

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

March 23, 2006

Plaza Hall
202 C Street, San Diego

MINUTES

1. Roll Call

Chairman Mathis called the meeting to order at 9:00 a.m. A roll call sheet listing Board member attendance is attached.

Chairman Mathis explained that any items pulled from the Consent Agenda would be discussed after Agenda Item 25. He also stated that the public testimony portion of the public hearing on the Comprehensive Operational Analysis (COA) has been closed. He stated that the only speakers who would be allowed to speak during the discussion of the COA would be those who filled out requests to speak at one of the previous hearings but were unable to do so. He stated that all other speakers would be allowed to speak under Agenda Item No. 3, which will be deferred to the end of the agenda. He added that each speaker would be allowed two minutes in which to make comments.

2. Approval of Minutes

Mr. Ewin moved to approve the minutes for the March 2, 2006, and March 8, 2006, Public Hearings, and the February 9, 2006, Board of Directors meeting. Mr. Rindone seconded the motion, and the vote was 10 to 0 in favor.

3. Public Comment

Chairman Mathis moved this item to the end of the agenda.

CONSENT ITEMS

6. MTS: Proposed Modifications of MTS Board Policy No. 22 for Election of Chairperson, Replacement of Committee Appointments After a Member Leaves the Board, and Election of Alternate for SANDAG Transportation Committee (ADM 110, PC 50101)

Recommend that the Board of Directors approve the proposed modifications to MTS Board Policy No. 22 (Attachment A of the agenda item) to create a reelection or nomination procedure for future chairperson appointments, provide a procedure for replacement of committee appointments after a member leaves midyear, and allow for the election of an alternate to the San Diego Association of Governments (SANDAG) Transportation Committee.

7. MTS: Transportation Development Act (TDA) Claim Amendment (FIN 340.2, PC 50601)

Recommend that the Board of Directors adopt Resolution No. 06-4 (Attachment A of the agenda item) amending FY 04 TDA Article 4.0, Claim No. 253, for National City Transit.

8. SDTC: Operator Performance Evaluation Services (OPS 960.6)

Recommend that the Board of Directors authorize the Chief Operating Officer – Bus to execute a contract (in substantially the same format as Attachment A of the agenda item) with First Transit, Inc. for operator performance evaluation services (SDTC Doc. No. 05-200) for a 3-year period with two 1-year options, in an amount not to exceed \$174,455, for the 5-year period (base proposal at \$101,012 and option proposal at \$73,443).

9. MTS: Bus Shelter Services – Two-Year Contract Extension (OPS 850.3, PC 50911)

Recommend that the Board of Directors authorize the CEO to approve the sixth amendment to MTS Doc. No. T0068.0-91 (Attachment A of the agenda item) for a two-year extension with CBS Outdoor (formerly Viacom Outdoor). This would extend the current contract until June 30, 2008.

10. MTS: Final Audit Report – SDTI Storeroom (LEG 492, PC 50121)

Recommend that the Board of Directors receive the final audit report on SDTI's storeroom.

11. MTS: Final Audit Report – SDTC Storeroom (LEG 492, PC 50121)

Recommend that the Board of Directors receive the final audit report on SDTC's storeroom.

12. MTS: Transit Bus Maintenance Inspection Services (OPS 920.5, PC 50751)

Recommend that the Board of Directors authorize the CEO to execute a contract amendment with Transit Maintenance Consultants, Inc. (MTS Doc. No. B0326.3-02, Attachment A of the agenda item) for the final one-option term for bus-maintenance inspections.

13. SDTI: Light Rail Vehicle Tire Kits Procurement – Contract Award (OPS 970.6, CIP 11167)

Recommend that the Board of Directors authorize the President-General Manager to execute a Standard Procurement Agreement (MTS Doc. No. L0756.0-06, Attachment A of the agenda item) with Siemens Transportation Systems, Inc. for 228 light rail vehicle tire kits. The total cost of this procurement, including California sales tax and freight, shall not exceed \$348,469.00.

14. MTS: Contract Amendment to Extend and Increase Authorization of Liability Claims Management Services (LEG 491, PC 50633)

Recommend that the Board of Directors authorize the CEO to enter into a contract amendment with McDowell Adjusting Company (MTS Doc. No. G0848.2-03, Attachment A of the agenda item) to provide liability claims administration services, supervision, and support of the self-insurance program. The total contract cost would not exceed \$402,000. The term of the contract extension would be for a period of one year with one additional option.

15. MTS: Contract Amendment to Extend and Increase Authorization of Workers' Compensation Claims Management Services (LEG 491, PC 50633)

Recommend that the Board of Directors authorize the CEO to enter into a contract amendment with Hazelrigg Risk Management Services, Inc. (MTS Doc. No. G0843.1-03, Attachment A of the agenda item) to provide workers' compensation claims administration services, supervision, and support of the self-insurance program. The total contract cost would not exceed \$372,000. The term of the contract extension would be for one year with one remaining option.

16. MTS: Contract Amendment to Extend and Increase Authorization of Insurance Consultant/Broker Services (LEG 491, PC 50633)

Recommend that the Board of Directors authorize the CEO to enter into a contract amendment with John Burnham Insurance Services (MTS Doc. No. G0603.4-01, Attachment A of the agenda item) to provide insurance consultant and broker services. The total contract cost is not to exceed \$47,950. The term of the contract extension would be to June 30, 2006. The contract amendment would continue to include a cancellation clause by MTS upon a written 60-day notice.

17. MTS: Property Insurance Renewal (LEG 491, PC 50633)

Recommend that the Board of Directors authorize the CEO to renew the property insurance coverage for MTS, SDTC, and SDTI with the California State Association of Counties (CSAC) Property Insurance Program, effective March 31, 2006 through March 31, 2007, with a basic coverage deductible of \$25,000, \$100,000 for collision on buses and light rail vehicles, and \$1,500,000 on roads, bridges, and tunnels.

18. MTS: Procurement for FY 04 and FY 05 Audit Services (FIN 320, PC 50601)

Recommend that the Board of Directors authorize the CEO to enter into a contract amendment (MTS Doc. No. L0750.1-06, Attachment A of the agenda item), with Caporicci & Larson, CPAs, for FY 04 and FY 05 audit services. The amendment would be \$275,000, and the total contract amount would not exceed \$603,500.

19. MTS: Contract Amendment for Legal Services for Mission Valley East (CIP 10426.7)

Recommend that the Board of Directors authorize the CEO to execute Amendment No. 3 (MTS Doc. No. L0647.3-03) with Hecht, Solberg, Robinson, Goldberg, and Bagley, LLP (HSR), in substantially the same form as shown in Attachment A of the agenda item, not to exceed \$745,000, for legal services exclusively for the Mission Valley East (MVE) Light Rail (LRT) Project through December 31, 2006. The Board previously authorized \$560,000 of this amendment in closed session.

20. MTS: Ratification of Liability Settlement (OPS 960.6)

Recommend that the Board of Directors ratify the settlement of \$50,000 in the matter of Gadson v. San Diego Transit (Case No. GIC 843654).

Recommended Consent Items

Ms. Zarate requested that Consent Agenda Item No. 9 be pulled. Mr. Ewin moved to approve Consent Agenda Item Nos. 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and 20. Mr. Clabby seconded the motion, and the vote was 10 to 0 in favor.

NOTICED PUBLIC HEARINGS

25. MTS: Public Hearing – Comprehensive Operational Analysis (COA) – Service Development Plan (SRTP 805.2, PC 20484)

MTS Chief Executive Officer (CEO) Paul Jablonski stated that MTS began the COA process 18 months ago with the goal of helping the MTS budget as well as having an entire system that would attract more riders. He stated that the proposed plan accomplishes those goals extremely well and provides a richer urban transit environment that will provide passengers with a quicker and more efficient ride. He stated that there are a lot of transit needs within the community that MTS does not have the funding to meet. He stated that MTS is trying to move toward providing service to commuter express markets, which would help reduce traffic congestion in San Diego.

Mr. Conan Cheung, MTS Director of Planning & Performance Monitoring, reviewed the particulars of and rationale for making changes to Route Nos. 5, 14, 25, 40, 70/210, 706/706a, 833, 844, 854, 858, 874, and 965. He pointed out that 75 percent of the ridership on Route No. 14 goes to destinations along Mission Gorge Road and, by taking those riders into Grantville Trolley Station, MTS would be penalizing 75 percent of the riders on that route. He stated that, therefore, staff is not changing its recommendation regarding this route. He added that both Route Nos. 13 and 14 provide service along Mission Gorge Road, and there are ample opportunities for transfers. He reported that the changes recommended under the COA are projected to yield a subsidy savings of \$5 million and an increase in ridership of 14,000 passengers. Mr. Monroe pointed out that getting the plaza elevators operating would speed up Route 70/210 travel on I-15.

Mr. Mathis stated that there were no speakers present who qualified to speak on this item according to terms he described earlier in the meeting.

Mr. Michael Neumeyer approached the podium and stated that he felt that MTS was in violation of the Brown Act by restricting public comment of items not discussed at the previous hearings. He specifically referred to the revised proposal to combine Route Nos. 70 and 210. He stated that Council Member Brian Maienschein's office send out an e-mail regarding this revised proposal less than 24 hours before the hearing. He added that there was nothing about the proposed change on the Web site, sdcommute.com. He also stated that he did not believe that the combined Route 70/210 would provide a trip in the same amount of time that Route No. 210 does and stated that further study should be devoted to this issue. He felt that riders will return to using their cars. He appealed to the Board to restore the original recommendation for three Route No. 210 trips in the morning and three in the afternoon.

Mr. Roberts read into the record a letter from Toni Atkins, who was unable to attend the meeting. Ms. Atkins letter recognized staff's efforts in the process, the difficulty of balancing the many demands required to provide critical transportation services with the reality of a shrinking operating budget, and casting her vote in support of the COA. She urged her colleagues to do the same.

In response to a question from Mr. Faulconer, Mr. Cheung explained that Route No. 908 would become Route No. 10L. He stated that travel time would be reduced by 10 minutes along Pacific Coast Highway, and the new route would have a stop at Enterprise and Pacific Coast Highway for access to the post office on Midway. In response to a question from Mr. Emery regarding Direct Access Regional Transit (DART) service in Rancho Bernardo and Scripps Ranch, Mr. Cheung stated that peak service only is currently being provided in Rancho Bernardo and Scripps. He stated that COA proposes reducing the hours of that service in order to allow the same vehicle to provide service in both areas, which is a reduction of 30 percent of the current service and provides only local access, life-line service. Mr. Emery requested that staff reevaluate this service in 6 to 12 months. He stated that other DART services have been eliminated in the past. He added that the goal of the COA is to urbanize service, and DART services really don't fit with that goal.

Mr. Ewin expressed his thanks to staff for their work on this project. He stated that there are extensive needs and not enough resources to meet those needs. He stated that the Board is doing everything it can on behalf of public transportation. He pointed out that the system can be fine tuned. He requested that staff provide an explanation of the process for evaluating and making recommendations for service adjustments on an ongoing basis. He also stated that a commitment from SANDAG is needed to ensure routes are retained where needed to promote Smart Growth. Mr. Ewin added that there needs to be a shift in the public's attitude toward leaving their cars at home and utilizing transit to reach their destinations.

Mr. Cheung reviewed MTS Policy No. 42, *New and Existing Service Evaluation*, which outlines how MTS does performance and route monitoring on an annual basis. He stated that MTS does segmentation analysis of the routes that are low performing as well as a review of those that are high performing in order to identify ways in which effective improvements can be made. He added that this policy will be reviewed and made more comprehensive with regard to the methodology and process used.

Mr. Jablonski stated that Russ Chisholm, Transportation Management & Design, Inc., has done many of these studies around the country and that, in San Diego, staff was extraordinarily involved in the process. He stated that MTS staff has, through this process, learned techniques for evaluating services and will be able to apply those principles going forward into the future. He stated that MTS will do annual reviews and make incremental changes to ensure that the system continues to efficiently and effectively provide service. He stated that staff will also be performing reviews to ensure that the recommended changes yield the expected results.

Action Taken

Mr. Emery moved to approve the Service Development Plan for implementation beginning June 2006 with a review of DART services in Rancho Bernardo and Scripps Ranch in 6 to 12 months. Mr. McLean seconded the motion, and the vote was 12 to 0 in favor.

CONSENT ITEMS (*Continued*)

9. MTS: Bus Shelter Services – Two-Year Contract Extension (OPS 850.3, PC 50911)

Recommend that the Board of Directors authorize the CEO to approve the sixth amendment to MTS Doc. No. T0068.0-91 (Attachment A of the agenda item) for a two-year extension with CBS Outdoor (formerly Viacom Outdoor). This would extend the current contract until June 30, 2008.

Ms. Zarate asked if there would be improvements made to the shelter program and pointed out that passengers need protection from the rain and sun and also need bus benches. Ms. Susan Hafner, Director of Multimodal Operations, stated that there may be some minor improvements over the next two years of the contract amendment. Mr. Jablonski stated that during the two-year extension, MTS will have an opportunity to look at best practices across the country in terms of passenger amenities and incorporate those into the next contract. He added that there have been many new developments in this area.

Action Taken

Mr. Roberts moved to approve Consent Agenda Item No. 9. Ms. Zarate seconded the motion, and the vote was 12 to 0 in favor.

DISCUSSION ITEMS

30. MTS: Update on the Status of the Grossmont Trolley Station Joint Development Project
(LEG 460, PC 50787)

Ms. Tiffany Lorenzen, MTS General Counsel, provided the Board with an update on the status of the Grossmont Trolley Station Joint Development Project. Ms. Lorenzen stated that meetings continue between Fairfield Residential, LLC and SANDAG regarding design of the public improvements and with the adjacent property owner with respect to their parking license. She stated that a review of the plans and specifications will have to be conducted to ensure there are no conflicts from an operational standpoint. She added that both the Ground Lease and the Disposition & Development Agreement (DDA) have been forwarded to Fairfield's lender, but the agreements are still in the process of being finalized. She also reported that MTS has received the letter of agreement from the City of La Mesa with respect to the drainage work being performed as part of the project.

Ms. Lorenzen advised the Board that the documents related to this project should be ready for approval by the Board next week, but the Board's next meeting is not until April 13. She stated that the Board may want to consider delegating authority to the Executive Committee for review and approval of the Ground Lease and the DDA at its April 6, 2006, meeting. She stated that Board members could submit any comments to her or to a member of the Executive Committee. Mr. Jablonski stated that this is the first Smart Growth project to obtain National Environmental Policy Act (NEPA) clearance. Mr. Jablonski stated that he gave an on-site interview on this project to the San Diego Union-Tribune.

Action Taken

Mr. Jones moved to delegate authority to the Executive Committee for the review and approval of the Ground Lease and Disposition & Development Agreements for the Grossmont Trolley Station Joint Development Project. Mr. Ewin seconded the motion, and the vote was 12 to 0 in favor.

REPORT ITEMS

46. MTS: Contract Services Fixed-Route Procurement (OPS 920.5, PC 30103)
(Taken Out of Order)

Ms. Hafner provided an overview of this item. She presented statistics regarding the current contract services being provided. She also provided an overview of the consolidated approach and reported that four of the existing service contracts would not be included in this consolidation. She stated that a negotiated procurement would be used and that a responsible wage policy would be followed. She also reported that the express service included in this contract will eventually become part of the Bus Rapid Transit (BRT) system on I-15, and discussions are ongoing regarding the type of vehicle that will be used for that service. She also reviewed the timeline for this procurement.

Mr. Roberts stated that he has seen over-the-road coaches in San Diego with out-of-state license plates and expressed concern about these vehicles meeting California air quality standards. He also stated that he would rather consider air quality on a per-vehicle basis than on a fleet-averaging basis. Ms. Hafner stated that CNG-powered over-the-road coaches can no longer be purchased so diesel-powered coaches are still being used. She stated that she has been discussing this matter with the California Air Resources Board (CARB). She stated that CARB is tightening regulations regarding air quality and has been working with manufacturers and transit properties to identify alternative options. Mr. Roberts stated that MTS should pursue getting cleaner diesel coaches. Ms. Hafner stated that could be addressed during the negotiation process. Mr. Roberts requested that staff pursue such negotiations and stated that MTS should contract with firms that can provide cleaner vehicles. Mr. Roberts requested that staff report back to the Board on the negotiations regarding these buses and efforts to improve the air quality performance of these buses to ensure we have the best possible solution.

Mr. Jablonski stated that he has been working with SANDAG on the BRT project for I-15. He added that if a new BRT vehicle has been identified by the end of this contract, the next contract could specify that type of vehicle. He stated that the BRT vehicles will have commuter amenities.

Mr. Jablonski advised the Board that MTS hopes to realize economies from having one management structure with different operating divisions as specified under the consolidated contract.

Action Taken

Mr. Roberts moved to receive this report. Mr. Monroe seconded the motion, and the vote was 12 to 0 in favor.

45. MTS: January Monthly Performance Indicators (OPS 920.1, 960.5, 970.5, PC 50451)

Ms. Anika Smart, MTS Associate Transportation Planner, provided an overview of monthly performance indicators for January 2006. She reviewed the operating environment, system riders, on-time performance, mean distance between failures for bus and rail, collision accidents for bus and rail, and customer complaints.

Action Taken

Mr. Rindone moved to receive this report for information. Mr. Roberts seconded the motion, and the vote was 12 to 0 in favor.

47. MTS: Operations Budget Status Report for January 2006 (FIN 310, PC 50601)

Mr. Tom Lynch, MTS Controller, reviewed MTS financial results through January 2006. He reviewed net operating subsidies and actual operating revenues/total costs compared to budget. He stated that variances are minimal because of the recent budget amendment approved by the Board. He felt that MTS should be able to track fairly close to budget if energy prices remain stable.

Action Taken

Ms. Zarate moved to receive this report for information. Mr. Rindone seconded the motion, and the vote was 13 to 0 in favor.

5. Closed Session
(Taken Out of Order)

This item was not discussed.

60. Chairman's Report

There was no Chairman's Report.

61. Chief Executive Officer's Report

Mr. Jablonski reported that he had attended the APTA Legislative Conference March 4 – 8 in Washington, D.C. He stated that congressional delegates were generally not available for meetings, but they did meet with the Appropriations Committee. He felt that the Committee now has a better understanding of MTS's issues and will hopefully look more closely at MTS's requests. He stated that efforts are underway to more clearly define the new Transportation Equity Act: A Legacy for Users (TEA-LU) regulations. He stated that there were also discussions of the New Starts Program.

62. Board Member Communications

There were no board member communications

3. Public Comment
(Taken Out of Order)

Clive Richard: Mr. Richard suggested that MTS educate the public regarding how much funding it receives and how it is used. He also suggested exploring other ways to get funding besides through the sales tax.

Bill Brenza, Navajo Community Planner, Traffic Committee Chair: Mr. Brenza requested that the new Route No. 14 go to the Grantville Trolley Station. He added that there is more parking at Grantville.

Chuck Lungerhausen: Mr. Lungerhausen requested sponsorship donations for the MS Walk. He also expressed support for the COA. He added that the COA will not fix the perpetual underfunding of the system and pointed out that other cities have much better tax support.

James De Young: Mr. De Young requested that the hours for Route No. 27 be extended in the summer to 8:00 p.m. or 8:30 p.m. He stated that the last trip on this route is currently 6:00 p.m.

Peter Warner: Mr. Warner discussed the importance of timely connections between bus routes, the trolley, Amtrak, and the Coaster.

Marco Gonzalez: Mr. Gonzalez stated that he was following up on a letter from Council Member Donna Frye regarding the California Environmental Quality Act (CEQA) that MTS had not responded to. Ms. Lorenzen reported that the letter was received at 4:00 p.m. the day before this meeting. Mr. Gonzales stated that Council Member Frye maintains that the COA will have environmental impacts. He added that this type of thing was litigated in Northern California in the 90s and stated that MTS should at least consider doing a negative declaration.

Andrew Bailey, Community Activist: Mr. Bailey suggested that Route No. 13 make two out of four trips to San Diego State University and two out of four to the Grantville Trolley Station. He also stated that a lot of people have presented petitions, and the people most effected by the changes are the people with the least resources for representing themselves. He stated that the Board should not approve the COA. Mr. Mathis suggested that Mr. Bailey present his comments in writing to Mr. Cheung.

Lorraine Leighton: Ms. Leighton referred to routes that travel through Santee and pointed out how difficult it is for some people to walk longer distances to bus stops.

Linda Smith: Ms. Smith requested that a fourth car be added to the Blue Line going south.

Dr. Art Salzberg: Dr. Salzberg stated that buses should use Number 1 diesel, not Number 2. He also requested express trolley service on I-5 and I-8.

Mr. Don Stillwell: Mr. Stillwell stated that he had presented a petition with 900 signatures requesting that the Route No. 14 serve the Grantville Trolley Station. He added that Judy McCarty, former City Council Member, told the public when the trolley was first approved for construction that bus service would be provided to the various trolley stations without transfers. He stated that transfers discourage people from taking transit.

Susan Smith, Special Friends Foundation: Ms. Smith objected to the changes in Route Nos. 844 and 845 because of the impact the changes will have on her daughter. She stated that her daughter will be unable to get her job.

Julia Chadwick, Special Friends Foundation (Group Homes): Ms. Chadwick stated that she administers two homes in Poway with 12 residents who are all or somewhat bus-bound. She stated that the location for these homes was chosen because of their proximity Route Nos. 844 & 845. She added that most of the riders in Poway are low income and disabled. She asked the Board to reconsider these changes.

Jenny Bishop, Julie Rufenacht, Andrew Strickley, and Mike Crossley (San Diego Regional Center for the Developmentally Disabled and Chair of Consumer Rights): Each of these

individuals expressed opposition to the changes approved for Route Nos. 844 and 845. They stated that they use these routes to go to work and to visit friends. Mr. Crossley stated that these changes will force people to use paratransit service provided by Laidlaw. He stated that Laidlaw does not do an adequate job.

Chairman Mathis stated that MTS will provide service to people with special needs to the extent that it can. He thanked everyone who spoke today and at the March 2, March 8, and March 9 public hearings. He stated that the COA is vital to the overall health of the MTS system, which is a dynamic system that is constantly being adjusted. Mr. Rindone stated that the public testimony that was given during the hearings has had a significant impact on the Board. He stated that the Board will focus on looking for additional funding. He added that the projected savings from the COA represents a major step toward addressing MTS's capital needs.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

64. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, April 13, 2006, at 9:00 a.m. in the same location. Mr. Mathis pointed out that there will be a Finance Workshop at 8:00 a.m. on April 13.

65. Adjournment

Chairman Mathis adjourned the meeting at 11:06 a.m.

Chairperson
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

Attachment: A. Roll Call Sheet
gail.williams/minutes