

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 13 2008

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

FINANCE WORKSHOP

1. Roll Call

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

2. MTS: FY 2009 Budget Development

Mr. Larry Marinesi, MTS Budget Manager, provided the Board with an overview of the FY 2009 budget, which is currently under development. He reviewed revenue projections and preliminary issues and policy decisions that will have to be made related to the balancing of the FY 2009 budget. He also reviewed some preliminary assumptions and energy cost projections. He also reviewed the funding status for the Sorrento Valley Coaster Connection and stated that the next Finance Workshop, which will occur on April 24, 2008, at 8:00 a.m. where staff will present a revenue update, expense review, policy issues, assumptions review, and additional information on energy projections.

In response to a question from Mr. Ewin, Mr. Marinesi reported that MTS's reserve balance will be \$24 million after \$5.6 million is used to balance the FY 2008 budget and that MTS doesn't have a policy regarding the level of reserves to be maintained. In response to a question from Mr. Monroe, Mr. Cliff Telfer, MTS Chief Financial Officer, explained that budget surpluses are added to reserves and funds are later withdrawn as needed. Mr. Monroe felt that MTS should have a policy regarding reserve levels. Mr. Jablonski stated that MTS has an informal policy of maintaining reserves at ten percent of its operating budget. Mr. Jablonski stated that he feels it is most prudent to use one-time dollars for one-time purchases. In response to a question from Mr. Lewis, Ms. Tiffany Lorenzen, MTS General Counsel, reported that there is no legal requirement that she knows of regarding the maintenance of reserves levels. In response to another question from Mr. Lewis, Mr. Telfer reported that credit ratings are based on revenues and subsidies, not reserve levels.

In response to a comment from Mr. Emery about having a fuel assumption that allows for increases in fuel prices, Mr. Marinesi stated that there are indications from the futures market that MTS needs to adjust its fuel projection for diesel. Mr. Tom Lynch, MTS Controller, reminded the Board that 87 percent of MTS's fleet is powered by compressed natural gas.

Mr. Jablonski stated that it is going to be a challenge to balance the FY 2009 budget because of the uncertainty about funding levels. He stated that MTS will continue to monitor sales tax revenues. He stated that, on the positive side, the recent fare increase in yielding good results, and MTS is again under budget for January.

Action Taken

Mr. McLean moved to receive the MTS FY 2009 operating budget report. Mr. Emery moved to second the motion, and the vote was 12 to 0 in favor.

3. Public Comment

There were no public comments under this section of the agenda.

4. Adjournment

Chairman Rindone adjourned the meeting at 9:28 a.m. after reminding the Board that the next Finance Workshop will be held April 24, 2008, at 8:00 a.m.

BOARD MEETING

1. Roll Call

Chairman Mathis called the meeting to order at 9:28 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Correction to Public Comment: Mr. Richard stated that the minutes (page 3, Agenda Item No. 25) should be corrected to reflect that he did not say that the County operated the service through North Park but that they provided the minibuses for the service.

Mr. Clabby moved to approve the minutes of the February 21, 2008, Board of Directors meeting. Ms. Atkins seconded the motion, and the vote was 12 to 0 in favor.

3. Public Comment

There were no public comments under this section of the agenda.

CONSENT ITEMS:

6. SDTI: Radio Communication System Support Services – Contract Amendment (OPS 970.6)

Recommend that the Board of Directors authorize the CEO to exercise the first of two single-year contract extensions with Bearcom Wireless Worldwide, Inc. (Doc. No. C.O.019.1-05 – Attachment A of the agenda item) to continue to provide SDTI with radio communication system support services.

7. MTS: Capital Improvement Program-Funded Revenue Budget Transfers
(CIPs 11181, 11196, 11238, 11239, 11417)

Recommend that the Board of Directors authorize the Chief Executive Officer (CEO) to:
(1) transfer federal funds in Grant No. 5307 CA-90-Y474 of \$1,192,080 and nonfederal Transportation Development Act (TDA) of \$298,020 from Capital Improvement Program (CIP) 11181 (40-Foot Bus Replacement) totaling \$1,490,100 into the fiscal year (FY) 2008 CIP 11239 (MCS Purchase CNG Buses); (2) transfer federal funds in Grant No. 5307 CA-90-Y474 of \$40,000 and nonfederal TDA funds of \$10,000 from CIP 11196 (MCS Purchase 40-Foot CNG

Buses South Central) totaling \$50,000 into FY 2008 CIP 11239; (3) transfer federal funds in Grant No. 5307 CA-90-Y561 of \$6,928,000 and nonfederal TDA funds of \$1,732,000 from CIP 11238 (SDTC 26 40-Foot Low-Profile Buses) totaling \$8,660,000 into FY 2008 CIP 11239; (4) transfer federal funds in Grant No. 5307 CA-90-Y313 of \$12,000, Grant No. 5307 CA-90-Y474 funds of \$217,680, Grant No. 5307 CA-90-Y474 nonfederal TDA funds of \$57,420, and nonfederal STA funds of \$2,127,882 from CIP 11417 (MCS Purchase 9 Midsize CNG Buses) totaling \$2,414,982 into FY 2008 CIP 11239; and (5) fund the entire five-year bus contract (MTS Doc. No. G1101.0-07) with New Flyer America, Inc. with the CIP amounts transferred (per Attachment A of the agenda item).

8. MTS: South Bay Maintenance Facility Expansion Project Environmental Declaration Addendum (CIP 10485)

Recommend that the Board of Directors (1) declare that SANDAG is now the lead agency for the project pursuant to Senate Bill 1703 and receive the Final Initial Study/Mitigated Negative Declaration Second Addendum (Attachment A of the agenda item); (2) approve the revised South Bay Maintenance Facility (SBMF) Expansion Project; and (3) transfer funding from the East County Bus Maintenance Facility CNG Project to the SBFM Expansion Project.

9. MTS: Establishment of Additional Local Agency Investment Fund Account (FIN 340)

Recommend that the Board of Directors approve Resolution No. 08-4 (Attachment A of the agenda item) to establish an investment account in the name of San Diego Transit Corporation within the Local Agency Investment Fund administered by the State Treasurer.

10. MTS: Amendments to Assignment of Contract for SANDAG's On-Call General Transportation Planning Services (Transportation Management and Design, Inc.) (S RTP 805)

Recommend that the Board of Directors authorize the CEO to ratify Amendment No. 1 (Attachment A of the agenda item) and execute Amendment No. 2 (Attachment B of the agenda item) to MTS Doc. No. G1007.0-07 with Transportation Management and Design, Inc. as part of SANDAG's On-Call General Transportation Planning Services Agreement, which was established as a jobs order contract with MTS. Amendment No. 2 would allow MTS to proceed with the AVL Data Validation and ATP Staff Coaching Project and the Trolley Rehabilitation Phasing Study.

11. MTS: Printing of MTS Timetables – Contract Award (MKPC 640)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. G1144.0-08 (in substantially the same format as Attachment A of the agenda item) with AAA Printing Company to print MTS timetables for a five-year period.

Action on Recommended Consent Items

Mr. Lewis moved to approve Consent Agenda Items No. 6, 7, 8, 9, 10, and 11. Mr. Ewin seconded the motion, and the vote was 12 to 0 in favor.

NOTICED PUBLIC HEARINGS:

There were no noticed public hearings.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:30 a.m.

- a. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 45956.9(a): Metropolitan Transit System v. San Diego State University (Case No. 37-2007-0083692-CU-WM-CTL)

The Board reconvened to Open Session at 10:09 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 from General Counsel.

REPORT ITEMS:
(Taken Out of Order)

45. MTS: 2007 Year-End Security Report (OPS 970.11)

Mr. Bill Burke, SDTI Director of Security, provided the Board with an overview of security results for the 2007 year end. He reviewed statistics on passenger inspections, passengers carried, activities of the Special Enforcement Unit, enforcement of the no smoking ordinance, community outreach activities, and incident statistics. He also discussed trespassing issues at Old Town Transit Center and activities related to the Department of Homeland Security. He also reviewed grant funding provided for security.

Public Comment

Lorraine Leighton: Ms. Leighton stated that her purse was recently stolen on the Green Line in October and that security officers refused to take her report. Mr. Burke stated that he was not familiar with this incident. Mr. Monroe requested that Mr. Burke meet with Ms. Leighton to discuss the incident.

Mr. Young suggested that MTS pursue stay-away orders in order to keep repeat offenders off the system. Mr. Burke briefly discussed how MTS works with the San Diego Police Department to deal with these individuals. Mr. Young suggested that MTS do more of this type of thing. He stated that these individuals need to understand that riding public transit is a privilege, not a right, and that there will be consequences if they continue to misbehave. Mr. Burke indicated that undercover security forces are sent out to deal with clusters of incidents but often the offenders are different each time. In response to a question from Mr. Young, Mr. Burke stated that MTS has a database of citations and warnings that are issued, and, if they see a pattern for a particular individual when looking at this data, they pursue a Temporary Restraining Order. He stated that MTS also works with the Police Department to set up special operations where there are these types of situations. He added that MTS also works with the Police Department's Gang Unit.

Mr. Young stated that when a serious incident occurs on the system, he would like to have a written report on that incident right away (that day or the next). He stated that the report should

describe what happened and should be sent to each Board member. He suggested that security officers have hand-held devices on which they can view images of individuals who are repeat offenders. Chairman Mathis stated that this suggestion could be reviewed by the Budget Development Committee. Mr. Young suggested that staff look at other sources of funding and stated that Governor Schwarzenegger recently approved funding for cities dealing with gang issues. He suggested that the Board establish a subcommittee to actually address safety issues and really study the statistics presented by staff. He also stated that this group could review how MTS security personnel interact with the Police Department and encourage them to be more helpful in supporting what MTS is doing. He also suggested creating an abatement order for larger groups of people. He also suggested working with judges on this issue. He added that staff may not be able to do that, but that policymakers can.

Mr. Young stated that there is an undercurrent of issues relating to crime and gang involvement on the MTS system. He stated that patrons do not feel safe and have few other options. He stated that he felt staff should not indicate that crime has increased as a result of increase ridership without a valuation of the correlation between those two factors. He stated that MTS should be more thoughtful on how it addresses this issue. Mr. Young stated that a safety subcommittee should be formed and that staff should provide reports to the Board on serious incidents that occur on the system on a regular basis. In response to a comment by Chairman Mathis, Mr. Young stated that current reports are issued by staff only for catastrophic types of incidents, and he would like to see reports on major assaults and other types of serious incidents.

Mr. Ewin stated that he forwards all press releases from law enforcement to MTS. Mr. Mathis stated that MTS prefers to wait until all information has been gathered so that communications to the Board are accurate, which may take longer. Mr. Young felt that there should be full disclosure to the public as soon as possible and that the safety subcommittee should discuss this matter. Mr. Rindone stated that Chula Vista council members get weekly reports on serious incidents, which provides the opportunity for members to pursue further information. Mr. Rindone suggested that the Budget Development Committee be given the task of sitting as the safety subcommittee since actions taken by such a subcommittee would have budget implications. Mr. Monroe volunteered to be on the safety subcommittee.

Mr. Lewis stated that El Cajon uses hand-held devices similar to the ones suggested by Mr. Young and that grant funding is available for these types of items. He stated that Pam Scanlon at SANDAG could be contacted regarding this particular funding.

Mr. Monroe asked if SDTI's statistics provide a breakdown of incidents by time of day, day of week, age, and gender. Mr. Burke stated that Transit Watch does provide the statistics by time of day and day of the week. Mr. McLean felt that more attention should be given to preventing crime in the first place and suggested that educating the public and children in school would help discourage and prevent crime.

Action Taken

Mr. Young moved to (1) receive this report for information; (2) direct staff to return to the Board with an agenda item on the creation of a safety subcommittee; and (3) direct staff to provide the Board with weekly written reports on major incidents on the system. Mr. Faulconer seconded the motion, and the vote was 11 to 0 in favor.

DISCUSSION ITEMS:

30. MTS: Financial Perspective on the Metropolitan Transit System (FIN 340)

Ms. Sharon Cooney, Director of Government Affairs and Community Relations, reviewed the White Paper that was written in response to the Executive Committee's request. She reviewed the elements of the paper, which included MTS's improved service and efficiency, funding challenges, operating budget issues, capital needs and funding concerns, and potential ways to bridge the funding gap. She reported that MTS is in the business of increasing ridership, but because fares only comprise 36 percent of the funding used to operate the service, ridership increases need corresponding increases in funding sources. She also stated that the State may use the passage of the measure for the infrastructure bonds as an excuse to use other transit funds to address the state fiscal crises. Ms. Cooney stated that the four points she made for bridging the gap should guide policy-making decisions.

In response to a question from Mr. Monroe, Ms. Jablonski stated that FasTrak revenues were \$1 million two years ago, 0 last year, and are projected to be \$.5 million for this year. He added that MTS's share of FasTrak revenues is covered by a Memorandum of Understanding.

Mr. Rindone stated that the White Paper was very well done. He suggested that Board members or staff who speak to service groups or other local organizations use this as a guide for their presentation. He added that MTS has implemented fare increases, has improved its service efficiency through the Comprehensive Operational Analysis, and has few options left. He stated that MTS can either cut service or identify a new dedicated funding source. He stated that MTS could become part of the Quality of Life Initiative or pursue a transit funding measure.

Action Taken

Mr. Lewis moved to receive the white paper and discuss potential next steps. Mr. Clabby seconded the motion, and the vote was 10 to 0 in favor.

REPORT ITEMS (continued):

48. MTS: June 2008 Proposed Service Changes (SRTP 830)
(Taken Out of Order)

Mr. Denis Desmond, MTS Senior Transportation Planner, reviewed the service changes that are planned for June 2008 for Route Nos. 14, 25, 923, and 855.

In response to a question from Mr. Monroe, Mr. Desmond estimated that, after the service changes to Route No. 14, the subsidy would be around \$5. He stated that staff plans on taking a closer look at this route in FY 2009. Mr. Monroe suggested that the route be eliminated because passengers of that route have other options. Mr. Desmond stated that Route No. 14 provides local access along the Mission Valley corridor, and there are certain places where there are other options. He stated that staff will be looking at other ways to provide that local access in the future.

The remainder of this presentation was waived.

Action Taken

Mr. Emery moved to (1) receive a report on service changes proposed for June 2008 implementation; and (2) receive an update on efforts to replace Direct Access to Regional Transit with a community-based alternative. Ms. Atkins seconded the motion, and the vote was 8 to 0 in favor.

46. MTS: Service Performance Monitoring Report (Winter 2007 Service Period) (SRTP 830)

The staff report on this item was waived.

Action Taken

Mr. Emery moved to receive a report on the performance of bus and trolley services for the service change period between September 2, 2007, and January 27, 2008. Mr. Rindone seconded the motion, and the vote was 8 to 0 in favor.

47. SDTI: Chargers Football 2007 Year-End Summary (OPS 970.2)

This item was deferred.

49. MTS: San Ysidro Border Reconfiguration Project (ADM 124)

This item was deferred.

60. Chairman's Report

Chairman Mathis reminded Board members that Form 700, Statements of Economic Interest, are due April 1. He stated that completed statements should be submitted to Gail Williams, Clerk of the Board, and must be postmarked by April 1 if sent through the U.S. mail. He also reported that the following handouts were provided to the Board: 1) Public Transportation Reduces Greenhouse gases and Conserves Energy, and 2) A Better Way to Go, a U.S. PIRG Education Fund report. He stated that Board members were also provided with a revised Executive Committee and Board schedule reflecting the recent changes in Finance Workshop dates.

61. Audit Oversight Committee Chairman's Report

There was no report made on this item.

62. Chief Executive Officer's Report

Mr. Jablonski reported that he recently attended the APTA Legislative Conference in Washington, D.C. with Mr. Monroe, Mr. Mathis, Mr. Rindone, and Ms. Cooney. He stated that they met with legislators regarding reauthorization and greenhouse gases, and stated that transit agencies may be able to get funding from legislation that will be presented shortly related to greenhouse gases.

63. Board Member Communications

APTA Legislative Conference: Mr. Monroe reported that there was a productive meeting with Congressman Filner's office regarding the San Ysidro project. He also reported that

Congressman Hunter reported that \$5 million was added to the request for the East County Bus Maintenance Facility; however, Mr. Hunter also indicated that there would probably soon be an agreement between the Republicans and the Democrats to not have any earmarks at all. He stated that a number of members of Congress stated that transit was late to the table. Mr. Monroe also reported that transit has only one percent in the Lieberman legislation.

Mr. Rindone reported that a meeting was held with Senator Boxer and that she is developing a bill for CO₂ reductions, which should be ready for debate in 2009. She wants to gain bipartisan support for this measure.

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 26, 2008, at 9:00 a.m. in the same location.

66. Adjournment

Chairman Mathis adjourned the meeting at 11:43 a.m. in memory of Stephen Collins.



Chairperson
San Diego Metropolitan Transit System
Filed by:



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

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL**

MEETING OF (DATE): 3/13/08

CALL TO ORDER (TIME): 9:28 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:30 a.m.

RECONVENE: 10:09 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:43 p.m.

BOARD MEMBER (Alternate)				PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>		
CLABBY	<input checked="" type="checkbox"/>	(Selby)	<input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/>	(Cafagna)	<input type="checkbox"/>		11:40 a.m. during AI 63
EWIN	v	(Allan)	<input type="checkbox"/>		11:28 a.m. during AI 48
FAULCONER	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>		11:25 a.m. during AI 48
LEWIS	<input checked="" type="checkbox"/>	(Hanson-Cox)	<input type="checkbox"/>		
MAIENSCHIN	<input type="checkbox"/>	(Hueso)	<input type="checkbox"/>		<input checked="" type="checkbox"/>
MATHIS	<input checked="" type="checkbox"/>	(Vacant)	<input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/>	(Bragg)	<input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/>	(Downey)	<input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/>	(McCann)	<input type="checkbox"/>		
ROBERTS	<input type="checkbox"/>	(Cox)	<input checked="" type="checkbox"/>		9:56 a.m. during AI 24
RYAN	<input type="checkbox"/>	(B. Jones)	<input type="checkbox"/>		<input checked="" type="checkbox"/>
YOUNG	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>		11:02 a.m. during AI 30
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
[Signature]