

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

February 19, 2009

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

FINANCE WORKSHOP

1. Roll Call

Chairman Rindone called the meeting to order at 8:03 a.m. A roll call sheet listing Board member attendance is attached.

2. MTS: FY 2009 Midyear Adjustment and FY 2010 Preliminary Projections (FIN 310.1)

Chairman Rindone advised Board members that the state's budget had been passed that morning. Mr. Paul Jablonski, MTS CEO, reported that MTS has been receiving \$14 million annually in State Transit Assistance (STA) funding but had only received the first quarter allocation of \$3.5 million to date. He reported that the state issued a letter advising MTS there would be no further payments and that the state was considering eliminating this funding for transit altogether. He added that the state budget being recommended by the legislature now allows for another 25 percent, or \$3.5 million. He added that the recommended state budget provides for no further STA funding for transit until 2013. He added that this equates to a \$14 million loss of funding per year for MTS.

Mr. Jablonski also reported that preliminary indications are that MTS will receive approximately \$50 million in economic stimulus monies from the federal government. He added that more details on this funding will become available over the next couple of weeks. In response to a question from Mr. McClellan, Mr. Jablonski stated that he was pretty sure that this funding was for construction only. He added that one-half of this funding has to be obligated within 180 days and the remainder within the next year. He added that the money has to be spent in two years, and that current Federal Transit Administration (FTA) regulations would probably have to be followed in the use of this funding.

Mr. Larry Marinesi, MTS Budget Manager, provided an overview of the FY 2009 budget adjustment and reported that \$1.77 million would be needed to balance the budget if MTS does not receive the recommended additional quarter of STA funding. He reviewed revenues and expenses and reviewed staff's recommendation as outlined in the agenda item.

Mr. Marinesi also reviewed preliminary information for the FY 2010 budget. The Board was advised that Mr. Marney Cox, Chief Economist for SANDAG, presented a report to the Executive Committee justifying his sales tax revenue projection of 2.2 percent for FY 2010. It was also reported that this same presentation will be given to the Budget Development Committee next week, and the Committee will recommend budget projections for STA and Transportation Development Act (TDA) funding levels. Mr. Marinesi reviewed revenue and expense projections for the operating budget and reported that the Budget Development

Committee has started the process of reviewing budget initiatives, including a potential fare adjustment as well as service adjustments.

Ms. Sharon Cooney, Interim Director of Planning, reported that proposals for service adjustments have been developed based on performance measures outlined in Policy 42 – Transit Service Evaluation and Adjustment (passengers per revenue hour, subsidy per passenger, and farebox recovery ratio) and that follow the Comprehensive Operational Analysis (COA) core principles of having a system that is customer-focused, competitive, integrated, and sustainable. She reviewed other factors that were also considered including overall ridership, available travel alternatives, geographic equity, Title VI, and system network impacts. She added that public hearings will be held as directed by the Board. Ms. Cooney then reviewed the details of June 2009 service adjustments that would be recommended to achieve savings of \$6.3 million and \$10.85 million. Mr. Jablonski pointed out that six months are needed to complete the process for service adjustments, which should be made in June in order to experience a full fiscal year of savings. He added that that next opportunity to make service adjustments would be in September 2009.

Mr. Jablonski reported that the Budget Development Committee will look at a number of fare-increase scenarios at its next meeting. He stated that the goal is to do service adjustments to achieve \$6 million in savings and augment the savings with a fare increase to achieve a total savings of \$11 million. He added that MTS is also considering \$3 million in savings through staff and revenue-producing activities related to MTS's real estate holdings. Mr. Young complimented staff on exploring all options for saving money and stressed the importance of making the public aware of the causes of the budget shortfall. He complimented staff on marketing efforts this year and suggested using the media to explain the causes of MTS's funding problem.

Chairman Mathis reported that MTS has a public outreach effort underway to provide the public with information on service adjustments currently under consideration and providing questionnaires for the public to use to make comments. He stated that he was at one of these events earlier, and riders were understanding and appreciated the opportunity to comment on what is being considered. Ms. Cooney reported that there is a poster on display at each of these events showing the decline in state funding. She stated that handouts are also available showing this information, and a number of staff members are at each event to talk to riders as well. She stated that many riders were already aware of the funding difficulties. Mr. Rindone stated that he was at an event that morning as well and that the visual materials were exceptionally well done. He requested that staff fax copies of the charts to Board members. Staff displayed and explained the charts that are being used during these sessions. In response to a question from Mr. McClellan, staff reviewed the outreach process. Mr. McClellan stated that this represents only a small sample of MTS's riders. Ms. Cooney stated that the information being presented at the outreach events is also available on MTS's web site, and riders appear to be making a concerted effort to attend one of the outreach events. Mr. Jablonski stated that this particular process has engaged more riders than anything MTS has done before and added that it is hard to engage with a million people. Mr. Rindone directed staff to communicate the funding chart to each of the members and on the MTS web site. Ms. Cooney reported that Take Ones that detail each of the recommended service adjustments will be on all buses and trolleys next week and explained that Telephone Information staff also have this information so they can communicate with the public regarding this matter.

In response to a question from Mr. Ewin regarding MTS's biggest challenge, Mr. Jablonski explained that further loss of sales tax revenues and potential ridership losses are of concern.

He stated that MTS has experienced ridership increases throughout the year, and this has slowed somewhat as fuel prices have started to return to normal. He stated that MTS needs to balance its need to retain ridership with the need to increase fares in order to preserve fare revenues. Mr. Ewin suggested that the Rider Alert be sent to each of the cities for posting on their web sites and stated that this was an ongoing suggestion. In response to another question from Mr. Ewin, Mr. Jablonski stated that he didn't think MTS would need to use reserves to balance its FY 2009 budget, and he is not planning on recommending the use of reserves in FY 2010 either. He also advised Mr. Ewin that the Budget Development Committee directed him to speak to SANDAG about pursuing a change that was recommended previously to increase the senior eligibility, in a phased manner, to age 65. He stated that age 65 is commonly used and that this change would be phased in so that anyone paying a senior fare already would not be affected.

Mr. Young questioned Mr. Cox's sales tax revenue projection of a 2.2 percent increase. Mr. Jablonski stated that MTS takes its cue from SANDAG on this assumption, which has a significant effect on the budget, because SANDAG is responsible for the flow of that funding from the County of San Diego. He added that the County is projecting a negative one percent. Mr. Roberts suggested that Mr. Cox be invited to give his presentation to the full Board. He added that Mr. Cox's margin of error is two percent in either direction and stated that Mr. Cox has a long, positive history with his projections. He felt that it would be a better course to follow Mr. Cox's projection and make a mid-course corrected if needed. Mr. Rindone thought this was a worthwhile suggestion. Mr. Rindone directed staff to have Mr. Cox make his presentation to the full Board. Mr. Rindone stated that the Budget Development Committee will consider what types of hearings should be conducted regarding the service adjustments and asked that this issue be added to the Budget Development Committee agenda.

Mr. Jablonski pointed out that the attachments to Resolution 09-10 will have to be revised if the additional 25 percent of STA funding is approved by Governor Schwarzenegger.

Action Taken

Mr. Ewin moved to approve Resolution No. 09-10 (Attachment A of the agenda item) of the combined MTS FY 2009 midyear adjustment, which includes the use of \$1.77 million in nonrecurring revenues to balance the MTS operating budget, with the understanding that the amount and the appropriate attachments will be revised if the Governor approves the additional STA revenues proposed in the state budget for FY 2009; and (2) receive a report on preliminary MTS FY 2010 projections. Mr. Mathis moved to second the motion, and the vote was 14 to 0 in favor.

3. Public Comment

Clive Richard: Mr. Richard stated that he was disappointed at the amount of time it took to develop the service adjustment scenarios presented today.

Lorraine Leighton: Ms. Leighton stated that she saw no Rider Alerts on the Orange and Blue Lines. She also pointed out a possible typographical error on the PowerPoint slide that referred to Route No. 855.

4. Adjournment

Chairman Rindone adjourned the meeting at 9:09 a.m. after reminding the Board that the next Finance Workshop will be held March 12, 2009, at 9:00 a.m.

BOARD MEETING

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:09 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Young moved to approve the minutes of the January 15, 2009, MTS Board of Directors meeting. Mr. Ewin seconded the motion, and the vote was 14 to 0 in favor.

3. Public Comments

Sonia Ruan: Ms. Ruan, Principal of Kimball School, expressed her gratitude to MTS employees who donated money to purchase bicycles for Kimball School students. She recognized Mr. Joe Martinez, SDTI Revenue Supervisor, in particular for helping organize this effort and for helping her facilitate trolley transportation for a school field trip. Mr. Martinez stated that 75 bikes were donated this year along with 25 \$50 gift certificates for Albertsons.

Clive Richard: Mr. Richard completed a Speaker Slip but opted not to make any comments.

CONSENT ITEMS:

6. MTS: Mission Valley East Legal Services – Contract Amendment (CIP 10426.12)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. M6655.9-07 (in substantially the same form as Attachment A of the agenda item) with Hecht, Solberg, Robinson, Goldberg, and Bagley, LLP for legal services on the Mission Valley East Light Rail Transit Project.

7. MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Railway Company Board of Directors at its February 3, 2009, Meeting (SDAE 710)

Recommend that the Board of Directors (1) receive the San Diego and Imperial Valley Railroad, Pacific Southwest Railway Museum Association, and Carrizo Gorge Railway, Inc. quarterly reports (Attachment A of the agenda item); (2) ratify actions taken by the San Diego and Arizona Eastern Railway Company Board of Directors at its meeting on February 3, 2009 (Attachment A of the agenda item); and (3) authorize Carrizo to decrease its insurance requirements from \$50 million to \$10 million as it is not currently operating freight in the U.S. (Insurance requirements would increase accordingly upon resumption of U.S. freight operations.)

8. SDTI: Neleco, Inc. "Superlube" Rail Lubricant – Contract Amendment (Option Year Two) (OPS 970.6)

Recommend that the Board of Directors authorize the CEO to execute SDTI Doc. No. C.O.018.2-05 (Attachment A of the agenda item) with Neleco, Inc. to exercise option year two to provide Synco SuperLube Rail Lubricant.

9. MTS: Increased Authorization for Legal Services – Law Offices of Michael E. Ripley (LEG 491)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. G1080.3-07 (in substantially the same form as Attachment A of the agenda item) with the Law Offices of Michael E. Ripley for legal services and ratify prior amendments entered into under the CEO's authority.

10. SDTI: Copier Lease (OPS 970.6)

Recommend that the Board of Directors authorize the CEO to award a contract (MTS Doc. No. L0856.0-09) to Canon Business Solutions West (in substantially the same format as Attachment A of the agenda item) to lease 12 copiers to support administrative functions throughout SDTI for a period not to exceed five years.

11. MTS: Federal Transit Administration 5311 Program of Projects (OPS 950.7)

Recommend that the Board of Directors approve Resolution No. 09-8 (Attachment A of the agenda item) authorizing the use of \$256,744 of Federal Transit Administration Section 5311 funds for operating assistance in nonurbanized areas.

12. MTS: Lease with U.S. Navy for Regional Transit Management System Repeater Site on Mount Soledad (OPS 901)

Recommend that the Board of Directors authorize the CEO to execute a five-year lease (Attachment A of the agenda item) with 3 five-year options with the U.S. Navy for its Regional Transit Management System repeater site on Mount Soledad.

13. MTS: Office of Homeland Security Grant Applications (AG 210.9)

Recommend that the Board of Directors approve Resolution No. 09-9 (Attachment A of the agenda item) authorizing the CEO to submit applications for FY 2008-2009 California Transit Security Grant Program – State Transit Assistance Agencies funding.

14. MTS: FY 2010 Capital Improvement Program Revision (CIP 53710)

Recommend that the Board of Directors (1) approve the FY 2010 Capital Improvement Program (CIP) with the amended federal and nonfederal funding levels (Attachment A of the agenda item). As the federal appropriation figures are finalized and/or other project funding sources become available, allow the CEO to identify and adjust projects for the adjusted funding levels (any adjustments in excess of \$500,000 would be brought to the Board's attention); (2) forward a recommendation to the SANDAG Board of Directors to approve the submittal of the adjusted federal Section 5307 and 5309 applications for the MTS FY 2010 CIP (shown in Attachment A of the agenda item) now that federal appropriations have been finalized; and (3) forward a recommendation to the SANDAG Board of Directors to approve the amendment of the Regional Transportation Improvement Program in accordance with the FY 2010 CIP recommendations.

Action on Recommended Consent Items

Mr. Young moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, and 14. Ms. Boyack seconded the motion, and the vote was 13 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

Public Comment

Lorraine Leighton: Ms. Leighton stated that if the CEO was given a raise, it should be put into transportation instead.

The Board convened to Closed Session at 9:12 a.m.

- a. MTS: CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code section 54956.9(a) Balfour Beatty/Ortiz v. Metropolitan Transit System (Superior Court Case No. GIC 868963)
- b. MTS: CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code section 54956.9(a): San Diego Public Transit Riders Alliance v. MTS et al. (San Diego Superior Court Case Nos. 07-2007-0082217-CU-TT-CTL and 37-2008-00086580-CU-TT-CTL)
- c. MTS: CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – INITIATION OF LITIGATION Pursuant to California Government Code Section 54956.9(b): (One Potential Case)
- d. MTS: CLOSED SESSION – PUBLIC EMPLOYEE PERFORMANCE EVALUATION (CHIEF EXECUTIVE OFFICER) Pursuant to California Government code Section 54957.

The Board reconvened to Open Session at 10:05 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 outside counsel.
- b. The Board received a report and gave direction to outside counsel
- c. The Board received a report and gave direction to General Counsel.
- d. Called for a vote. Chairman Mathis reported that Mr. Jablonski recommended and the Board agreed that there be no pay increase or bonus for the CEO in 2009. Mr. McClellan voted to approve this recommendation. The motion was seconded by Mr. Rindone and passed by a 14 to 0 vote.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS:

30. MTS: Amendment to Executive Employment Agreement (ADM 150.3)

Ms. Lorenzen reported that this action was being recommended in order to bring the CEO's Cafeteria Plan into line with new Internal Revenue Service regulations. She stated that this is a zero-cost item.

Action Taken

Mr. Rindone moved to amend the Executive Employment Agreement with the CEO to convert the Special Executive Cafeteria Plan from a percentage of pay to a fixed dollar amount and clarify that any future bonuses will be deposited into the CEO's 401(a) account. Mr. Ovrom seconded the motion, and the vote was 14 to 0 in favor.

31. MTS: Service Adjustments for Sorrento Valley Coaster Connection (SRTP 830)

Mr. Brent Boyd, Senior Transportation Planner, reviewed the current structure of this service as well as events that took place in 2008, including the loss of funding, the fare increase, and efforts with Sorrento Valley employers to develop a public-private partnership to provide this service. He called attention to a detailed list of comments that had been received since the Public Hearing on this service on January 15, 2009. He also provided the Board with detailed information on ridership losses that resulted from the fare increase.

Mr. Boyd then reviewed two alternatives for proceeding on this matter – (1) to discontinue the service altogether; or (2) to restructure the service and develop a cost-sharing plan (50/50) with North County Transit District (NCTD). He reviewed the details of the routes that would be discontinued and the routes that would be reconfigured. He reported that the reconfigured service would require a \$300,000 subsidy to operate. He also reported that the goal is to maintain a \$2.17 subsidy level with a 25 percent farebox recovery rate. He added that the recommended Memorandum of Understanding states that if the service becomes less productive, the Board has the option to discontinue it at that time. Mr. Jablonski stated that quarterly reports would be made regarding the productivity of this service as part of an overall review of MTS's service productivity measures.

Public Comment

Leah Bahu: Ms. Bahu stated that she takes the Coaster from downtown San Diego to Sorrento Valley. She stated that she favors Alternative 2. She pointed out that 40 percent of Coaster passengers get off the train at Sorrento Valley.

Benjamin Forrest: Mr. Forrest stated that he also rides the Coaster from downtown San Diego to Sorrento Valley. He supported Alternative 2 and expressed his hope that service could be restored at some time in the future. He stated that he was encouraged to see the ridership increase that occurred when fuel prices were so high. In response to a question from Mr. McClellan, Mr. Forrest stated that a fare increase could cause people to consider switching to

another transportation mode but that some would stay. He stated a fare increase would make the service less attractive as an option.

In response to a question from Mr. Gloria, Ms. Cooney explained that QualComm's decision to provide a shuttle service for its employees was a business-based decision. She added that they were already operating an intercampus shuttle. She stated that MTS talked to QualComm multiple times during efforts to develop a public-private partnership, but they wanted to provide this service to their employees.

Action Taken

Mr. Ewin moved to (1) receive a report on public comments received since the January 15, 2009, public hearing; (2) approve Alternative No. 2, which includes elimination of Routes 975, 976, and 977, retention of adjusted Routes 89 and 978, restructuring of Routes 973 and 974 and 971 and 972, and discontinuation of all Sorrento Valley Coaster Connection (SVCC) trips before 6:30 a.m. contingent upon a cost-sharing agreement between North County Transit District (NCTD) and MTS; (3) authorize the CEO to execute a Memorandum of Understanding between MTS and NCTD (in substantially the same form as in Attachment A of the agenda item); and (4) authorize complete elimination of the SVCC service on or after April 1, 2009 (Alternative 1), in the event that a cost-sharing agreement between MTS and NCTD is not executed. Mr. Ewin stated that he made this motion with the understanding that the Board would receive periodic reports on the productivity of this service. Ms. Boyack seconded the motion, and the vote was 14 to 0 in favor.

32. MTS: El Cajon Transit Center Demolition Project Status – MOU Expiration/New Proposal
(CIP 11217)

Mr. Wayne Terry, Chief Operating Officer – Trolley, reviewed the history of the original plan to demolish the building located at the El Cajon Transit Center. He showed visuals of the center, the building, and the required repairs that would have to be made if the building were not demolished. He also reported that the annual maintenance cost was approximately \$37,200. He then reported that the contractors' bid for demolishing this building (\$294,000) was more than double the engineer's estimate of \$120,000. He then reviewed the terms of the agreement with Kobey Corporation/BriceHouse Starboard LLC that was developed as an alternative to demolishing the building. He also reviewed the proposed facility improvements, all to be done without cost to MTS. He reported that MTS will actually save \$114,000 for the initial five-year term of the lease. He added that liquidated damages of \$5,000 per month would be due from MTS should it enter into a development agreement for this site prior to the end of the lease. He advised the Board there are no development opportunities on the horizon.

Mr. McClellan expressed his support for this MOU. In response to a question from Mr. Jones, Mr. Terry stated that SDTI staff will monitor the upkeep of this facility as well as the capital portion of the project and that MTS has had good experience with Kobey Corporation. Ms. Lorenzen stated that there is a default provision in the lease that addresses this matter.

Action Taken

Mr. McClellan moved to authorize the CEO to execute a letter (Attachment A of the agenda item) to SANDAG to let the MOU (MTS Doc. No. L0862.0-09) between SANDAG and MTS (for construction and construction management services) expire on March 31, 2009, and request that SANDAG return the remaining funds to MTS Capital Improvement Project 11217 (Blue and Orange Line Station Improvements); and (2) authorize the CEO to execute a multiyear contract

(Attachment B of the agenda item) with The Kobey Corporation, in partnership with BriceHouse Starboard LLC (the Partnership) to provide the structural capital improvement necessary to house, maintain, and manage an on-site convenience store, including accessible public restroom facilities. Mr. Faulconer seconded the motion, and the vote was 14 to 0 in favor.

33. MTS: Natural Gas Hedge Program (FIN 300)

Mr. Cliff Telfer, MTS Chief Financial Officer (CFO), introduced Mike McDonald of McDonald partners and explained that this firm was hired to review MTS's options for participating in a natural gas hedging program to help stabilize its budget. He explained that the expense for compressed natural gas (CNG) comprises 5 percent of MTS's operating budget and that 76 percent of MTS's buses are powered by CNG fuel with very volatile prices.

Mr. McDonald reviewed MTS's exposure to fuel price volatility and the goals of a hedge program. He explained that the goals of MTS's program would be to stabilize the budget without adverse operational impact and with minimal administrative burden and acceptable risk exposure. He stated that the program should also have a competitive implementation process. He provided an overview of SDG&E's Core Aggregate Transfer (CAT) Program, hedging options, recommended hedging strategies, factors influencing the success of the hedge, and implementation steps.

Mr. McDonald also reviewed the pros and cons of various hedging strategies and recommended the Commodity Swap strategy, which has a flexible term and quantity (set monthly), is very efficient, has minimal administrative burden, has sufficient providers to ensure competitive pricing, and meets the goal of achieving budget stability. He added that a properly drafted contract would eliminate any margin requirements. He then reviewed the mechanics of executing a Commodity Swap and stated that the risk associated with volume is very low because MTS's usage of CNG is pretty consistent.

Mr. McDonald advised the Committee that MTS should adopt a hedge policy to guide staff in executing these actions and added that the policy should give authority to the CEO and CFO to execute these swaps because of the need for immediate action in response to quickly changing prices.

In response to a question from Chairman Mathis, Mr. Telfer stated that MTS has staff in place that can administer this program.

Action Taken

Mr. Ewin moved to (1) approve the Natural Gas Hedge Program; (2) approve the Core Aggregate Transfer Program; and (3) adopt a natural gas hedge policy, which designates the CEO and Chief Financial Officer as the administrators of the policy and authorizes the administrators to execute hedges in accordance with this policy. Ms. Lightner seconded the motion, and the vote was 13 to 0 in favor.

REPORT ITEMS:

45. MTS: Service Performance Monitoring Report for July Through December 2008 (SRTP 825)

Mr. Devin Braun, Senior Transportation Planner reviewed the Mid-Year Performance Monitoring Report, providing information on ridership, average weekday ridership, passengers per in-

service hour, on-time performance, preventable accidents, complaints, in-service hours/miles, and peak vehicle requirements. Mr. Braun reported that peak vehicle requirements have been reduced because of service cuts and because of scheduling efficiencies that have been developed by staff.

Ms. Cooney reported that staff is working with SANDAG's statistician to develop a more dependable trolley ridership estimation program. She stated that trolley ridership numbers reflect a decline, and staff believes these numbers are not correct. Mr. Jablonski stated that the current formula is based on Ticket Vending Machine and cash fare sales, and more and more MTS riders are now using passes, which are currently being estimated. He felt that this was where the counts were inaccurate. He stated that consideration is being given to purchasing passenger counters. He added that the cost for this equipment would be between \$1 million to \$1.5 million, but pointed out that the amount of federal funding MTS receives is based on these ridership numbers; therefore, it is very important that they not be underreported.

Action Taken

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

46. MTS: Navy Metro Transportation Demand Management Initiative (SRTP 835)

Mr. Mike Daney, MTS Senior Transportation Planner, and Mr. Dan Martin, SANDAG Principal Planner, provided an overview of the Transportation Demand Initiative being developed by the U.S. Navy that would be funded in part or completely through the Navy's Transportation Incentive Program. Mr. Daney stated that MTS is assisting by evaluating commute patterns between Murphy Canyon/Tierrasanta, Otay Mesa, and Eastern Chula Vista and base facilities. Mr. Daney also explained that the Navy is considering a number of transportation modes. Mr. Martin explained the structure of the pilot program that is currently being developed and explained that the pilot program is fully funded.

Chairman Mathis stated this service seemed like charter service since its use would be limited to Navy personnel.

Action Taken

Mr. Ovrom moved to receive a report on the Navy Metro Transportation Demand Management Initiative for information. Mr. McClellan seconded the motion, and the vote was 11 to 0 in favor.

47. SDTI: Chargers Football 2008 Year-End Summary (OPS 970.2)

Mr. Tom Doogan, Special Events Coordinator, provided information on the 2008 Chargers Season, including ridership/game attendance, ticket booth revenue, manual ticket sales, fare inspection, and cost recovery. He reported that the estimated net revenue for the 2008 Chargers season was \$401,800 for 11 games. He also reported that SDTI carried 23.9 percent of the gate, which is higher than other rail systems. He stated that this is the result of the Trolley's infrastructure and the good job done by personnel who work on game days.

Mr. Doogan also provided information on the negative impact weeknight game service has on the entire system (fleet requirement and normal service).

Action Taken

Mr. McClellan moved to receive a report for information. Mr. Rindone seconded the motion, and the vote was 9 to 0 in favor.

48. MTS: Year-To-Date Operations Budget Status Report Through November 2008 (FIN 310.2)

No presentation was given on this item.

Action Taken

Mr. McClellan moved to waive the staff presentation on this item and receive a year-to-date operations budget status report for MTS through November 2008. Mr. Ovrom seconded the motion, and the vote was 9 to 0 in favor.

49. MTS: Investment Report – December 2008 (FIN 300)

Ms. Linda Musengo, Finance Manager, reported that cash balances declined again during the past month largely due to planned payments for buses purchases. She also reported that most of the Local Agency Investment Funds investment has been transferred to the cash account at Bank of America to ensure liquidity of assets. She added that interest earnings have been static.

Action Taken

Mr. McClellan moved to receive a report for information. Mr. Ovrom seconded the motion, and the vote was 9 to 0 in favor.

60. Chairman's Report

Chairman Mathis made no report.

61. Audit Oversight Committee Chairman's Report

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

62. Chief Executive Officer's Report

Legislative Trip: Mr. Jablonski reported that he and Ms. Cooney along with SANDAG Executive Director Gary Gallegos and NCTD Executive Director Matt Tucker recently traveled to Washington, D.C. to meet with the staff of San Diego's legislative delegation. He stated that delegation staff members are going to do a joint letter to the General Services Administration regarding their plans to reconfigure the San Ysidro border crossing. He stated that this letter will promote improved pedestrian and transit flow at this location.

Federal Railroad Administration Visit: Mr. Jablonski also reported that he met with Grady Cothen, Acting Associate Administrator of the Federal Railroad Administration, to discuss House Bill 2095 regarding positive train control. He stated that the requirements outlined in this bill would be very expensive to implement. He added the MTS has temporal operation between freight and passenger rail and added that Mr. Cothen indicated there will be exemptions for systems like San Diego.

63. Board Member Communications

There were no Board Member Communications.

64. Additional Public Comments on Items Not on the Agenda

There were no additional Public Comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, March 19, 2009.


66. Adjournment

Chairman Mathis adjourned the meeting at 11:39 a.m.



Chairperson
San Diego Metropolitan Transit System

Filed by:



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

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

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit System

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
FINANCE WORKSHOP**

ROLL CALL

MEETING OF (DATE): 2/19/09

CALL TO ORDER (TIME): 8:03 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 9:09 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BOYACK	<input checked="" type="checkbox"/> (Cunningham) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>	8:03 a.m. during AI 2	
FAULCONER	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	8:27 a.m. during AI 2	
GLORIA	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		
LIGHTNER	<input checked="" type="checkbox"/> (Emerald) <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"/> (Janney) <input type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Woiwode) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	8:11 a.m. during AI 2	
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>	8:09 a.m. during AI 2	
SELBY	<input checked="" type="checkbox"/> (England) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Emerald) <input 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

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL**

MEETING OF (DATE): 2/19/09

CALL TO ORDER (TIME): 9:09 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:12 a.m.

RECONVENE: 10:05 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:39 a.m.

BOARD MEMBER (Alternate)		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BOYACK	<input checked="" type="checkbox"/> (Cunningham) <input type="checkbox"/>		11:29 a.m. during AI 47
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		11:18 a.m. during AI 47
GLORIA	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		
LIGHTNER	<input checked="" type="checkbox"/> (Emerald) <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"/> (Janney) <input type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Woiwode) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		10:43 a.m. during AI 43
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		11:06 a.m. during AI 45
SELBY	<input checked="" type="checkbox"/> (England) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		11:06 a.m. during AI 46
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

Gail Williams
Jeff Williams