to the State. He asked whether the State simply accepted the report without directing revisions. He also confirmed that the item would return to the Executive Committee for review before being forwarded to the full Board. Ms. Cooney confirmed that the action was to approve submission of the report to CalSTA for eligibility review, with payment expected in April or May. Ms. Cooney confirmed that the Board would be approving submission of the report to CalSTA, whose role was limited to confirming that expenses were eligible. She noted that payment was expected in April or May and that the plan reflected prior Board decisions. She added that, after Executive Committee review next month, she would likely recommend placing the item on the Board's consent agenda, and the plan would continue to be updated as budget decisions evolve. Ms. Landers explained that the plan specifies how funds will be spent each FY and that the key priority is ensuring FY 2026 allocations are accurate before spending occurs. She noted that the revision shifts some spending to future years, and that the plan will likely be amended annually to reflect actual budget decisions.

Vice Chair Goble supported bringing the item back to the Executive Committee and recommended presenting it to the full Board in a brief, summarized format rather than placing it on consent, noting it would serve as a helpful refresher of prior decisions.

Board Member Dillard emphasized the importance of transparency, stating that a presentation would help ensure the Board and public clearly understood how funds were being allocated and felt comfortable with the decisions.

Ms. Cooney stated that staff was prepared to present the item to the full Board the following week if desired, but deferred to the Committee on whether it should return to the Executive Committee first for further review. Chair Whitburn confirmed that the preference was to bring the item back to the Executive Committee first and noted that there was no urgency. He stated that the item would return to the Executive Committee in March and then be scheduled for the full Board in March or at a later meeting that could accommodate it.

**8. Other Staff and Committee Member Communications**

There was no Other Staff or Committee Member Communication.

**9. Next Meeting Date**

The next Executive Committee meeting is scheduled for March 12, 2026, at 9:00 a.m.

**10. Adjournment**

The meeting was adjourned at 10:23 a.m.

/s/ Stephen Whitburn

Chairperson

San Diego Metropolitan Transit System

/s/ Lucia Mansour

Clerk of the Board

San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
EXECUTIVE COMMITTEE

ROLL CALL

MEETING OF (DATE): February 5, 2026 CALL TO ORDER (TIME): 9:04 a.m.  
 RECESS: \_\_\_\_\_ RECONVENE: \_\_\_\_\_  
 CLOSED SESSION: \_\_\_\_\_ RECONVENE: \_\_\_\_\_  
 PUBLIC HEARING: \_\_\_\_\_ RECONVENE: \_\_\_\_\_  
 ORDINANCES ADOPTED: \_\_\_\_\_ ADJOURN: 10:23 a.m.

REPRESENTING	BOARD MEMBER		ALTERNATE		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
Chair	Whitburn	<input checked="" type="checkbox"/>	No Alternate	<input type="checkbox"/>	9:04 a.m.	10:23 a.m.
City of San Diego	Elo-Rivera	<input type="checkbox"/>	Whitburn	<input type="checkbox"/>	ABSENT	ABSENT
County of San Diego	Montgomery Steppe	<input type="checkbox"/>	Aguirre	<input type="checkbox"/>	ABSENT	ABSENT
East County	Dillard	<input checked="" type="checkbox"/>	Hall	<input type="checkbox"/>	9:04 a.m.	10:23 a.m.
SANDAG Transportation Committee	Moreno	<input type="checkbox"/>	Fernandez	<input type="checkbox"/>	ABSENT	ABSENT
South Bay	Fernandez	<input checked="" type="checkbox"/>	Downey	<input type="checkbox"/>	9:04 a.m.	10:23 a.m.
Vice Chair	Goble	<input checked="" type="checkbox"/>	No Alternate	<input type="checkbox"/>	9:04 a.m.	10:23 a.m.

SIGNED BY THE CLERK OF THE BOARD: /s/ Lucia Mansour