

MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS)
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

April 19, 2012

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:02 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. McClellan moved to approve the minutes of the March 15, 2012, MTS Board of Directors meeting. Mr. Ovrom seconded the motion, and the vote was 9 to 0 in favor with Ms. Emerald and England and Messrs. Alvarez, Cunningham, and Roberts absent.

Chairman Mathis announced that Agenda Items 24b and 31 were withdrawn.

3. Public Comments

Lorena Gonzalez: Ms. Gonzalez is with the San Diego Labor Council representing the Amalgamated Transportation Union (ATU) members. She stated that the top manager of MTS is paid 380 times more than the average bus driver. She said that bus drivers are rank-and-file workers, and that it is inherently unfair and wrong to provide any extra benefits for those at the top while cutting benefits from those at the bottom.

Joe Gotcher: Mr. Gotcher stated that bus drivers are the enforcers and recipients, and assaults happen to bus drivers-not management. He stated that San Diego used to rank 1st on the ATU agencies pay ranking list and now ranks 66th, which is even below Stockton, CA. He stated that the ATU is currently in contract negotiations and will be voting on a proposal on April 29, 2012. He said that there are many drivers working for MTS living under the poverty level which is wrong and completely unfair.

Stead Burton: Mr. Burton has been a bus driver with MTS for 5 years, and during this time, has had 1 complaint and 0 accidents. He is upset because in the 5 years he has been with MTS, he has not gotten a reward for his hard work. He would like an occasional raise to show appreciation for his work and anything less than the benefits he is currently getting would be unfair.

Gerald Higginbotham: Mr. Higginbotham commented that the bus stop on 39th & Imperial Avenue toward 47th Street should be reinstated. He also wants the bus stop across from the Crawford Dental Office on Logan Avenue to be reinstated because it is difficult to transfer from Buses 3 and 11 to get connect with Bus 13. He mentioned that it is difficult to get to the Skyline/Paradise Hills area on Sunday evenings because Buses 4 and 11 do not run after 11:00 p.m.

John Wood: Mr. Wood questioned how many cities use Siemens equipment. He feels that the San Diego transit system is disabled-unfriendly. He has noticed that the disabled population

have had many complaints and many of them have been harassed if they don't appear to be disabled. He commented that he has spoken about the public announcement system many times and noticed that some are working now.

Lorraine Leighton: Ms. Leighton commented that Bus 34 left 2 minutes early. She also complained that a bus driver refused to accept her Compass Card last week. She stated that she was getting harassed when being loaded on the trolley for being disabled.

CONSENT ITEMS:

6. Investment Report – January 2012

Action would receive a report for information.

7. Investment Report – February 2012

Action would receive a report for information.

8. Fiber-Optics Cable Project – Funds Transfer

Action would approve the transfer of funds from: (1) the LRV Onboard Cameras Project (CIP 11271) to the MVW Security Fiber Installation Project (CIP 1444000) for construction use; and (2) from the Substation SCADA Design Project (CIP 1144000) to the MVW Security Fiber Installation Project (CIP 11444000) to purchase network switches.

9. Exercise Options to Purchase 53 40-Foot Low-Floor Compressed Natural Gas (CNG) Buses

Action would authorize the CEO to: (1) execute MTS Doc. No. G1101.17-07 with New Flyer to purchase 31 40-foot low-floor, compressed natural gas (CNG) buses for the Imperial Avenue Division (IAD) and 22 40-foot low-floor CNG buses for the South Bay Maintenance Facility operations (for a total of 53 buses); and (2) authorize payment of Use Tax to the California Franchise Tax Board associated with the purchase of the 53 buses.

Action on Recommended Consent Items

Mr. Cunningham moved to approve Consent Agenda Item Nos. 6, 7, 8, and 9. Mr. McClellan seconded the motion, and the vote was 14 to 0 in favor with Mr. Roberts absent.

CLOSED SESSION:

24. Closed Session Items

The Board convened to Closed Session at 9:21 a.m.

- a. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL Existing Litigation Pursuant to California Government Code Section 54956.9(a): John Reed – WCAB Case Numbers SDO 32850, ADJ3376677, ADJ2175282, ADJ543101, and ADJ2280282
- b. Agenda Item was withdrawn.

The Board reconvened to Open Session at 9:31 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board approved a settlement of future medical claims for \$45,000 with a vote of 14 to 0 in favor with Mr. Roberts absent.

NOTICED PUBLIC HEARINGS:

25. Public Hearing Regarding Airport Taxicab Trip Fee

Ms. Landers presented to the Board of Directors the proposed Airport Taxicab Trip Fee. She explained that in 2010, the Airport Authority began charging an "Airport Trip Fee" for all trips originating at the airport. This Trip Fee is paid by the airport taxicab operator to the Airport Authority and was imposed as part of the Airport Authority's Comprehensive Ground Transportation Management Plan (the Plan). She stated that the Airport Trip Fee is based on cost-recovery calculations under the Plan tied to taxicab operations at the Airport.

She explained that due to pressure from Airport taxicab operators, the Airport Authority has requested that MTS allow Airport taxicab operators to recoup some of the extra costs they are incurring as a result of the Airport Trip Fee. She reported that there is currently a proposal to allow installation of an "extra" button on the taxicab meter that would allow Airport taxicabs to charge an additional amount for trips originating at the Airport. The "extra" button would be programed in an amount equal to the Airport Trip Fee paid by each individual taxicab.

She informed the Board of the possible issues with the new rules established by Prop 26 for when a "fee" is a fee or a tax and because of this, the Airport Authority was asked to indemnify MTS. She explained that since the Airport Trip Fee is purely for the benefit of the Airport Authority, and was imposed by that public board following a public meeting process, the Airport Authority has agreed to indemnify MTS and its member cities for any liability associated with the Airport Trip Fee and/or the action requested today.

Mr. Gloria voiced his concern as to the length of time it has taken to allow the drivers to collect the Airport Trip Fee as it was issued back in 2010. Ms. Landers explained that Prop 26 and other various legal issues has been the cause of delay.

Ms. Emerald commented that this issue has been discussed at length by the Taxicab Advisory Committee and this proposal will allow drivers to pass on the Airport Trip Fee to passengers, but the drivers will have to pay the fee regardless if they charge their passengers or not.

Chairman Mathis opened the hearing at 9:45 a.m.

Leslie Henshaw: Ms. Henshaw is a Customer Service Representative who works at the San Diego International Airport with taxicab drivers and customers. She mentioned that many of the taxicab drivers she talks with are concerned that the Airport Trip Fee will deter people from taking taxis from the Airport.

Chairman Mathis closed the hearing at 9:48 a.m.

Action Taken

Ms. Emerald moved to: (1) receive public testimony; and (2) approve amending MTS Ordinance No. 11 and Board Policy No. 34 to authorize collection of an amount equal to the Airport Trip Fee in addition to the standard rate of fare authorized for San Diego International Airport (Airport) taxicab trips. Ms. England seconded the motion, and the vote was 14 to 0 in favor with Mr. Roberts absent.

DISCUSSION ITEMS:

30. Exercise Option to Purchase 7 Light Rail Vehicles from Siemens Industry, Inc.

Wayne Terry, Chief Operating Officer of Rail, explained to the Board of Directors that MTS would like to exercise the option to purchase 7 additional light rail vehicles (LRVs) from Siemens. He explained that MTS purchased 57 LRVs as the plan at the time was to retain and rehabilitate a portion of the older U-2 fleet. Due to increased ridership on the Orange Line, it will soon be necessary to always operate 3-car trains. The procurement of seven S70 LRVs would allow for this 3-car operation with low-floor LRVs on each end of a high-floor SD100 LRV.

Mr. Terry stated that the discounted pricing from Siemens is only available if the option is exercised by the end of April 2012. He stated that the total option price savings would be \$437,284 including sales tax.

Action Taken

Mr. Castaneda moved to authorize the CEO to exercise an option for 7 additional SD-8 (also called "S70") light rail vehicles (LRVs) under MTS Doc. No. L0914.0-10 (as amended) subject to identification of funding. The option price shall not exceed \$3,844,520 per LRV (including 7.75% sales tax). Mr. Faulconer seconded the motion, and the vote was 14 to 0 in favor with Mr. Roberts absent.

31. Agenda Item was withdrawn.

REPORT ITEMS:

45. Federal Legislative Update

Mr. Jablonski introduced Peter Peyser and Beth Bohler from Blank Rome, LLC. He stated that MTS, in conjunction with SANDAG and NCTD, has had a contractual lobbying agreement with Blank Rome for 7 years.

Mr. Peyser stated that it is difficult to make sense of what is currently taking place in Washington, D.C. He explained that the underlying law is short-term extensions, which are valid until June 30, 2012. He explained further that legislation is moving toward further extensions for September 30, 2012, in hopes to provide transit agencies with some certainty about the future for advancing programs.

Ms. Bohler explained that the House has just passed a bill authorizing a further 90-day extension to September 30, 2012, of SAFETEA-LU, and Republicans in the House were joined by Democrats to pass the extension. Ms. Bohler said that there will likely be a big push from Republicans in the House and Senate to find a long-term solution before the September 30 deadline. She explained that the 90-day extension of public transit and highway programs preserves the existing Mass Transit Account of the Highway Trust Fund and dedicated funding of the public transit programs from motor fuel receipts paid into this account. The bill brought to the House floor also included provisions approving the permit of the Keystone XL pipeline and modified version of the Senate's RESTORE Act, which directs BP oil-spill penalties to projects in states bordering the Gulf of Mexico.

Mr. Peyser explained that the "big picture" reveals the recurring issues of funding as General Fund money has been used to cover the costs from the Trust Fund. Essentially, Congress continues to place a Band-Aid on domestic spending. He mentioned that the upcoming elections will most likely continue the funding issues as candidates do not want to raise the gas tax.

Mr. Peyser talked about the Mid-Coast project and said that the project is in the queue to receive commitment of federal funds. The project is in the Preliminary Engineering status, which is the first approval milestone. He stated that Congress continues to keep plan funding, which is a good sign. He explained that he will continue to keep the FTA informed about the Mid-Coast project. He asked for continued support from the Board to make sure that political leaders understand the project and help the process move quickly.

Action Taken

Mr. Ewin moved to receive a report for information. Mr. McClellan seconded the motion, and the vote was 13 to 0 in favor with Ms. Emerald and Mr. Roberts absent.

46. System Ridership and Revenue

Mark Thomsen, Senior Transportation Planner, gave the Board a report on system ridership and revenue. He explained that the fiscal year 2012 projected ridership revenue is approximately \$89.7 million with 88.5 million riders and a 41.8% farebox recovery ratio. He then discussed ridership statistics based on a triennial survey conducted by SANDAG. He stated the following statistical information: the majority of MTS riders are male, between 19-49 years old, 71% are transit-dependent, and 80% are low-income minorities-mainly Hispanic.

Mr. Thomsen discussed the fare-revenue generation based on ridership. He gave an overview of the types of fares and types of fare boardings with the majority of boarding passengers holding Senior/Disabled/Medicare (SDM) passes. He discussed the fare-revenue-by-fare-component figures and the percent of boardings by fare revenue shares. He then explained that passes generate 85% of system boardings and 77% of fare-revenue. He stated that the

average fare revenue for cash boardings is \$1.909 per passenger, \$0.993 for pass holders, and the overall system revenue is \$1.029 per passenger boarding.

Mr. Thomsen then talked about the SDM fare-boarding rates compared to California peer properties based on statistics from fiscal year 2009 with MTS having the highest rate of SDM boardings at 31.3% and the lowest price for SDM holders at \$18 a month (Orange County Transit Authority also has a monthly rate of \$18). He then stated that a disproportionate portion of operating revenue is from non-SDM riders with SDM pass holders representing 30% of trips but generating only 9% of fare revenue.

Sharon Cooney, Chief of Staff, gave an overview of the SDM pass process. She explained that the SDM pass migration to new Compass Cards with a photo has been very successful. Those patrons with disabilities who do not receive Social Security Income, Medicare, or are under age 60 must complete the Long Form application, which requires a physician to certify the disability. She stated that 500-800 long forms are processed per month by management staff with a nearly 10% denial rate. She explained that the program is seeing more revenue coming out of Albertsons compared to Vons, and all factors combined have saved the agency roughly \$900,000 over the past year.

Mr. Minto questioned why the permanent SDM disabled approval is only valid for 3 years and requested staff look into the possibility of not requiring permanently disabled pass holders to recertify.

Ms. Bragg commented that the ASAC Committee would like a staff presentation on the SDM process.

Mr. Castaneda would like a breakdown of Hispanic riders demographically in terms of language proficiency. Ms. Rios would like a demographic breakdown of riders per region. Ms. Cooney stated that SANDAG is currently conducting a language poll.

Action Taken

Mr. Minto moved to receive a report for information. Mr. McClellan seconded the motion, and the vote was 11 to 0 in favor with Mrs. Emerald and Messrs. Alvarez, Faulconer, and Roberts absent.

47. Year-End Security Report (January through December 2011)

Bill Burke, MTS Chief of Police, gave the Board a report on the security incidents that occurred during the 2011 calendar year. He stated that MTS has 35 Code Compliance Inspectors (CCI) and 155 Contracted Security Officers, and both classifications receive training including ethics, community relations, and discretionary decision-making.

Mr. Burke mentioned that Part I incidents on rail in 2011 were slightly higher than 2010, but there was also an increase in ridership. He stated that Part II incidents (which are classified by quality-of-life offenses) on rail were down. He explained that Part I incidents on SDTC Bus was down with Part II incidents up slightly. He explained that robbery has increased due to cell phone robberies and showed some photographs of an iPhone robbery taking place on an SDTC

bus in Grantville. He talked about the new GIS handheld inspection units that CCI use to verify fare. He also talked briefly about the success of the Graffiti Tracker program.

Mr. Burke mentioned that MTS has three K-9 teams, which recently participated in a week-long TSA bomb training program. He mentioned the process that takes place during fare inspections with up to 30 MTS personnel checking fares. He stated that MTS personnel participated in the 2011 National Night Out, which is an event focused on heightening crime prevention and awareness.

Mr. Cunningham wanted to be sure that Security has the tools and support needed to keep customers and communities safe. He also wanted to make sure that MTS is now being viewed as a local law enforcement agency with Mr. Burke becoming a Chief of Police.

Mr. Minto and Mr. Castaneda would like staff to develop public safety procedures for ridership.

Action Taken

Mr. McClellan moved to receive a report for information. Mr. Ovrom seconded the motion, and the vote was 11 to 0 in favor with Mrs. Emerald and Messrs. Alvarez, Faulconer, and Roberts absent.

60. Chairman's Report

Chairman Mathis made no report.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin, Chairman of the Audit Oversight Committee, made no report.

62. Chief Executive Officer's Report

Mr. Jablonski reported that he attended a California Transit Association meeting on March 30, 2012, in Sacramento.

63. Board Member Communications

There were no Board member communications.

64. Additional Public Comments on Items Not on the Agenda

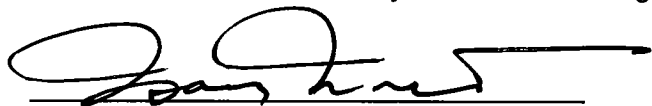
There were no additional public comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, May 17, 2012, at 9:00 a.m. and includes a Finance Workshop.

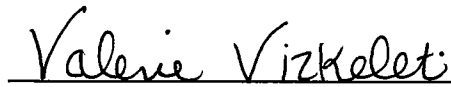
66. Adjournment

Chairman Mathis adjourned the meeting at 11:31 a.m.



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

METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): April 19, 2012

CALL TO ORDER (TIME): 9:02 AM

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:21 AM

RECONVENE: 9:31 AM

PUBLIC HEARING: 9:45 AM

RECONVENE: 9:49 AM

ORDINANCES ADOPTED: No. 11

ADJOURN: 11:31 AM

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:12 AM	10:31 AM
BRAGG	<input checked="" type="checkbox"/> (King) <input type="checkbox"/>		
CASTANEDA	<input checked="" type="checkbox"/> (Rindone) <input type="checkbox"/>		
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:14 AM	
EWIN	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>		
EMERALD	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:12 AM	10:24 AM
ENGLAND	<input checked="" type="checkbox"/> (Gastil) <input type="checkbox"/>	9:06 AM	11:22 AM
GLORIA	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MINTO	<input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>		
RIOS	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		
YOUNG	<input type="checkbox"/> (Faulconer) <input checked="" type="checkbox"/>	9:04 AM	10:52 AM

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD: Valerie Vitzkeloti

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: Keller