

MINUTES
MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

June 11, 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 Board meeting to order at 9:04 a.m. A roll call sheet listing Board member attendance is attached as Attachment A.

2. Public Comment

Guthre Leonard – provided a verbal statement to the Board during the meeting. Guthre stated he had lived in San Diego for five years and had taken transit daily. He expressed frustration with how frequently the new announcements asking riders to hold on to the handrails were played at nearly every station in both English and Spanish. Guthre noted that while he understood the need for the announcements due to safety concerns and to avoid litigation, their frequency made riders feel as though they were not being responsible while using transit. He suggested that the announcements be played only during special events.

Blair Beekman – provided a verbal statement to the Board during the meeting. Blair thanked staff for their work and mentioned that he frequently rode transit. He mentioned that he had also used Santa Clara Valley Transportation Authority (VTA) in the past and was very impressed with MTS's night schedule. Blair suggested that the fare increase for disabled riders should be at a smaller rate while also acknowledging that MTS already offered rates for disabled riders.

DISCUSSION ITEMS:

3. Fiscal Year (FY) 2027 Operating Budget Workshop (Mike Thompson)

Mike Thompson, MTS Deputy Chief Financial Officer, presented on Fiscal Year (FY) 2027 Operating Budget Workshop. He presented on: operating budget Board direction, current status, Board direction – February 13, 2025, Board direction – November 20, 2025, structural deficit, budget history, 5-year forecast with fare increase, 5-year forecast without fare increase, industry-wide challenges, fiscal cliff responses at other agencies, new revenue sources, strategy for filling the gap, long-term direction, budget direction for FY2027, and staff recommendation.

Public Comment

Blair Beekman – provided a verbal statement to the Board during the meeting. Blair thanked staff for the presentation and expressed appreciation to Chair Whitburn for introducing the concept of generating non-fare revenue. He stated that the fare increase should be reconsidered, suggesting a smaller increase in the Fall followed by a larger increase later. Blair explained that this approach would allow more time to better understand the subsidy process.

Board Comment

Board Member Elo-Rivera noted that he understands the Board has approved previous motions while also raising concerns about staff relying on a potential sales tax in 2028. He stated that the final portion of the "Current Status" section of the presentation reflects a significant "yes, and".

Board Member Moreno asked if staff could remind the Board who sits on the Ad Hoc Sustainability Transit Committee, and when and where they meet. She also asked if the meetings were accessible by the public. Lucia Mansour, MTS Clerk of the Board, noted the members of the Ad Hoc Sustainability Transit Committee are Chair Whitburn, Vice Chair Goble, Board Member Elo-Rivera, Board Member Downey, Board Member Dillard, Board Member Fernandez, and Board Member Bush. She added that the committee currently meets virtually and the last meeting was held in March 2026. Karen Landers, MTS General Counsel, responded that Ad Hoc Sustainability Committee was not a Brown Act meeting and are not required to be accessible to the public.

Chair Whitburn asked the Board to review Attachment C, "San Diego MTS Budget and Financial Sustainability Actions Since 2020". He noted that the attachment addresses many questions the Board members have raised with staff in the past.

Board Member Montgomery Steppe asked for clarification on Transportation Development Act (TDA) annual funding. She asked if the estimated \$140M annually over the two years was based on work conducted by the state's Transit Transformation Task Force and how that annual amount was determined. Ms. Cooney responded that the estimate was based on input from lobbyists regarding how the proposal would move through the legislative process. She explained that the concept involves TDA reform, including a proposal to double TDA funding, and implementing new performance metrics to address current statutory requirements and respond to concerns at the state level. Ms. Cooney noted that this approach emerged from discussions of the Transit Transformation Task Force and conversations with legislative staff. She added that the two-year timeframe reflects the typical legislative cycle, explaining that a proposal introduced later in the year would likely take up to two years to pass given its scope. Board Member Montgomery Steppe noted that she has referenced the reform on multiple occasions. She added that she has heard mixed feedback about it but acknowledged that it is a good platform to engage with state legislators. Board Member Montgomery Steppe thanked staff for the briefing she received earlier in the week regarding new revenue sources. She mentioned the need for Board members to actively engage and develop strategies for lobbying state legislators and the federal delegation in order to advance and secure state and federal fundings opportunities.

Vice Chair Goble asked for clarification regarding what amount of local sales tax MTS is authorized to pursue. Mr. Thompson clarified the authorized amount is half a cent. Ms. Landers clarified that if MTS was to put a measure on the ballot it would require a two-thirds vote and explained that a citizen's initiative threshold would instead be 50 percent plus one. She added that MTS's pending bill, AB 2484, aims to confirm under existing law that a citizen's initiative could proceed on behalf of MTS. Vice Chair Goble asked whether the TDA expansion referenced was to increase the state quarter-cent sales tax to a half-cent, and asked if it would be pursued through legislation or California voter initiative. Mr. Thompson responded that the TDA expansion would increase the sales tax from a quarter-cent to a half-cent and confirmed that it would be pursued as a legislative initiative. Vice Chair Goble asked staff if he was accurately summarizing the last two bullet points of slide 21 that MTS lacked statutory authority to pursue most funding sources, that sales tax appeared to be the clearest and most defined path, and that additional funding mechanisms would require new legislation. Mr. Thompson confirmed that his understanding was correct.

Board Member Nakawatase asked if there were other ways for the public to participate and provide feedback, noting that some of the best ideas often come from constituents. Ms. Cooney responded that the public could participate by attending Board meetings and engaging in various outreach efforts conducted by MTS, such as the Comprehensive Operations Analysis

(COA) and fare change process. She also noted that feedback could be submitted through the MTS website using the MTS OnTrack feature.

Board Member Montgomery Steppe asked for clarification if 1 million “riders” or “rides” would be lost as a result of the proposed fare increase. Mr. Thompson clarified it would be 1 million trips lost.

Vice Chair Goble asked when San Diego Association of Governments (SANDAG) would vote on the proposed fares and whether the item would return to the MTS Board for approval if SANDAG approved the increase. Mr. Thompson responded that SANDAG was scheduled to vote on the fare increases on July 17th. He explained that if the fare increase was approved by SANDAG, the matter would not return to MTS Board for an additional vote. The fare increase would take effect on October 1st and at that point it would be reflected in the budget/revenues collected.

Board Member Elo-Rivera thanked staff for the presentation and stated that the budget discussion was the most robust he had experienced during his six years on the Board. He emphasized his concern for low-income riders who depended on public transit and stated that he wanted to ensure that every possible effort had been made to avoid a fare increase. Board Member Elo-Rivera thanked staff for their efforts in pursuing non-fare revenue opportunities but noted that some initiatives had only advanced after repeated requests from the Board Members. He suggested potential revenue generating opportunities, including station naming rights, bus stop sponsorship, Pronto Card partnerships, advertising, and University and employer pass programs, stating that these efforts should continue to be explored. Board Member Elo-Rivera moved to adopt version 2 of the budget, which excluded projected fare increase revenue, stating that fare revenue should not be included until the necessary approvals had been obtained and noted that the budget could be amended mid-year if the fare increases were ultimately approved and implemented. He also proposed creating a Fare Freeze Program for Vulnerable Low-Income Riders enrolled in CalFresh, Medi-Cal, or CalWORKs who were not already eligible for existing discounted fare programs. Board Member Elo-Rivera additionally requested that staff provide a comprehensive non-fare revenue report during the mid-year budget adjustment process to include updates on current revenue streams, progress metrics, and strategies to reduce reliance on fare revenue and improve the agency’s long term financial sustainability.

Board Member Bush seconded the motion by Board Member Elo-Rivera. He then asked for clarification regarding the Budget Development Committee, asking who served on the committee, when it last met, and whether it was still an existing committee. Board Member Bush asked Board Member Moreno if she had any comments regarding the committee and whether she was still interested in serving on it. Ms. Cooney clarified that the Budget Development Committee and the Executive Committee had been combined into one Committee, noting that the decision was made by the Board because members of the Executive Committee were also serving on the Budget Development Committee. She added that the consolidation was also influenced by Board Member Moreno not being able to Chair the committee and the difficulty in achieving a quorum for meetings. Chair Whitburn added that the Board had solicited volunteers for the Budget Development Committee and that all volunteers except one were already serving on the Executive Committee, which led to the decision to combine both committees into one. Board Member Moreno stated that she had not intended to serve as Chair of the Budget Development Committee and clarified that she did not recall being asked about volunteering or combining both the Budget Development Committee and the Executive Committee. Chair Whitburn clarified that the opportunity to volunteer had been presented during a Board meeting, noting that the Board solicits volunteers for various committees each year and held discussion

on the matter. He added that if the Board wished to separate the Budget Development Committee from the Executive Committee, it could be revisited at the end of the year when committee structures were discussed again. Board Member Bush thanked staff for the clarification and mentioned that structure of the Budget Development Committee is something to be re-evaluated when the time comes.

Board Member Dillard noted that while the Board's focus was on selecting a budget option, she wanted to raise concerns and offer suggestions regardless of the decision made. She stated her support for Board Member Elo-Rivera's motion and discussed the ride survey, emphasizing that many riders, primarily from disadvantaged communities, did not truly have a choice between fare increases and reduced services because they depended on transit to maintain employment. Board Member Dillard addressed accountability and transparency, suggesting that alongside pursuing grants and other funding opportunities, MTS should conduct an internal review of its contracts with transportation providers, including Veolia Transportation, MV Transportation, First Transit, Inc., and Transdev. She expressed concerns about potential gaps in transparency, insufficient communication regarding contractor transitions and policy changes, and limited disclosure of operational, financial, and labor impacts. Board Member Dillard further recommended engaging an independent outside law firm to review the extensive contract that could favor vendors over MTS. She stressed the importance of ensuring labor agreements were properly honored and enforced and called for clearer expectations between the agency and its contractors. She concluded by urging a thorough review of contracts as a way to identify cost savings and ensure decisions were in the best interest of MTS.

Board Member Downey asked for clarification on when the fare increase will go into effect if approved by SANDAG in July. Mr. Thompson responded that there are a number of things that would need to happen if the fare increase is approved by SANDAG. He mentioned the ordinance would have to be updated with the new fare change, and outreach would have to be conducted to let riders know of when the new fare change will take place. Board Member Downey asked for further clarification on the timeline for implementing the fare increase, asking whether it needed to take effect in October or it could be delayed to allow additional time for riders to adjust, as proposed in Board Member Elo-Rivera's motion. Ms. Landers responded that if SANDAG passes the fare increase ordinance, MTS would be required to implement its provisions, which currently specify that the fare increase would take effect on October 1st. She added that while MTS maintains its own fare ordinance, it functions more as a legacy ordinance and typically is updated to remain consistent with SANDAG's ordinance. Ms. Landers noted that she plans to bring MTS's fare ordinance forward to repeal since SANDAG's fare ordinance is the binding ordinance for the region and MTS does not need to keep a duplicate copy.

Board Member Montgomery Steppe noted that ridership in 2019 was approximately 86 million and currently it is approximately 81 million. She asked if SANDAG's projection on how many rides would be lost due to fare increase was approximately 1.8 million and how many riders that equated to. Mr. Thompson responded that based on SANDAG's elasticity model of economic impacts, ridership impact was anticipated to be 1.8 million for a full fiscal year and approximately 1.4 million for the next fiscal year. He stated that staff does not track individual unique riders but instead tracks overall passenger trips. Board Member Montgomery Steppe asked how staff came up with the rider numbers presented to them. She also thanked Board Member Elo-Rivera for his motion and added that she is supportive of his motion. Ms. Cooney clarified that the numbers presented were actual trips and not riders. She confirmed that SANDAG's onboard surveys did capture the average number of trips taken by passengers, however the elasticity model used to assess the impacts of fare changes did not reach that level of detail, making it an imprecise tool for evaluating ridership impacts. Ms. Cooney added that based on past fare changes, ridership initially declined but typically rebounded over time.

Board Member Montgomery Steppe acknowledged the challenging economic climate, noting rising costs and diminishing resources, and emphasized the importance of being prepared. She thanked Board Member Dillard for presenting detailed and thoughtful budget proposals, stressing the need for continued creativity in identifying solutions regardless of whether a ballot measure moves forward. Board Member Montgomery Steppe said she recalls the Budget Development Committee discussions, noting her involvement in the Ad Hoc Committee structure and suggested revisiting bylaws to potentially expand committee participation to include additional representatives, even those not on the full Board. She stated that a separate Budget Development Committee might have allowed for more thorough vetting before issues reached the full Board and emphasized that both perspectives on consolidation could be valid and highlighted the importance of ensuring all members felt heard.

Board Member Montgomery Steppe also mentioned the need for transparency and open communication, noting that despite significant staff effort, there were still concerns about whether Board feedback had been fully acknowledged. She expressed renewed interest in TDA reform, recognized prior efforts and its potential to significantly increase ongoing revenue. Board Member Montgomery Steppe concluded by recommending the creation of an Ad Hoc Committee to strengthen strategic engagement with state and federal representatives, emphasizing the need for coordinated political advocacy to advance funding opportunities. Ms. Cooney noted that the comments raised were timely and shared that she had been preparing to send an email to the Board describing the current moment as an inflection point for the transit industry. She explained that a broad coalition had been formed, including housing advocates, environmental groups, business organizations, and transit agencies, and mentioned a recent media event to support transit featuring legislators involved in the effort including Senator Blakespear. Ms. Cooney stated that she would share a coalition letter that MTS had joined, along with a similar letter signed by legislators, and encouraged Board Members to ask their respective delegation members to support the coalition. She emphasized that building this coalition was essential to generating the political will needed to sustain public transportation across the state. Chair Whitburn added that he is supportive of establishing an Ad Hoc Committee to leverage relationships to advance these conversations in other legislative arenas.

Board Member Hall stated that a sub-committee could also include training for Board Members to better understand key topics such as TDA when engaging with legislators. He emphasized the importance of organizing efforts now so that Board Members could prepare to effectively advocate at both local and state levels in the upcoming years. Board Member Hall asked for clarification on whether implementing a Fare Freeze Program would be legally permissible or if it would raise concerns such as discrimination. Ms. Landers responded that a Fare Freeze Program based on income would not appear to raise discrimination concerns. She noted that based on her initial review, she did not see any immediate legal issues but added that staff would bring any concerns back to the Board if they arose upon further analysis. Board Member Hall stated that his concern with selecting option two of the budget was that it could send a mixed signal to SANDAG, explaining that it suggested both moving forward with and holding off on raising fares. Ms. Cooney clarified that both versions represented assumptions about projected revenue within the budgeting process. She explained that the fare revenue estimates were inherently uncertain and might not materialize as projected, regardless of SANDAG's actions.

Board Member Bush asked if Board Member Elo-Rivera's motion could be displayed so that all members could review its components. He expressed appreciation for Board Member Elo-Rivera and staff for their work, noting the difficulty of balancing rising costs, the need for fare increases, and the economic challenges facing riders. Board Member Bush described the motion as a creative solution, particularly the provisions supporting low-income riders through

programs such as CalFresh, Medi-Cal, and CalWORKs. He noted that while he had initially leaned towards Version 1, he ultimately supported Version 2, explaining that the difference between the options was not substantial, and that Version 2 aligned better with the proposed compromise.

Vice Chair Goble asked whether the proposed Fare Freeze Program would need to be considered by SANDAG as part of the fare ordinance. Ms. Landers responded that MTS would likely have the ability to implement a Fare Freeze Program under the language in the proposed fare ordinance being considered by the Transportation Committee, as it allowed agencies to create certain discount programs similar to the Youth Opportunity Pass. She added that if the comprehensive fare ordinance changes were not approved, staff would need to review the current ordinance to determine whether MTS could proceed independently or if approval from SANDAG would be required. Ms. Cooney clarified that if the fare changes were not approved, then a Fare Freeze Program would not be necessary, as fares for all riders would remain at their current levels. Ms. Landers agreed that this would be the case but clarified that, independent of that scenario, the draft comprehensive fare ordinance included language that would allow MTS and NCTD to individually create certain discount programs. Vice Chair Goble summarized his understanding by stating that the ordinance would set a maximum fare that could be charged, while still allowing agencies the flexibility to offer discounts if they chose to do so. Ms. Cooney noted that a legal opinion could not be provided immediately, as the issue had just been raised. She stated that staff would need to consult with SANDAG and their legal team to determine how the matter would be addressed. Vice Chair Goble asked if the SANDAG fare ordinance did not pass and a Fare Freeze Program were created, how long the freeze would remain in effect. He noted the lack of a defined duration and expressed hesitation due to this uncertainty. Vice Chair Goble also questioned what percentage of current riders would qualify under programs such as CalFresh, Medi-Cal and CalWORKs, and how that would impact projected fare revenue. He emphasized that he did not yet have enough information to fully understand the program's potential effects.

Board Member Elo-Rivera noted that the Board will learn more as the program is implemented. He explained that there is uncertainty regarding the impact the Fare Freeze Program, particularly on how many riders are financially vulnerable, and acknowledged that while the program could reduce revenue, they might also help retain riders and stabilize revenue. Board Member Elo-Rivera emphasized that, despite these unknowns, it is important to move forward with building the program, highlighting the need for a collective effort and a responsible framework established by the Board.

Vice Chair Goble expressed concern that if a large number of existing riders are included it could significantly reduce fare revenue generated from any fare increase. He noted that a decrease in revenue would require either increased subsidies or reduced expenses and cautioned against cutting service for riders that qualified for the program who may be able to pay higher fares. Vice Chair Goble added that these considerations highlighted the need to further refine the program and stated that he remains concerned about potential unintended consequences.

Board Member Elo-Rivera acknowledged the importance of pursuing non-fare revenue, noting that this helps offset potential impacts of this fare program. He provided a rough estimate that for approximately 5,000 riders, the difference between current fares and reduced fares would result in less than \$600,000 in lost revenue annually, before accounting for riders who might otherwise stop using the system if the Fare Freeze Program was not implemented. Board Member Elo-Rivera added that the gap appears manageable and could potentially be covered by existing non-fare revenue programs. Ms. Cooney asked Board Member Elo-Rivera for

clarification as to whether he was suggesting that the program be limited to only 5,000 riders. Board Member Elo-Rivera clarified that he was not suggesting assigning a defined limit at this stage. He stated that as a Board, there are ways to establish clearer costs parameters, but emphasized that this should occur only after conducting further analysis to better understand who would benefit from the program. Board Member Elo-Rivera noted that relevant work and data are being developed at the County level, highlighting ongoing efforts led by Board Member Montgomery Steppe. Board Member Montgomery Steppe expressed readiness to partner with MTS to gather the data needed to develop the program, noting uncertainty about available data on the overlap between MTS riders and program participants.

Board Member Moreno thanked staff for the presentation and emphasized that customers should remain at the forefront of decision making. She noted that during COVID-19 she had cautioned against a “death spiral” in ridership and commended staff for preventing that outcome. Board Member Moreno highlighted the importance of maintaining a strong, reliable transit system and noted its role in supporting a world class region. She asked how the agency ranks nationally in terms of budget, ridership, and scale. Mr. Thompson responded that MTS ranks approximately among the top 10 to 12 transit agencies nationally, noting that in terms of budget, the agency ranks lower due to its lower subsidy revenue. Board Member Moreno asked where other transit agencies obtained their additional subsidy revenue. Mr. Thompson explained that other transit agencies rely on dedicated local sales tax measures for funding. He noted that while most agencies receive similar federal subsidies, and within California, TDA funding, larger systems such as Los Angeles, San Francisco, Denver, and Dallas benefit from significant local sales tax revenues that support their operations.

Board Member Moreno stated that public participation was an important part of the decision-making process. She asked staff what public outreach and participation efforts were conducted regarding the proposed fare changes. Mr. Thompson stated that MTS and NCTD conducted outreach during the springtime through online and in-person meetings regarding the proposed fare changes. He added that the outreach results were presented to the Board in March. Board Member Moreno emphasized that the digital divide remained a concern and urged MTS to conduct meaningful, public-facing outreach especially when it comes to ridership impacts such as fare increases, rather than relying primarily on online engagement. She stated that public input should be gathered directly from riders and community members where they live and use transit.

Board Member Moreno reiterated her support for reinstating a dedicated Budget Development Committee, allowing alternate members to serve on committees, and increasing Board involvement in state and federal advocacy efforts. She also thanked Board Member Dillard for helping advance the budget discussion.

Board Member Moreno asked for clarification regarding the fare change process and whether the Board’s earlier action in February 2025 authorized SANDAG to study fare changes effectively initiated the current fare increase proposal. Ms. Cooney responded that if she understood her question correctly, the Board had directed staff to ask SANDAG in February 2025 to conduct a fare analysis and study on behalf of MTS. Board Member Moreno emphasized that SANDAG ultimately had the authority to decide whether fare increases would be implemented. She stated that when the MTS Board voted in February 2025 to authorize SANDAG to conduct a fare change study, the Board effectively delegated its authority over the fare change process to SANDAG.

Board Member Mendoza stated that the Board ultimately voted and approved the proposed fare change in May [*Clerk’s Note: the Board’s action recommending SANDAG approve the proposed fare change was on April 16, 2026, Agenda Item 14*].

Board Member Moreno sought clarification regarding the fare approval process and asked whether SANDAG ultimately had final authority over the fare increase. Ms. Cooney confirmed that SANDAG maintained authority over the Regional Fare Ordinance. She explained that if SANDAG approved the proposed fare changes, the resulting fare structure would become effective, and MTS would be required to comply with it.

Board Member Bush stated that he had understood that, despite authorizing SANDAG to study potential fare changes in February 2025, the MTS Board would still be required to take an up-or-down vote on the fare ordinance before it could be adopted. Ms. Landers explained that, as a legal matter, SANDAG had the authority to proceed with fare changes regardless of the position taken by MTS or NCTD Boards. However, she noted that as a policy and practical matter, SANDAG had requested formal votes from both boards before its Transportation Committee considered the issue. Ms. Landers added that while SANDAG was not legally required to follow those recommendations, it had indicated that the positions of the MTS and NCTD boards would be taken into consideration during its decision-making process.

Board Member Bush stated that he did not believe the Board's February 2025 action to conduct a fare study transferred any additional legal authority to SANDAG. He expressed confusion regarding the assertion that the Board had given up its authority at that time and clarified that he viewed SANDAG's legal authority and the Board's policy recommendations as separate issues. Board Member Bush noted that his distinction was between SANDAG's legal authority to adopt fare changes and the moral practical authority associated with the positions taken by the MTS Board. Ms. Cooney confirmed that no additional authority was given to SANDAG. Board Member Moreno clarified that her concern was not about moral authority, but rather that SANDAG would not have been in a position to vote on the fare changes had the MTS Board not previously requested it conduct the fare study. She then suggested that the Board consider holding an annual retreat similar to SANDAG's retreat to facilitate broader discussions on agency priorities and governance. She concluded by expressing appreciation for Board Member Elo-Rivera's motion and stated that she would support it.

Board Member Downey stated that she had been involved in transit policy discussions since 2004 and emphasized her longstanding support for public transportation, including efforts in Coronado to promote transit use and her past support for regional transit funding initiatives. She noted that the SANDAG Transportation Committee was scheduled to consider the fare ordinance the following day, with a second reading planned for July 17, and stressed that the fare increase process was already moving forward. Board Member Downey stated that the Board had previously supported moving the fare change discussion forward and expressed concern about reversing course at this stage. She acknowledged that no one wanted to increase fares for riders who depended on transit but emphasized the agency's ongoing financial challenges and the need to consider available funding options. Board Member Downey noted that regional leaders had expressed a willingness to explore additional support for MTS and NCTD, including potential adjustments to TransNet funding allocations. She cautioned that declining to move forward with any fare increases could undermine the agency's position when seeking additional regional assistance. She stated that while many of the proposed recommendations had merit, they could be pursued alongside a budget that included fare increase revenue assumptions. Board Member Downey concluded by expressing support for staff's recommended budget option and stated that, although she wished discussions and planning had begun earlier, the Board needed to address the current fiscal realities facing the agency.

Board Member Elo-Rivera stated that he could not support including fare increase revenue in the budget until protections for vulnerable riders were established. He noted that Board

Members had previously expressed frustration that recommendations and policy initiatives were not always implemented with the urgency requested, and he did not want to assume fare increase revenue before assistance programs were in place. Board Member Elo-Rivera stated that the Board could adopt a mid-year budget adjustment if fare increases were approved and implemented. He explained that once a Fare Freeze Program had been created and vulnerable riders were enrolled and protected, he would support a budget adjustment that included the additional fare revenue. Board Member Elo-Rivera emphasized that his priority was ensuring protections were established before fare increases affected riders. He stated that many vulnerable residents were already facing economic hardship and potential reductions in federal assistance programs, and he believed MTS had a responsibility to provide support before relying on increased fare revenue.

Ms. Landers clarified that the primary difference between Version 1 and Version 2 of the budget was the assumption regarding future fare revenue. She explained that Version 1 assumed the proposed fare changes would be approved by SANDAG and implemented in October, allowing MTS to begin receiving the additional fare revenue. She noted that if SANDAG ultimately did not approve the fare changes, the Board could address the resulting revenue shortfall through a mid-year budget adjustment or earlier if necessary, including the use of additional SB 125 reserve funds.

Board Member Elo-Rivera stated that his support for Version 2 was based on both fiscal responsibility and the need to protect vulnerable riders. He explained that he did not believe it was prudent to budget for revenue that had not yet been approved by the agency responsible for authorizing the fare increase. Board Member Elo-Rivera acknowledged that budgets rely on projections, he distinguished between forecasting based on ridership data and assuming revenue from a fare increase that had not yet been approved by SANDAG. He reiterated that his primary concern was ensuring protections for vulnerable riders were established before fare increases took effect. He stated that if the proposed protections were not adopted, he intended to oppose the fare increase at the SANDAG level. Board Member Elo-Rivera stated that if the Fare Freeze Program moved forward, he would support the fare increase because he would be confident that vulnerable riders were being protected. He emphasized that his position had remained consistent throughout the process and was focused on balancing the agency's financial needs with protections for riders most affected by fare increases.

Board Member Bush stated that, as the seconder of the motion, his primary focus was creating a Fare Freeze Program for vulnerable riders. He emphasized that the discussion was not about the fare ordinance itself, as the Board had already acted on that matter, but rather about using more conservative budget assumptions. Board Member Bush stated that adopting Version 2 would allow staff time to analyze the potential impact of a Fare Freeze Program, refine revenue projections, and return with updated figures through a mid-year budget adjustment if the fare increase was ultimately approved. He reiterated that the goal was to create protections for vulnerable riders while ensuring the budget reflected accurate revenue assumptions. Ms. Cooney stated that staff would not have enough time before the next Board meeting to determine the full cost or scope of the proposed Fare Freeze Program. She explained that staff would begin developing the program immediately, but obtaining and analyzing the necessary data would take additional time. Board Member Bush requested that staff begin developing the proposed Fare Freeze Program and provide preliminary estimates if possible. He acknowledged that refined cost and ridership projections would take additional time but stated that those details could be developed later and incorporated into a future mid-year budget adjustment if the fare increase was approved. Ms. Cooney stated that staff could commit to refining the proposed Fare Freeze Program in time for a mid-year budget adjustment and would work toward bringing the program to the Board for approval as early as September. However, she clarified that staff

would not be able to complete the analysis and develop the program in time for the following week's Board meeting.

Board Member Bush requested that staff prioritize developing an estimate of the proposed Fare Freeze Program before the next Board meeting. He acknowledged that a refined analysis would not be possible within the available timeframe but expressed confidence that staff could provide additional data and preliminary projections to help inform the Board's discussion and future budget decisions.

Ms. Landers sought clarification regarding the motion and explained that the budget recommendation and the Fare Freeze Program were separate actions. She stated that the budget would return to the Board for approval at the following week's meeting, while the motion would immediately direct staff to develop and implement a Fare Freeze Program. She noted that staff would subsequently return to the Board with updates on the program's design, costs, and implementation details, and the Board would retain the ability to make changes at that time. Ms. Landers further explained that the proposed budget did not account for the potential financial impact of the Fare Freeze Program because those costs were not yet known. She stated that staff would evaluate those impacts and incorporate them into a future mid-year or earlier budget adjustment once the fare change decision and program details were finalized.

Board Member Mendoza stated that she had initially been inclined to support Version 1 of the budget but had become supportive of Board Member Elo-Rivera's motion. She expressed confidence that adopting the motion would not send the wrong message to SANDAG and noted that several Board Members also served on the SANDAG Transportation Committee. Board Member Mendoza stated that the proposed Fare Freeze Program addressed many concerns regarding the impact of fare increases on vulnerable and low-income riders. She also noted that, despite the extensive discussions and public meetings already held on the issue, she appreciated reviewing the side-by-side comparison of Versions 1 and 2 of the budget and understanding their potential impacts on future budgets. She concluded by expressing her support for the motion.

Vice Chair Goble stated that he could not support the motion as written because there were too many unknowns regarding the Fare Freeze Program, including its cost, duration, eligibility, and budget impact. He suggested that staff first develop and evaluate the program before implementation and noted that the County might be able to help offset associated costs. Board Member Elo-Rivera acknowledged concerns about directing staff to both develop and implement the Fare Freeze Program without additional Board discussion. He suggested modifying the motion so that staff would develop the program and return to the Board before implementation. He then asked whether that approach would address concerns and make the motion more acceptable.

Vice Chair Goble stated that he still needed additional information regarding the scope and financial impact of the proposed Fare Freeze Program. He questioned how many riders would qualify for the program and whether the resulting budget impact would be significant, noting that the cost could vary substantially depending on participation levels. Ms. Cooney stated that staff could further develop the proposed Fare Freeze Program and return to the Board, likely in September, with additional details. She noted that many low-income riders already receive discounted fares through existing programs and may not qualify for the fare freeze. Ms. Cooney added that while staff could not yet estimate participation or costs, the program could be tailored to assist vulnerable riders who are not already covered by existing assistance programs.

Board Member Montgomery Steppe stated that she was willing to continue exploring the proposal as the program was developed if the motion passed. She clarified that programs such

as CalFresh, Medi-Cal, and CalWORKs were state-funded programs administered by the County, not County-funded programs. Board Member Montgomery Steppe added that the County was working to support individuals who rely on these programs because they contribute significantly to the economy and community, and she agreed that further discussions on the proposal should continue.

Chair Whitburn clarified that the Board was not approving a budget during the workshop, but rather providing direction to staff regarding the recommendation that would be brought forward for consideration at the following week's Board meeting. He stated that, if the motion passed, he hoped it would indicate general agreement with the proposed budget recommendation and reduce the need for significant additional motions at the next meeting. Chair Whitburn emphasized that the motion was not a vote on the fare increase itself, as that decision ultimately rested with SANDAG. He explained that the motion would direct staff to bring forward a budget that did not assume revenue from a future fare increase and noted that such revenue could be incorporated later through a budget adjustment if the fare increase was approved. Chair Whitburn requested that staff return to the Board in September with details regarding the proposed Fare Freeze Program and notify the Board of any major policy considerations that arose during its development. He also asked staff whether they had sufficient direction regarding the non-fare revenue reporting requirements included in the motion. Ms. Cooney confirmed that staff had sufficient direction regarding the non-fare revenue reporting requirements included in the motion.

Board Member Bush stated that the motion could actually increase support for a fare increase because it included protections for vulnerable riders. He noted that while the motion was not directly about the fare ordinance, the proposed Fare Freeze Program made him more supportive of a future fare increase by providing a stronger safety net for riders most affected by higher fares.

Board Member Downey stated that the proposed Fare Freeze Program could be pursued under either budget option and argued that Version 1 was more consistent with the Board's previous actions supporting the fare increase process. She noted that many riders already received discounted fares through existing programs and questioned how many additional riders would benefit from the proposed program. Board Member Downey expressed concern that selecting Version 2 could send the wrong message regarding the Board's support for the fare increase and reiterated her preference for Version 1. She concluded by stating that she wanted the Board to move forward with adopting a budget.

Action Taken

Board Member Elo-Rivera moved to 1) Support Version 2 of the Proposed Budget 2027 MTS Operating Budget, which does not include increased revenue assumptions from the proposed fare changes, 2) Create a Fare Freeze Program for Vulnerable Low-Income Riders by directing MTS staff to develop and implement a Fare Freeze Program that maintains current fare levels for riders who demonstrate active enrollment in any of the following public assistance programs: CalFresh, Medi-Cal, and CalWorks. This program shall apply to individuals who are not already covered under existing MTS discount or reduced fare programs, and 3) Request a non-Fare Revenue Report at Mid-Year Budget Adjustment. Direct MTS staff to prepare and present a detailed Non-Fare Revenue Report at the time of the mid-year budget adjustment. This report shall include: a comprehensive status update on current non-fare revenue streams; outlining ongoing progress metrics on non-fare revenue targets and timelines; a forward-looking strategy outlining initiatives MTS is actively exploring or pursuing to grow non-fare revenue, reduce fare-revenue dependency, and improve the long-term financial sustainability of the system. Board Member Bush seconded the motion, and the vote was 8 in favor (Board Member Fernandez,

Board Member Mendoza, Board Member Bush, Board Member Montgomery Steppe, Board Member Dillard, Board Member Elo-Rivera, Chair Whitburn, Board Member Moreno) to 4 opposed (Board Member Downey, Board Member Nakawatase, Board Member Hall, Vice Chair Goble) and with Board Member Foster, Board Member McCann and Board Member Vaus absent.

OTHER ITEMS:

4. Chair, Board Member and Chief Executive Officer’s (CEO’s) Communications

Board Member Downey thanked Ms. Cooney and MTS staff for their continued partnership in supporting Coronado’s free summer shuttle program. She noted that the program had recently celebrated its 11th year and stated that MTS had worked with the City each year to encourage transit use. Board Member Downey highlighted the benefit the shuttle provided to residents, military families, and students, and expressed appreciation for MTS staff who participated in the program’s kickoff event.

Board Member Hall announced that Santee’s summer concert series would kick off that evening with a country music performance and a drone show scheduled for 8:00 p.m.

Board Member Dillard reminded attendees that the City of La Mesa would be hosting a Flag Day celebration on Saturday morning beginning at 9:00 a.m. and invited those interested to attend the event.

5. Remainder of Public Comments Not on The Agenda

There were no additional public comments.

ADJOURNMENT

6. Next Meeting Date

The next regularly scheduled Board meeting is June 18, 2026 at 9:00 a.m.

7. Adjournment

The meeting was adjourned at 11:19 a.m.

/s/ Stephen Whitburn
Chairperson
San Diego Metropolitan Transit System

Filed by:

/s/ Lucia Mansour
Clerk of the Board
San Diego Metropolitan Transit System

Approved as to form:

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

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): June 11, 2026 CALL TO ORDER (TIME): 9:04 a.m.
 RECESS: _____ RECONVENE: _____
 CLOSED SESSION: _____ RECONVENE: _____
 ORDINANCES ADOPTED: _____ ADJOURN: 11:19 a.m.

JURISDICTION	BOARD MEMBER		ALTERNATE		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
City of Chula Vista	Cesar Fernandez	<input checked="" type="checkbox"/>	Jose Preciado	<input type="checkbox"/>	9:04 a.m.	11:19 a.m.
City of Chula Vista	John McCann	<input checked="" type="checkbox"/>	Jose Preciado	<input type="checkbox"/>	9:04 a.m.	10:38 a.m.
City of Coronado	Carrie Downey	<input checked="" type="checkbox"/>	Mark Fleming	<input type="checkbox"/>	9:04 a.m.	11:19 a.m.
County of San Diego	Monica Montgomery Steppe	<input checked="" type="checkbox"/>	Paloma Aguirre	<input type="checkbox"/>	9:04 a.m.	11:19 a.m.
City of El Cajon	Steve Goble (Vice-Chair)	<input checked="" type="checkbox"/>	Phil Ortiz	<input type="checkbox"/>	9:04 a.m.	11:19 a.m.
City of Imperial Beach	Matthew Leyba- Gonzalez	<input type="checkbox"/>	Mariko Nakawatase	<input checked="" type="checkbox"/>	9:04 a.m.	11:19 a.m.
City of La Mesa	Patricia Dillard	<input checked="" type="checkbox"/>	Mark Arapostathis	<input type="checkbox"/>	9:04 a.m.	11:19 a.m.
City of Lemon Grove	Jennifer Mendoza	<input checked="" type="checkbox"/>	Seth Smith	<input type="checkbox"/>	9:04 a.m.	11:19 a.m.
City of National City	Marcus Bush	<input checked="" type="checkbox"/>	Jose Rodriguez	<input type="checkbox"/>	9:14 a.m.	11:19 a.m.
City of Poway	Steve Vaus	<input type="checkbox"/>	Peter De Hoff	<input type="checkbox"/>	ABSENT	ABSENT
City of San Diego	Vivian Moreno	<input checked="" type="checkbox"/>	Jennifer Campbell	<input type="checkbox"/>	9:04 a.m.	11:19 a.m.
City of San Diego	Sean Elo-Rivera	<input checked="" type="checkbox"/>	Joe LaCava	<input type="checkbox"/>	9:06 a.m.	11:19 a.m.
City of San Diego	Todd Gloria	<input type="checkbox"/>	Henry Foster	<input type="checkbox"/>	ABSENT	ABSENT
City of San Diego	Stephen Whitburn (Chair)	<input checked="" type="checkbox"/>	Kent Lee	<input type="checkbox"/>	9:04 a.m.	11:19 a.m.
City of Santee	Ronn Hall	<input checked="" type="checkbox"/>	Laura Koval John Minto	<input type="checkbox"/> <input type="checkbox"/>	9:04 a.m.	11:19 a.m.

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