

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

October 28, 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 9:05 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Ms. Sterling moved to approve the minutes of the October 7, 2004, Board of Directors meeting with a correction to the first paragraph of page 6, line 4. The words "bus stops" were replaced with the words "trolley stations." Mr. Rindone seconded the motion and the vote was 9 to 0 in favor.

3. Public Comment

Theresa Quiroz: Ms. Quiroz informed the Board that when the new apartment complex was under construction in her neighborhood, MTDB instructed the developer to provide a concrete slab and electrical outlets for a bus shelter outside the complex. She stated that the developer complied; however, two years have passed and there is still no bus shelter. She added that she was told that the shelter company was not putting in any more shelters because their contract was nearing an end. She asked the Board to take steps to get a shelter installed at Home and Fairmount Avenues. She also requested that MTDB investigate why a contractor has spent two years refusing to do its specified work because its contract is going to end.

Ms. Quiroz also stated that contractors install shelters when they believe they can make a profit from selling advertising on that space, which is contrary to the basic principle of environmental justice. She stated that many of the fund sources used by MTDB have regulations regarding this issue, and the specifics of the shelter contracts are detrimental to furthering the environmental justice since low-income and minority areas are less likely to receive shelters when profit is the only consideration. She stated that the issue of environmental justice should be an integral part of MTDB decision making.

Ms. Quiroz also stated that she has tried to deal with this issue by e-mail and phone and also sent a request through the customer service section of the MTDB Web page. She stated that other than a short response from Mr. Paul Jablonski, CEO, she has had no response from staff. She added that, with the notable exception of Tiffany Lorenzen, MTDB staff seems to feel there is no requirement to listen and respond to issues brought up by riders, especially when they communicate via the MTDB Web page. Ms. Hafner stated that standard operating procedure is for infrastructure to be developed during the first stages of a development, and bus shelters are installed at a later date.

Ms. Atkins requested that she receive a copy of staff's response to Ms. Quiroz on this issue. Mr. Jablonski stated that he has responded on two occasions to communications from Ms. Quiroz on the shelter issue. He stated that the shelter contracts are extended-term contracts because of the nature of the investment. He reported that shelters cost anywhere from \$5,000 to \$8,000 plus installation, and there is a legitimate concern on the part of the contractor over amortization of the cost of those shelters. He advised the Board that staff is working on a methodology for determining an amortization/buyout if MTDB were to ask for a shelter installation during the final year of a contract. He stated that the current contract does not deal with this issue. Mr. Monroe stated that there has been a disconnect between what MTDB led the public to believe regarding this shelter and what the public received. Chairman Williams requested that staff prepare an agenda item to be discussed at a later date regarding MTDB's shelter program.

Don Stillwell: Mr. Stillwell reported that Route 13 currently leaves the Mission San Diego trolley stop two minutes before the trolley is scheduled to arrive, which causes riders arriving on the trolley to experience a 28-minute wait to catch the next bus. He stated that Route 13 buses depart 22 and 52 minutes after the hour, while the trolley arrives 24 and 54 minutes after the hour. He also stated that the Grantville trolley stop should not be used to resolve this problem because scheduling Route 13 to stop at Grantville would cause unacceptable traffic congestion around the stop.

Mr. Jablonski advised the Board that a report will be presented to the Board at its November 18 meeting regarding the restructuring of transit services related to the opening of Mission Valley East. He stated that Routes 13 and 81, as well as some contract routes, will be restructured as a result of the opening of Mission Valley East.

Chuck Lungerhausen: Mr. Lungerhausen congratulated Chairman Williams for his recent and well-deserved APTA Award as Board Member of the Year. He also thanked Mr. Jablonski for his October 15 letter that reported on and corroborated Mr. Lungerhausen's experience on September 21 with Route 955 and the possible solutions to the service problems of that day. He also stated his support of the use of low-floor buses on Route 955 and the use of a standby bus at the Euclid Station for emergency purposes. Mr. Lungerhausen also reported that the new trolley car is beautiful and very functional. He added that he believes there could be conflicts between people in mobility vehicles and able-bodied passengers for the seating in the three flip-down seats. He also stated that he would not change the paint job on the new S-70 trolley cars.

4. Presentation of Employee Awards

Mary Jane Greenland, Manager of Employment, presented the following awards to San Diego Trolley employees: 5 years of service: Rima Abi-Najm (Executive Assistant). 15 years of service: Ronald Simmons (Track Service Person). 20 years of service: Carolyn Dunmore (Receptionist).

Mr. Jablonski also reported that MTDB received two Ad Wheel Awards at the APTA Annual Meeting—one for its timetables and one for Travel Dance, which also received the grand prize. He added that Travel Dance also received an Axiem Award. He stated that the Axiem Award is a national award involving over 1,000 entries, and MTDB's Travel Dance received the grand prize. A film clip of Travel Dance was played, and the awards themselves were displayed for Board members to see. Mr. Jablonski also recognized Chairman Williams for his APTA Board Member of the Year award. Chairman Williams stated that it was a pleasure to receive the award. Chairman Williams received congratulations from all Board members.

5. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:31 a.m. for MTDB Conference with Legal Counsel – Existing Litigation Subdivision (a) of Section 54956.9; Bishop v. MTDB et al. San Diego Superior Court Case No. GIC817636.

The Board reconvened to Open Session at 9:53 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTDB General Counsel, reported that the Board received a report from outside counsel and gave direction to outside counsel.

CONSENT ITEMS

6. MTS, SDTI, and SDTC: Adoption of 2005 Executive Committee and Board of Directors Meeting Schedule (ADM 110.1, PC 30100)

That the Board of Directors adopt the 2005 Executive Committee and Board of Directors Meeting Schedule (Attachment A of the agenda item).

7. MTDB: Mission Valley East Light Rail Transit Project: Line Segment Design Budget Transfer and Contract Amendment (CIP 10426.9)

That the Board of Directors authorize the Chief Executive Officer to (1) transfer \$200,000 from the Mission Valley East (MVE) Light Rail Transit (LRT) Project Contingency line item (WBS #10426-3800) to the MVE LRT Project Line Segment Design line item (WBS #10426-0618), as shown in Attachment A of the agenda item; and (2) execute Contract Amendment No. 23 (MTDB Doc. No. L6229.23-99) with Mission Valley Designers, in substantially the same form as shown in Attachment B of the agenda item, in an amount not to exceed \$200,000, for the continuation of construction-phase services.

8. MTDB: Finalized Audit Report on Multimodal Operations Contract Management
(LEG 492, PC 30100)

That the Board of Directors receive the Multimodal Operations Contract Management Audit Report.

9. MTDB: Helix Water District Request for Easements (CIP 10426.6)

That the Board of Directors authorize the Chief Executive Officer to execute easements to Helix Water District to install water facilities and allow access to said water facilities within MTDB-owned property on Baltimore Drive in La Mesa, located on Assessor Parcel No. 470-050-16, in substantially the same form as show in Attachments A and B of the agenda item.

10. Finalized Audit Report on SDTI Warranty Management (LEG 492, PC 30100)

That the Board of Directors receive the San Diego Trolley, Inc. Warranty Management Audit Report.

11. MTDB: An Ordinance Amending Ordinance No. 5 Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II; and an Ordinance Amending Ordinance No. 13, and Ordinance to Repeal and Adopt Document No. 164, Codified Rules and Regulations, as Ordinance No. 13 (ADM 122.2, PC 30100)

That the MTD Board of Directors read the title of Ordinance No. 5, "An Ordinance Relating to Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II" and read the title of Ordinance No. 13, "An Ordinance to Repeal and Adopt Document No. 164, Codified Rules and Regulations, as Ordinance No. 13," waive further readings of the ordinances, introduce the ordinances for further consideration at the next Board meeting, and direct publication of ordinance summaries.

Motion on Recommended Consent Items

Mr. Emery moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, and 11. Mr. Janney seconded the motion, and the vote was 12 to 0 in favor. *

Agenda Item No. 11: In response to a question from Ms. Atkins, Mr. Bill Burke, Transit Security Administrator, reported that Code Compliance Inspectors have been operating under a weaker loitering ordinance and therefore have already received the necessary training for performing the revised duties as outlined in the agenda item.

*The title of Ordinances 5 and 13 were not read; therefore, this item was placed on the November 18, 2004, agenda for its first reading.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. MTDB: Consultant Selection for the Comprehensive Operational Analysis
(ADM 121.10, PC 20484)

Mr. Conan Cheung, Director of Planning, reviewed the process that was used to get Statements of Qualifications (SOQs) from contractors for the Comprehensive Operational Analysis (COA). He also reviewed the process that was used to identify the contractor with whom the CEO would enter into negotiations for this project. He reported that the recommended contractor, Transportation Management and Design, Inc. (TMD), is well qualified and well rounded. He then reviewed the qualifications of the TMD team members. Mr. Jablonski introduced TMD's principal, Russ Chisholm.

Public Speaker: Theresa Quiroz: Ms. Quiroz commended MTDB for taking on the COA project. She requested that MTDB ensure that adequate public participation is sought at the beginning of the process before any decisions are made.

Mr. Jablonski stated that public participation is a major component of the COA process. Mr. Rindone noted that the agenda item indicates that three of the six members of the evaluation team gave a higher rating to Daniel Boyle and Associates. Mr. Cheung stated that this study is on a very tight time line and requires a substantial amount of public participation and field work, and there was concern that Daniel Boyle and Associates didn't have enough staff on his team to do this type of work. He stated that the scores listed in the agenda item were based on the SOQ and, after the interviews with the proposers, the evaluation team was unanimous in its selection of TMD. Mr. Monroe expressed concern over the tight timeline. Mr. Monroe stated he would like to know in more detail how TMD will conduct this project and, in particular, if they would be building a whole new system and how public participation would be handled. Mr. Cheung stated that TMD team member Lewis Michaelson has pioneered strategies to facilitate the public participation process. He also stated that the scope of work that was presented to the Board one to two months ago indicated that TMD would be looking at the entire system. He stated that TMD will take a full market-based approach and will be looking at who riders are, what they need, and where the system's ridership is. He stated that the whole system will be reviewed route by route and trip by trip to see what works. Ms. Atkins requested that the Board be provided with details of the public outreach aspect of this project.

Mr. Jablonski advised the Board that a coordinating group will be established consisting of staff, the riding public, and some Board members to provide oversight of this project, and progress reports will be made to the Board on a regular basis. He pointed out that some of the system's routes have been in place for many years and have high ridership. He stated that these routes may be determined to be valid and not subject to change. He added that there will be route changes that will be controversial. He stressed the importance of right-sizing the system to match MTS's financial resources.

In response to a question from Mr. Clabby, Mr. Jablonski stated that all funding for this project has been identified. He added that an agenda item on that aspect of the project will be forthcoming in the future.

Ms. Lorenzen pointed out that the staff recommendation as presented in the agenda item should be expanded to read "contingent upon a successful Caltrans preaward audit."

Action Taken

Mr. Emery moved to authorize the Chief Executive Officer to enter into negotiations with Transportation Management and Design, Inc. to conduct a Comprehensive Operational Analysis of MTS services, contingent upon a successful Caltrans preaward audit. Mr. Rindone seconded the motion, and the vote was 13 to 0 in favor.

31. MTDB: FY 2003 Financial Audit Report (FIN 310, PC 30100)

Mr. Jablonski advised the Board that Agenda Item Nos. 31, 32, and 33 all related to MTDB's financial position.

Mr. Tom Lynch, Controller, reviewed the comparison of actual versus budget for operating revenues and total costs as well as net operating subsidy for the combined MTS transit operators. He pointed out that there is a \$121,000 funding surplus that is tied to specific routes. He stated that these funds will simply carry over to the budget for next year and be used to fund the service for which they are earmarked.

Mr. Lewis expressed concern about the high principal payment that will become due in 2007 for the light rail vehicle leasebacks. Mr. Lynch stated that MTDB received the funds from the sale of the cars, and all payments are programmed to be taken out of the investment. In response to a comment from Mr. Lewis, staff stated that American banks are not interested in these types of transactions because they do not receive the tax breaks that offshore banks enjoy. Mr. Jablonski stated that leasebacks were a very common practice.

Action Taken

Mr. Clabby moved to receive the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003 and approve the transfer of \$162,822 from the Contingency Reserve to balance the FY 03 budget. Mr. Emery seconded the motion, and the vote was 12 to 0 in favor.

32. MTS: Operators Budget Status Report for FY 04 (FIN 310, PC 30100)

Mr. Lynch reviewed the total operating revenues and total cost comparison to budget for FY 2004. He briefly discussed energy and materials, the two areas that were over budget for FY 2004. Mr. Lynch stated that the numbers included in this agenda item are unaudited, but he added that there should be no substantive changes as a result of the audit. He stated that FY 2004 financial statistics will be brought back to the Board when

the audit is finalized. Mr. Lynch also reported that as of June 30, 2004, Contingency Reserves totaled \$16.5 million.

Action Taken

Ms. Atkins moved to receive the MTS Operators Budget Status Report for FY 04. Mr. Clabby seconded the motion, and the vote was 11 to 0 in favor.

33. MTS: Operators Budget Status Report for July 2004 (FIN 310, PC 30100)

Mr. Lynch advised the Board that staff is moving toward a more combined format that will provide financial and operations information in one report.

Mr. Larry Marinesi, Budget Manager, reviewed the July 2004 financial data including operating results, net operating subsidy variance summary, net subsidy and other expenditures, comparison to budget, farebox revenues, operating expenses, and the impact of energy costs.

In response to a question from Mr. Monroe, Mr. Lynch stated that net operating subsidies only affect the contingency reserve account at the end of a budget year. In response to another question from Mr. Monroe, Mr. Lynch stated that SDTI materials will not be straight-lined in the budget next year since most of the expenses in this category occur at the beginning of the year. Mr. Lynch added that this is a refinement that will occur as a result of the experience the new personnel in the Finance Department are gaining as they go through the budgeting/financial reporting processes for the first time. Mr. Monroe expressed approval of the financial reports and added that the information about CNG and diesel prices and the resultant affect on the budget was very helpful.

Mr. Jablonski stated that staff is working toward providing August data in the new combined format and added that he would be very receptive to Board member feedback on how the information is presented.

Action Taken

Mr. Monroe moved to receive the MTS Operators Budget Status Report for July 2004. Ms. Sterling seconded the motion, and the vote was 12 to 0 in favor.

34. MTDB: Capital Improvement Program Budget Amendment (FIN 310, PC 30100)

Mr. Jablonski provided the Board with a brief overview of the process that led to the identification of existing Federal Transit Administration (FTA) grant funds that could be applied toward other projects. He added that many of MTDB's open grants had residual amounts left over after the projects had been completed, but the grants had never been closed out. Mr. Peter Tereschuck, President-General Manager of San Diego Trolley, Inc. reported that the amount designated for the repair and repainting of U-2 trolley cars will accelerate this existing program by one year. Mr. Jablonski stated that the Mills Building office renovations are necessary in order to maximize the number of people that can be located at MTDB as a result of the reorganization/consolidation process. He added that the carpeting is over 15 years old and needs to be replaced. He stated that

a report will be made to the Board once the space planner has completed the design work.

Ms. Atkins stated that she supported staff's recommendation but would like to see a listing of outstanding capital improvement projects. In response to a question from Mr. Ryan, SANDAG Contracts Administration employee Susan Brown reported that SANDAG tries to identify and close out grants for completed projects once a year, but the transition has slowed this process. Mr. Ryan stated that there should be a policy that, if a project is actually completed, an immediate review is conducted to determine if remaining grant monies can be used elsewhere. Mr. Jablonski stated that the FTA would like to close out grants quickly while MTDB would like to leave them open. He stated that it is in MTDB's best interest to leave them open because it provides staff with an opportunity to consider using the residual amounts for other projects in the capital improvement program. He stated that this is an ongoing process that maximizes use of the federal dollars that have been allocated to MTDB.

Action Taken

Mr. Monroe moved to forward a recommendation to SANDAG's Transportation Committee to approve the reprogramming of existing FTA grants to apply them toward indicated priority projects. Mr. Emery seconded the motion, and the vote was 13 to 0 in favor.

35. MTS: Operations Status Reports for August 2004 (FIN 310, PC 30100)

SDTC Vice President of Finance & Administration Cliff Telfer reviewed the operations status report for SDTC. Mr. Jablonski pointed out that Service Interruptions has been added as a category within the report in response to Mr. Robert's previous question about the impact of mechanical breakdowns on customers. Mr. Monroe stated that when fare increases are approved, ridership losses are expected, a rebound is also expected, and increased revenues (as a result of the fare increase) offset the ridership loss to a certain extent. He stated that he would like to see a report to the Board on these particular elements of the most recent fare increase. Mr. Jablonski stated that data collection has begun to identify the causes of SDTC's ridership losses. He stated that usually a number of factors are involved—fare increases, military deployments, changing demographics, and changes in services in other areas (trolley and contract services). He stated that the results of that analysis will be brought back to the Board.

SDTI Vice President of Operations Wayne Terry reviewed the operations status report for SDTI. After reviewing their performance indicators, he reported that a full report on trolley service to PETCO Park will be given to the Board at its November 18 meeting. He also pointed out that, for the first time in history, SDTI carried more than 7,000 wheelchairs during a one-month period. In response to a question from Mr. Ryan, Mr. Terry stated that putting additional cars in the trains and the addition of low-floor cars should increase SDTI's capacity for wheelchairs, but added that the disabled community finds SDTI service reliable and are using it more and more. Mr. Jablonski stated that this problem will grow rather than shrink as the population ages.

MTDB Director of Multimodal Operations Susan Hafner reviewed the operations status report for Contract Services.

Action Taken

Mr. Monroe moved to receive the August 2004 Operations Status Reports for SDTC, SDTI, and MTS Contract Services. Mr. Emery seconded the motion, and the vote was 12 to 0 in favor.

36. MTDB: Planning Department Reorganization Status Update (ADM 124, PC 30100)

Mr. Jablonski provided the Board with a brief overview of the development of MTDB's new Planning Department and explained where staff members were drawn from for this department. He stated that Conan Cheung has been selected as Director of Planning, and his department will be responsible for the COA. He reported that the new Planning Department will perform two broad functions—service planning and system performance monitoring. He stated that they will complete reports for SANDAG as well as reports required by the state and federal governments and will also serve as MTDB's primary liaison with the community and other agencies.

Action Taken

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

37. MTDB: San Ysidro Intermodal Transportation Center Project: Construction Status Update and Construction Contingency Increase (CIP 10453)

SANDAG Engineer Pete d'Ablaing provided the Board with a construction status update for the San Ysidro Intermodal Transportation Center Project and reviewed the reasons for the construction contingency increase recommendation. He showed the Board pictures of the station before and after construction. He also showed pictures of various areas of the station. Mr. d'Ablaing also reviewed future work and future risks for the project.

Action Taken

Mr. Ryan moved to authorize the CEO to increase the Construction Contingency for the San Ysidro Intermodal Transportation Center Project by \$314,000 from \$1,894,939.96 to \$2,208,939.96. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

38. MTS: Liability Claims Analysis (LEG 491, PC 30100)

MTDB Risk Management Coordinator Jim Dow reviewed the Liability Claims Analysis report for March 2002–June 2004. He reviewed claims statistics for each of the agencies and reviewed charts and graphs showing a number of different factors; e.g. monthly claims count, monthly costs, historical costs, average monthly costs, etc.

Action Taken

Mr. Emery moved to receive the MTS Liability Claims Analysis Report. Mr. Clabby seconded the motion, and the vote was 12 to 0 in favor.

44. Chairman's Report (ADM 121.7, PC 30100)

Chairman Williams thanked everyone for honoring him as APTA's Board Member of the Year.

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

APTA Annual Meeting: Mr. Jablonski pointed out to Board members that a transcript of FTA Administrator Jennifer Dorn's comments at the APTA Annual Meeting in Atlanta had been placed at each Board member's place at the table prior to the meeting. He stated that she gave a very powerful speech, and he is trying to get a video of her presentation. Mr. Williams and Ms. Sterling reiterated Mr. Jablonski's comments about Ms. Dorn's comments, and Ms. Sterling said she would read the transcript at her next city council meeting, which is televised.

Trolley Unveiling: Mr. Jablonski reminded Board members of the unveiling of the new low-floor S-70 trolley car and added that a bus painted with the new logo and colors was waiting to drive them to the unveiling. He stated that the S-70 trolley car will be making its first community appearance in Santee on Saturday, October 30, from 10:00 a.m. to 2:00 p.m. He added that the Board is invited to attend this public opening. He stated that Board members will be notified as other public appearances are scheduled.

46. Board Member Communications

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 regularly scheduled Board meeting is Thursday, November 18, 2004, at 9:00 a.m. in the same location.

60. Adjournment

Chairman Williams adjourned the meeting at 11:37 a.m.

Chairman
San Diego Metropolitan Transit
Development Board

Filed by:

Approved as to form:

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

Office of the General Counsel
San Diego Metropolitan Transit
Development Board

Attachment: A. Roll Call Sheet

[gail.williams/minutes](#)