

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
SAN DIEGO TRANSIT CORPORATION (SDTC), AND
SAN DIEGO TROLLEY, INC. (SDTI)

June 26, 2008

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:05 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Clabby moved to approve the minutes of the June 12, 2008, MTS Board of Directors meeting. Mr. Ewin seconded the motion, and the vote was 8 to 0 in favor.

3. Public Comment

There were no Public Comments.

CONSENT ITEM:

6. MTS: Transportation Development Act (TDA) Claim (FIN 310)

Recommend that the Board of Directors adopt Resolutions 08-9, 08-10, and 08-11 (Attachments A – C of the agenda item) approving the FY 2009 Transportation Development Act claim.

7. MTS: Proposed 2008/2009 Internal Audit Plan (LEG 492)

Recommend that the Board of Directors approve the Proposed 2008/2009 Internal Audit Plan (Attachment A of the agenda item).

Action on Recommended Consent Items

Mr. Ewin moved to approve Consent Agenda Items No. 6 and 7. Ms. Atkins seconded the motion, and the vote was 8 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:06 a.m.

- a. MTS: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): OPM, Inc. v. MTDB, et. al., San Diego

Supreme Court Case No. GIS 008067-1).

- b. MTS: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Significant Exposure to Litigation Pursuant to Subdivision (b) of California Government Code Section 54956.9: One Potential Case

The Board reconvened to Open Session at 9:57 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTS General Counsel, reported the following:

- a. The Board received a report and gave direction to MTS General Counsel.
- b. The Board received a report and gave direction to MTS staff and General Counsel.

DISCUSSION ITEMS:

- 30. SDTC: An Ordinance Amending Ordinance No. 4, An Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule (ADM 110.3)

Ms. Lorenzen read the title of the ordinance “to Codify an Ordinance Amending Ordinance No. 4, An Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule.” Ms. Sharon Cooney, Director of Government Affairs and Community Relations, recapped the proposed fare changes.

Mr. Monroe reminded the Board that SANDAG staff presented a recommendation on the proposed fare increase to the SANDAG Board of Directors that was in conflict with what the MTS Board and staff felt should be proposed. He stated that he felt that if MTS is responsible for running the service and for the revenue, then it should be able to set the fares unless the route is deemed regionally significant. He suggested that if the legislation that guides how the three agencies (SANDAG, MTS, and North County Transit) interact is rewritten, this issue should be addressed and changes made to allow MTS to set its own fares.

Action Taken

Mr. Rindone moved to (1) read the title of Ordinance No. 4, an Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule. Mr. McLean seconded the motion, and the vote was 12 to 0.

Mr. Emery moved to waive further readings of the ordinance and introduce the ordinance for further consideration at the next Board meeting on July 17, 2008. Mr. Rindone seconded the motion, and the vote was 12 to 0.

Mr. Rindone moved to direct publication of an ordinance summary. Mr. Emery seconded the motion, and the vote was 12 to 0.

- 31. SDTC: Establishment of an Account in the San Diego County Investment Pool (FIN 340)

Ms. Linda Musengo, MTS Finance Manager, advised the Board that action to approve this item would result in the establishment of an MTS investment account in the San Diego County

Investment Pool as suggested by Mr. Greg Cox at a previous Board meeting. She stated that this fund provides safety, returns, liquidity, and functionality comparable to that of the Local Agency Investment Fund (LAIF) in which MTS is already invested. In response to a question from Mr. Emery, she reported that MTS would hold 50 percent of its funds in the LAIF and the other 50 percent in the County Investment Pool. She stated that participating in the County fund gives MTS the additional security of diversification and also increases local investment. She reported that half of the funds from the LAIF would be liquidated and moved into the County fund and added that the County fund has had a AAA rating for seven years. In response to a question from Mr. Emery, MTS Chief Financial Officer Cliff Telfer stated that there are no limitations on how this transaction would be structured.

Action Taken

Mr. Emery moved to approve Resolution No. 08-12 (Attachment A of the agenda item) to establish an investment account in the name of San Diego Metropolitan Transit System within the San Diego County Investment Pool administered by the County Treasurer. Mr. McLean seconded the motion, and the vote was 12 to 0.

REPORT ITEMS:

46. MTS: Participation in the Google Transit Trip Planner (SRTP 890)
(Taken Out of Order)

Mr. Devin Braun, Sr. Transportation Planner, reported that MTS became part of the Google Transit Program in May 2007 and was 1 of 12 agencies participating around the world. He reported that there are now more than 50 agencies that have joined. He showed the Board how to use the program to develop a trip plan and pointed out the type of information that is provided. He reported that Google also recently released a version of Google Maps for mobile phones with a built-in transit-directions feature. He stated that MTS provides the supporting data for the Google Transit Program.

Mr. Roberts felt that 511 Traveler Information was an unnecessary program and expense when someone can simply use Google Transit. Mr. Braun explained that 511 is a phone-based program and that Google doesn't offer a phone-based program. He stated that Google requires that its service be supplementary to an agency's own program as they are not willing to guarantee that its program will be available in the future. Mr. Roberts felt that quality of the Google Transit program was better than the 511 program.

Mr. Monroe stated that 511 has traffic information and asked if Google Transit does. In response to a question from Mr. Monroe, Mr. Braun explained that Google Transit will display information for each of MTS's 4,300 bus stops, but that MTS guarantees time points only. In response to a question from Mr. Rindone about next-bus information, Mr. Jablonski stated that a demonstration project for providing next-bus information at bus stops will be done on Broadway in the near future. Mr. Rindone requested that Board members be kept informed as this project develops. Mr. Jablonski stated the Central Train Control project will put this same information at trolley stations within 12 months. He added that next-bus technology is cell-phone based, and monthly use charges are quite expensive so this system will be quite costly to implement system-wide. Mr. McClellan suggested that signs be put up at bus stops, especially the busier stops, advertising that transit information can be accessed through Google using a cell phone.

Public Comment

Clive Richard: Mr. Richard stated that he was very excited about the Google Transit Program. He stated that these types of partnerships benefit the public.

Action Taken

Mr. Emery moved to receive a report for information. Mr. McClellan seconded the motion, and the vote was 12 to 0 in favor.

45. MTS: Marketing Activity Overview (MKPC 605)

Mr. Rob Schupp, MTS Director of Marketing and Communications, discussed the importance of marketing in order to grow ridership, which has an attrition rate of about 30 percent. He reviewed MTS's marketing goals, the members of the marketing team, and the budget for marketing activities. In response to a question from Mr. Ewin, Mr. Telfer stated that offsetting revenues are not recorded in the marketing budget but in the Miscellaneous Revenue line item of the overall budget for MTS. Mr. Ewin requested a break-out of these items. Mr. Schupp reported that an overview of MTS's bus-wrap program will be provided at a future meeting. Mr. Monroe stated that the salary expense for marketing staff should be included in the marketing budget table. Mr. Schupp reported that salaries for marketing staff are \$614,000.

Mr. Schupp discussed recent promotions that have taken place and partnerships in which MTS participates to promote transit as well as media events in which MTS has participated. He reported that the goal of the Transit Tuesday program was to sell 100 to 150 tickets per Padres game and that MTS sold 180 last week. He also reviewed marketing efforts involving community events, visitors, and students. He then discussed how information is provided to customers and provided an overview of plans for the coming fiscal year. He stated that a Compass Card pilot program will be launched with employees very soon.

Mr. Schupp confirmed for Mr. Emery that MTS has a marketing program that targets hotels and concierges. Mr. Emery stated that most concierges he has used in other cities have little knowledge of public transit options and emphasized the importance of using this resource. Mr. Monroe reported on a recent meeting of the Optimists Club in Coronado during which Mr. Schupp presented information on transit and a hybrid bus was made available. He suggested that Board members who belong to clubs take advantage of this opportunity.

In response to a question from Mr. Monroe, MTS CEO Mr. Paul Jablonski reported that the recent awards that were presented by SANDAG to employers were for van pool programs, and MTS was not a part of that effort. It was suggested that this program be expanded to include transit. Mr. Jablonski suggested that MTS pursue its own program. In response to a question from Mr. Rindone, Mr. Schupp reported that a lot of marketing is done at all of San Diego's community colleges and universities. Mr. Rindone stated that when you get students to ride, you often end up with lifelong riders. He requested that staff bring a report back to the Board specifically on how staff is promoting the use of youth passes so the Board can evaluate how MTS is doing. In response to a question from Mr. Clabby, Mr. Schupp reported that APTA Annual Meeting participants will be provided with a welcome bag that will include transit information, and that MTS will be providing service between the airport and the conference hotels. Mr. Jablonski added that there may be welcome desks at both airport terminals as well as the Sante Fe Depot that will provide transit information to incoming delegates.

Action Taken

Mr. Clabby moved to receive a report on MTS marketing activities. Ms. Atkins seconded the motion, and the vote was 10 to 0 in favor.

47. MTS: 2008 Rock 'N' Roll Marathon Recap (OPS 960.2)

Mr. Jim Byrne, SDTC Director of Transportation, provided the Board with an overview of the Rock 'N' Roll Marathon course map, the bus routes that were affected by the race this year, and the bus services provided for the race. He also provided information on the number of passengers carried for this event. Mr. Tom Doogan, SDTI Special Events Coordinator, reported on the changes that were made to light rail transit service for this year's race, how it impacted existing service, how those impacts were mitigated, and what expenses were billed to the race promoter. He briefly discussed traffic control, security, and the control of passengers. He reported that Amtrak provided staff to control pedestrian traffic in order to enhance safety at Old Town. He added that this is the first year that Amtrak has issued a stop order for this location. Mr. Doogan then discussed the success of ticket sales, and he also detailed cost recovery items. He also reviewed what changes are planned for the race in 2009.

Mr. Doogan explained for Mr. Monroe that cost recovery was not sought for those items that resulted from increased ridership. In response to a question from Mr. Monroe, Mr. Byrne reported that bus service was provided until 4:00 p.m. on race day. Mr. Emery complimented staff on a job well done. He stated that having the cooperation of the race promoter also helped.

Action Taken

Mr. Emery moved to receive a report for information. Mr. Rindone seconded the motion, and the vote was 11 to in favor.

48. MTS: Year-To-Date Operations Budget Status Report Through April 2008 (FIN 310)

Chairman Mathis introduced Mike Thompson, MTS Assistant Budget Manager. Mr. Thompson provided a brief overview of actual expenses compared to budgeted expenses through April 2008 and reported that MTS is under budget by \$4,261,000. Mr. Jablonski stated that \$5 million in nonrecurring revenues was used to balance the FY 2008 budget. He added that it appears that May will also be under budget. He stated that it may be possible that MTS will be able to end the year using very little nonrecurring revenue.

Action Taken

Ms. Atkins moved to receive a year-to-date operations budget status report through April 2008. Mr. Ewin seconded the motion, and the vote was 10 to 0 in favor.

60. Chairman's Report

The Chairman made no report.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin, Chairman of the Audit Oversight Committee (AOC), reported that the AOC minutes from the Committee's last meeting were faxed to all Board members and that the next meeting will be called as needed.

62. Chief Executive Officer's Report

Mr. Jablonski reported that he, Ms. Lorenzen, and Mr. Telfer just returned from a meeting in San Francisco with Moody's and with Standard and Poor's personnel about improving MTS's pension obligation bond rating given that MTS may have to remarket the bonds. He stated that Moody's just gave these bonds an A1 rating. He stated that he, Ms. Lorenzen, and Mr. Telfer discussed efforts MTS has taken to deal with recent budget shortfalls and that both firms were impressed with the success of those efforts. He stated that the goal of the meeting was to get a AA rating for these bonds. He stated that they were told that a AAA rating could not be granted because MTS does not have taxing authority.

In response to a question from Mr. Monroe, Mr Telfer reported that the contract that Mr. Jablonski signed for the Eco Pass was a revenue contract, and that MTS will get reimbursed for the contract for the bus wrap for Balboa Park.

63. Board Member Communications

Leon Williams Commemoration: Mr. Rindone stated that he hoped the commemoration for Mr. Williams could be in place by the date of the APTA Annual Meeting and Expo. Mr. Jablonski stated that he was regathering the original group that worked on this project and would bring an agenda item back to the Board with information on how much funding was raised and what type of project could be done with that level of funding.

Taxicab Fares: Ms. Atkins asked what MTS's role was in the setting of taxicab fares. Mr. Jablonski stated that this issue is on the Board's July agenda. He stated that MTS administers the Taxicab Committee and that the Committee has recommended an increase in fares as well as a \$1.00 per-trip fuel surcharge. He stated that the MTS Board will be asked to rule on this recommendation in July.

Dump the Pump Promotion: Mr. Ewin stated that MTS did a very good job on this program. He stated that he talked to many trolley patrons in La Mesa on the day of this promotion who spoke highly about trolley service and the promotion. He stated that he also heard comments about the inappropriate language being used by young women and the lack of courtesy shown by younger riders on the trolley.

Big Lemon Birthday: Mr. Clabby reported that the Big Lemon in Lemon Grove is celebrating its 80th birthday on Friday, July 4, and invited Board members to attend.

Open Sand Castle Competition: Mr. McLean reported that the Open Sand Castle Competition in Imperial Beach will be held on Sunday, July 13, and invited Board members to attend. He suggested they take the bus or trolley to Imperial Beach.

64. Additional Public Comments on Items Not on the Agenda

Andra Fairchild: Ms. Fairchild stated that she was having difficulty with her wheelchair and the tie-down system in buses and requested assistance. Mr. Jablonski asked Mr. Byrne to meet with Ms. Fairchild to try to reach some type of accommodation.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, July 17, 2008.

66. Adjournment

Chairman Mathis adjourned the meeting at 11:35 a.m.



Chairperson
San Diego Metropolitan Transit System

Filed by:



Office of the Clerk of the Board
San Diego Metropolitan Transit System

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

[gail.williams/minutes](#)

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 6/26/08

CALL TO ORDER (TIME): 9:05 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:06 a.m.

RECONVENE: 9:57 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:35 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
CLABBY	<input checked="" type="checkbox"/> (Selby) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input type="checkbox"/> (Hueso) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MAIENSCHIN	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Downey) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (McCann) <input type="checkbox"/>	9:07 a.m. during AI 24	
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:22 a.m. during AI 24	11:13 a.m. during AI 48
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>	9:08 a.m. during AI 24	
YOUNG	<input type="checkbox"/> (Hueso) <input type="checkbox"/>		<input checked="" type="checkbox"/>
ZARATE	<input type="checkbox"/> (Parra) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

