

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT DEVELOPMENT BOARD,
SAN DIEGO TRANSIT CORPORATION, AND
SAN DIEGO TROLLEY, INC.

MARCH 25, 2004

BOARD OF DIRECTORS MEETING ROOM, 10TH FLOOR
1255 IMPERIAL AVENUE, SAN DIEGO

MINUTES

1. Roll Call

Chairman Williams called the meeting to order at 9:01 a.m. A roll call sheet is attached listing Board member attendance.

2. Approval of Minutes

Mr. Clabby moved to approve the Board of Directors meeting minutes for the March 11, 2004, MTDB; January 29, 2004, San Diego Trolley, Inc. (SDTI); and February 12, 2004, San Diego Transit Corporation (SDTC) meetings. Ms. Sterling seconded the motion, and the vote was 10-0 in favor.

PUBLIC SPEAKERS ON ITEMS NOT ON THE AGENDA

3. Public Comment

Clive Richard – Mr. Richard said that he rode the Orange Line and saw an area that was blocked off with yellow tape. He had been told that a person that was visually impaired would have little ability to know there was a hazard until they encountered the obstacle. The area should be using mesh to indicate a hazard. He also mentioned that timed transfers appear to be scheduled so a passenger can see their transfer vehicle depart as soon as they arrive at the location. This is an unfortunate situation. It happened to him twice in the past week. It is particularly a problem at the Fashion Valley Transit Center. For a person's first-time experience, you need to provide something better than the need to wait at a transfer point.

Mr. Tereschuck noted that the contractor associated with the building resurfacing was using the tape seen. When it came to SDTI's attention, steps were taken to mitigate the issue. He added that he would talk with Mr. Richard after the meeting to see if the timed transfers were a problem with the trolley as well as buses.

4. Presentation of SDTI Employee Awards

Board Chairman Williams, MTS Chief Executive Officer (CEO) Paul Jablonski, and SDTI President-General Manager Peter Tereschuck presented awards to the following individuals: 10 years - Gary Just; 15 years - Marco Yniguez, Brett Hauser (absent), Dorsey Ek, Larry Heil (absent), Andrew Hegel (absent), Edward Lindstrom (absent), Dwayne Greer (absent); 20 years – Walter Clack.

5. Closed Session Items (ADM 122)

Chairman Williams convened the meeting into a closed session at 9:12 a.m. to discuss the following:

- a. SDTI: CONFERENCE WITH LEGAL COUNSEL – Existing Litigation Government Code Section 54956.9(a), Kinder v. San Diego Trolley, Inc., San Diego Superior Court case number 731692.
- b. MTDB: Public Employee Evaluation Pursuant to Government Code Section 54957(b)(1) – Chief Executive Officer
- c. SDTC: INSTRUCT NEGOTIATOR (Jeff Stumbo) – Labor Negotiations with International Brotherhood of Electrical Workers, Local 465, Government Code Section 54957.6.
- d. SDTC: INSTRUCT NEGOTIATOR (Jeff Stumbo) – Amalgamated Transit Union, Local 1309, Government Code Section 54957.6.
- e. SDTI: CONFERENCE WITH LEGAL COUNSEL – Existing Litigation (Subdivision (a) of Section 54956.9), Grijalva v. San Diego Trolley, Inc., et. al. GIC795983

The meeting was reconvened into open session at 10:12 a.m.

Oral Report of Final Actions Taken in Closed Session (ADM 122)

Ms. Lorenzen reported on the following action(s) taken in closed session:

- 5a. The Board received a report
- 5b. The Board authorized the Chairman of the Board to execute a first amendment to the Executive Employment Agreement.
- 5c. The Board authorized the President-General Manager of San Diego Transit Corporation to execute the approved agreement with the IBEW.
- 5d. The Board received a report.
- 5e. The Board received a report.

CONSENT ITEMS

6. MTDB 12th Avenue Park to Bay Link Project: Construction Contract Change Order (CIP 10493)

Action would authorize the CEO to execute a contract change order (CCO) with West Coast General Corporation (WCG) to compensate the contractor for installing duct banks for the future fiber-optic network; and ratify a previously approved CCO by the CEO.

7. MTDB Disadvantaged Business Enterprise (DBE) Semi-Annual Report (LEG 430, PC 30100)

Action would receive the semi-annual FY 04 DBE reports for Federal Highway Administration (FHWA)- and Federal Transit Administration (FTA)-assisted projects.

8. Master MOU Between SANDAG, NCTD, and MTDB Defining the Functions and Responsibilities of the Three Agencies (ADM 121.2, PC 30100)

Action would authorize the CEO to execute a Master Memorandum of Understanding (MOU) between the San Diego Association of Governments (SANDAG), North County Transit District (NCTD), and MTDB.

9. SDTC Financial Report through December 2003 (OPS 960.5, PC 30101)

Action would receive this report for information.

10. SDTI Finalized Audit Report on the Safety Process (LEG 492, PC 30100)

Action would receive the SDTI Safety Audit Report for information.

11. MTDB Withdrawal of Funds from the Liability Claims Reserve Account (LEG 491, PC 30100)

Action would approve the withdraw of funds necessary to satisfy the Self-Insurance Retention portion of the confidential settlement agreement reached in negotiation in the case Kinder vs. SDTI.

12. MTDB, SDTC, SDTI Property Insurance Renewal (LEG 491, PC 30100)

Action would authorize the CEO to renew the property insurance coverage for MTDB, SDTC, and SDTI with the California State Association of Counties Property Insurance Program, effective March 31, 2004 through March 31, 2005, with basic coverage deductibles for collision on buses and light rail vehicles (LRVs) and on roads, bridges, and tunnels.

13. SDTI Financial Report for December 2003 (OPS 970.5, PC 30102)

Action would receive this report for information.

14. SDTI Operations Status Report for December 2003 (OPS 970.2, PC 30102)

Action would receive this report for information.

15. SDTI One-Year Extension of Nightly Cleaning Services: Contract Award (OPS 970.6, PC 30102)

Action would authorize the SDTI President-General Manager to execute Contract Amendment No.1 with Calderon Building Maintenance, Inc., for a one-year extension of LRV nightly cleaning services.

16. SDTC Trash Disposal: Contract Award (OPS 960.6, PC 30101)

Action would authorize the SDTC President-General Manager to execute a five-year contract with EDCO Disposal Corporation for routine trash disposal services on a regularly scheduled basis for the Imperial Avenue and Kearny Mesa Divisions.

17. MTDB Operators Budget Status for January 2004 (FIN 310, PC 30100)

Action would receive the MTS Operators Budget Status for the month of January 2004.

18. MTDB: Mission Valley East LRT Project Budget (CIP 10426.7)

Action would authorize the CEO to: (1) transfer funds from the Grantville Segment Construction line item into the Construction Contingency for the Grantville Segment to fund pending and proposed change orders to the Grantville Segment construction contract; and (2) transfer funds from the La Mesa Segment Construction line item into the Construction Contingency for the La Mesa Segment to fund pending and proposed change orders to the La Mesa Segment construction contract.

Motion on Recommended Consent Items

Mr. Rindone moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18. Mr. Emery seconded the motion, and the vote was 13-0 in favor. Mr. Janney abstained on item No. 16; therefore, the vote was 12-0 in favor for item No. 16

NOTICED PUBLIC HEARINGS

There were no public hearing items.

DISCUSSION ITEMS

30. SDTI: Petco Park Opening Day Summary Report (OPS 970.2, PC 30102)

Mr. Jablonski stated that a report on the March 11 event was sent to the Board as soon as information was available. Based on feedback received, we are prepared to go over what happened at the Petco Park inaugural event. We spent a lot of time following up on actions and developing changes that will be instated for the next two games, April 3 and 4.

Mr. Rindone said that the Executive Committee received a report at its meeting, and it was discussed extensively. A number of recommendations were given to staff. Today's focus should be on what will be done so we don't have a repeat of the problems seen on March 11.

Mr. Peter Tereschuck provided a summary of highlights and experiences from March 11. There was a misconception that SDTI was holding back equipment. He wanted to assure the Board that every piece of equipment that was available was placed into service. They were running 35 trains, and carried about 17,500 people to the game.

There were 16 stations identified for manual ticket sales. There was an interesting dynamic where people were still arriving for the game, while a fairly significant number were beginning to depart. This made it difficult to process passengers. Also, there was a pedestrian traffic routing change by the San Diego Police Department (SDPD), where people were routed around and behind the MTS parking structure. We have since had productive meetings with the agencies involved to put these problems behind us.

Mr. Tom Doogan stated that the March 11 game had 16 locations with manual ticket sales. We want to increase that number to 22 locations for the April 3 and 4 games as well as the Padres' opening day. We also looked at the sales at these 16 locations and will reassign manual ticket sales for areas that under-performed to other high-profile locations. We will also be adding more ticket sales agents. Six additional locations will have ambassadors to assist patrons with ticket vending machines (TVMs), and we will begin an aggressive pregame TVM servicing and vault replacement program.

For opening day, we will have 111 of the 123 LRVs in service. This equates to 90 percent of the fleet. We cannot use this high number continually, but can use this number during high-profile games. We will add Orange Line "tripper" trains to create 7.5-minute service during the peak service period to the East County.

For all games, we will monitor and regulate boarding activity at Qualcomm Stadium to prevent train overcrowding at the initial terminal and to create space for customers at the stations that follow. We will use short-turn trains to offer mid-line relief from Old Town. We will also have mid-line personnel in place to provide support to reduce extended dwell times and effectively decrease over-the-road times. Green Line trains will terminate at the Gaslamp Station, and we will have backup buses standing by at key locations (on weekends and some weekdays as vehicles are available), including the H Street Station in Chula Vista, as well as Qualcomm Stadium Station, the Old Town Transit Center (OTTC), and Grossmont Center Station.

For post-game service, we will have backup buses standing by for service at OTTC, Qualcomm Stadium Station, Grossmont Center Station, and H Street/Chula Vista Station if

necessary. Trains will be queued in the yard for service in four directions – Green Line at Gaslamp, Orange Line at the Imperial Bayside and 12 and Imperial Transfer Station, and the Blue Line (both northbound and southbound) at the 12th and Imperial Transfer Station. We will also maintain minimum headway standards to prevent line congestion and inefficiencies both pre- and post-game.

For pedestrian routing to the 12th and Imperial Transfer Station, we provided two options. Option A would provide a direct path on the south sidewalk along Imperial Avenue to the Clock Tower Plaza. Option B would be a circuitous route around the MTS parking structure. The advantage to Option A would be a shorter and more direct route by 400 feet. It is an easier and more intuitive route. The disadvantages to Option A are a constrained pathway with some obstacles, a potential conflict between vehicles and pedestrians at the garage exit, and vehicle-to-vehicle conflicts that add to the distractions.

Advantages for Option B are a wider pathway for greater capacity and no potential vehicle/pedestrian conflict. Disadvantages include an out-of-direction route of 787 feet versus 387 feet, and it would require additional resources—barricades, personnel, etc. After reexamining the routing issue under game-day conditions, staff recommends that Option B be adopted as the preferred post-game pedestrian route.

Mr. Jablonski stated that beside the operational additions, we are developing a communication plan to get to the media and on buses and trolleys, with helpful hints, like prepurchasing a pass. A lot of new people are riding that may not know how to buy a ticket. We are suggesting that people come earlier or stay later. We want to communicate these possibilities to the public. Mr. Emery said that the Executive Committee discussed the surprise action by the SDPD. Option A was the recommended routing, and we are now recommending Option B. It seems Option A makes more sense. The conflict with vehicle traffic can be overcome. It is a straight and shorter route and makes more sense. Mr. Tereschuck said that staff had a number of meetings with Padres officials, City representatives, and SDPD that included frank, open discussions. We've also had a number of internal meetings to take a second look at possible routings. The initial recommendation was done without the benefit of seeing the dynamics of the vehicular traffic. We've noticed a couple of issues, including vehicle-to-vehicle conflict as well as pedestrian conflicts, even on non-game days. We concluded that the new pedestrian routing was in our best interest.

Mr. Zucchet thanked staff for their work. He remembers when this was discussed months ago, and how we were guessing at the volume of passengers we would be handling. It's a good day when our problem is too many riders. It was good to have this experience before the Padres' opening day. He acknowledged that he didn't enjoy seeing the negative letters to the editor. This is a good problem to have on our hands, and we are addressing it. Staff is doing great job. He noted that flexibility is important. Mr. Zucchet said that for transportation planning the City is determined to minimize pedestrian/vehicle conflicts. Option B is consistent with that. Mr. Tereschuck said that staff would have taken a strong position if it felt the routing along Imperial Avenue was a better option. Mr. Zucchet asked if we had revenue numbers from the March 11 service. Mr. Tereschuck said we increased revenue by 207 percent overall.

Mr. Mathis said that on one hand we have an increased number of passengers and revenue, but it requires increased resources. One concern with Option B is that there are some difficulties. Everyone who exits the garage onto Imperial Avenue will now encounter traffic impacts, and vision is restricted. It does create a dangerous situation. SDPD has

acknowledged the communications issue and accepted responsibility. We are working together to settle these issues. He endorses Option B. He said that one issue is the landscaping in the breezeway traveling to the clock tower. This may need to be modified. Mr. Mathis asked to what degree we were seeing passengers buying round-trip tickets as opposed to one-way tickets. Mr. Tereschuck said it runs about 8 to 1 with an emphasis on round-trip ticket purchases. He added that an additional Option B-1 would separate the pedestrians. The current conflict is the building contractors still have items in the way. Once those are removed, we have a plan to reroute passengers and relieve some of the congestion.

Mr. Clabby said that one problem was a high volume of people that were unfamiliar with the ticket machines and the system itself. A number of people that went to the SDSU game did not go for the game, but to see the ballpark. He doesn't feel that will happen during the Padres' season. This is part of the lessons learned. This was an overwhelming success to get people to use the system. For once everyone listened to us. He applauded staff and agreed that this was a blessing in disguise.

Mr. Rindone wanted to express his appreciation to staff also. We are very aware that we need modifications and adjustments. Our ultimate goal is for new passengers to use the system consistently. He requested staff to look again at deploying buses to the E Street Station in Chula Vista. As the trolley progresses north, trains will be full. He appreciates that staff acknowledged H Street; the E Street Station is the next largest station. Having buses here for additional transporting would open up space for the two stations in National City. He would also like staff to take a serious look at the deployment of vehicles behind the building. He is not convinced that Option B for pedestrian traffic is a more workable solution. He gave the Coliseum in Los Angeles as an example of a way to direct pedestrian traffic at the end of a game. He would like Option A to be reexamined. Larger crowds may prohibit the use of Option A; however, it is less than half the distance of Option B. After the first couple of Padres series are finished, we should be able to look at the pedestrian flow again. He would like to keep an open mind. Mr. Tereschuck said that SDTI fully intends to consider the volume of passengers at E street. H Street was recognized as a staging area. Personnel will be available to assess the situation in the field and route buses to E Street, if necessary. Staff will also return with additional follow-up reports.

Mr. Cox noted that the County recently went through a voting process that didn't necessarily go well the entire time. It is nice to have a problem of bigger usage. The fact that a lot of downtown parking was not used indicates that the Padres' opening day probably won't have as large of magnitude as the SDSU game. Staff did a good job of analyzing the process.

Ms. Sterling said that she saw the negative comments and reports on the television stations after the game. Mr. Doogan spoke to the interviewers and was very straightforward. She thought he did a great job of assuring the public that there would be modifications and corrections.

Mr. Mathis said the plans looked good. He asked how we would get the information to the public. Mr. Tereschuck said we would enhance our marketing effort, and include information on the website. Mr. Mathis recommended using press releases also.

Action Taken

Mr. Cox moved to receive a summary report on Petco Park opening day service and put Option B into place for future games. Mr. Emery seconded the motion, and the vote was 11-1 in favor (Mr. Williams voted against the motion).

31. SDTC: KPMG Fourth Quarter 2003 Pension Review (OPS 960.5, PC 30101)

Mr. Cliff Telfer noted that in the fourth quarter we had a return a nearly 9 percent, which places us in the top 23 percentile in the Public Funds Total Fund Universe. KPMG's role in the plan is to develop investment policies, help choose the managers, and then report back on the managers' performance.

Mr. Bruno Grimaldi, KPMG reviewed the report and provided the Board with an overview of both the plans and the performance of each individual manager. We are in line with the investment policy statements. Mr. Grimaldi noted that the Westwood Small Cap, the Small Cap Growth Managers, hasn't performed well and were placed on watch in August 2003. We are monitoring its performance on a monthly basis. They have received a warning letter stating that if their performance does not improve in the next seven to eight months, they could be terminated.

Ms. Kaltenborn said that you could see from the report the effect of the market downturn in 1999. KPMG has always provided a great report. She was surprised that Westwood Small Cap hadn't come through better.

Mr. Jablonski asked why we would wait another seven to eight months before determining what to do about Westwood Small Cap. Mr. Grimaldi noted that when an investment manager is put on watch, we have 12-month period to make a decision. We could make a decision sooner. We have explained our displeasure with their performance; however, we haven't seen any change. Mr. Jablonski said he would like an earlier update should we choose to make a change.

Action Taken

Mr. Emery moved to receive a report on SDTC's KPMG fourth quarter 2003 pension review. Mr. Charles Lewis seconded the motion, and the vote was 10-0 in favor (Mr. Cox was temporarily out of the meeting).

32. Metropolitan Transit System (MTS) Appearance and Identity (MKPC 620, PC 40053)

Ms. Andrews said that the Board approved the MTS logo and a new vehicle paint scheme, with the understanding that modifications may be needed to minimize maintenance costs. Staff was asked to return with a sample of the paint application, and to look at the removal of extraneous decals on MTS vehicles that distract from the branding.

Photos were presented with the approved paint scheme. The logo was shown in two types of application. Photos were also provided of the proposed "MTS" usage on LRVs. Option T1 showed the "MTS" logo used alone, Option T2 showed the "MTS" logo with the copy "Metropolitan Transit System" on the vehicle, and Option T3 showed the "MTS" logo with the copy "San Diego Trolley" on the vehicle.

An option was also developed for the buses, with Option B1 having the "MTS" logo used alone, and Option B2, the MTS logo used with the copy "Metropolitan Transit System."

Staff recommends using the "MTS" logo with "Metropolitan Transit System" on both buses and trolleys based on the strong desire to brand the entire system and to strengthen the identity and recognition factor.

Examples of extraneous decals were shown.

Ms. Andrews explained that we were asking the Board for approval on the location of the new "MTS" logo and the optional copy "Metropolitan Transit System" on buses and trolleys, and approval to remove extraneous decals.

Mr. Emery said that he supported the recommendation. He thinks it's important that we stick with the Metropolitan Transit System and single logo approved before. With regard to extraneous decals, if any are required, than we should use them, otherwise let's not have them on the vehicles. He noted that the names of the cities in the MTS area are on the second-generation LRVs. He liked the idea of city names staying on the LRVs and asked if that would conflict with the logo. Ms. Andrews said that any of the other decals could be used at the Board's discretion. We could figure a way to add them to any of the vehicles. With regard to the compressed natural gas (CNG) designation, there is a triangular symbol that is legally on the vehicles and will be retained. The use of CNG fuel needs to be considered when responding to an emergency. Mr. Emery said that he likes to see the names of the cities on the LRVs.

Mr. Emery said that if National City Transit and Chula Vista Transit get the new logo and new look, he presumes they would like something on the vehicles to identify their entity.

Mr. Jablonski said that we should be careful in having individual identities on the vehicles; we could end up with the same problem down the road of too many decals on the vehicles. Mr. Rindone said that there is a benefit to having the independent city designation. Chula Vista is an expanding city. He would have to review this issue with the full Chula Vista City Council. He would want the branding to be consistent, but it is a decision for the full Council. The purpose of the branding is well identified. He is sure that National City would have a similar dialogue.

Mr. Jablonski noted that we have plenty of time to make a decision. We originally moved this along because of an order for new buses. Traffic Congestion Relief Program (TCRP) funds for the new buses have been suspended. We do want to begin by replacing logos. Ms. Andrews added that as buses come in for a full repair that would include repainting, it would be given the new paint scheme. Mr. Clabby said he would like to know how many buses are anticipated to fall into this category for a 12-month period.

Mr. Charles Lewis asked if we have already started painting non-revenue vehicles.

Mr. Tereschuck explained that the SDTI non-revenue vehicle color scheme was changed to white with the red lettering for maintenance purposes. Mr. Charles Lewis said that they look

good. He supports the motion; however, people are always saying the San Diego Trolley. He felt having "San Diego Trolley" on the LRVs might be better than the "Metropolitan Transit System."

Mr. Mathis added that he did not like the halo around the "M" in "MTS" on the trolley. From a distance, it becomes indistinguishable.

Action Taken

Mr. Emery moved to: (1) approve Option T2 and Option B2 location of the new MTS logo on trolleys and buses, with the copy "Metropolitan Transit System"; and (2) approve extraneous decal removal, with the exception of the designation of the cities, from buses and trolleys. Ms. Sterling seconded the motion, and the vote was 9-0 in favor.

33. MTDB: Transit Workshop: Policy Review (ADM 110.2, PC 30100)

Ms. Lorenzen presented policies No. 32 through No. 36 for review.

Policy No. 32, "Providing Transit Services," sets forth terms and conditions for competitively awarding publicly subsidized transit services and outlines contractor compliance. It is recommended that staff return to the Board in three months after a comprehensive review and revision, that the Board retain the policy in the interim, and make minor typographical changes.

Policy No. 33, "Handling of Information Requests," establishes a written procedure for how the CEO responds to information requests from members of the public and the Board of Directors. It is recommended to retain this policy indefinitely and make minor typographical changes.

Policy No. 34, "Capital Asset Disposal," sets forth the requirements for disposing of capital assets purchased with public funds. It requires a competitive process, consistent with federal and state regulations, for assets valued over \$25,000. It is recommended to retain this policy indefinitely, with minor typographical changes.

Policy No. 35, "For-Hire Vehicle Services," implements the requirements of Ordinance No. 11, regulation of for-hire vehicles, sets forth the procedure for setting the maximum rate of fare, and incorporates the full-cost recovery language from our enabling legislation. The recommendation is to retain this policy indefinitely, with minor typographical changes.

Policy No. 36, "Drug and Alcohol Policy," establishes a safe working environment and prohibits the use of illegal drugs and alcohol during working hours. The recommendation is to retain this policy indefinitely, with one substantive change.

Action Taken

Mr. Charles Lewis moved to approve proposed changes to MTD Board Policies and Procedures No. 32 through No. 36. Mr. Emery seconded the motion, and the vote was 9-0 in favor.

44. Chairman's Report (ADM 110.1)

The Chairman had nothing to report.

45. Chief Executive Officer's Report (ADM 121.7, PC 30100)

The Chief Executive Officer had nothing further to add to his written report.

46. Board Member Communications (ADM 110, PC 30100)

There were no Board member communications.

47. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

50. Next Meeting Date

The next meeting is scheduled for April 15, 2004, at 9:00 a.m. in the Board of Directors Meeting Room, 10th Floor, 1255 Imperial Avenue, San Diego, CA 92101-7490.

51. Adjournment

Chairman Williams adjourned the meeting at 11:54 a.m.

Chairman
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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

Office of the General Counsel
San Diego Metropolitan Transit System

PSmith/BD-04MAR25.PSMITH - 4/2/04

Attachments: A. Roll Call Sheet
B. AI 45, March 25, 2004, Chief Executive Officer's Report