

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

March 24, 2005

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

MINUTES

1. Roll Call

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

2. Approval of Minutes

Mr. Emery moved to approve the minutes of the March 10, 2005, Board of Directors meeting. Mr. Clabby seconded the motion, and the vote was 13 to 0 in favor.

3. Public Comment

Chuck Lungerhausen: Mr. Lungerhausen welcomed everyone to observe the Water Walkers in Spring Valley on Saturday, April 2, at 10:30 a.m., and requested sponsorship donations. He also stated that he observed an out-of-service bus leaving the Old Town Transit Center at about 2:00 p.m. on Monday, March 21, 2005, with its door open, and someone jumped onto the bus while it was pulling away. He stated that this is an unsafe practice, and the operator should receive retraining. MTS Chief Executive Officer Paul Jablonski stated that staff will try to identify the bus/trip and will talk to the operator.

Cristobal Torres: Mr. Torres stated that he was speaking for the mentally handicapped and homeless. He complained that that trolley trains approaching stations do not come to a stop until they protrude into crosswalks, which creates a dangerous situation for pedestrians. He stated that this is of particular danger to him as he has tunnel vision and cannot see the trolley approaching. He stated that this situation has existed for at least three years. SDTI President-General Manager Peter Tereschuck reported that city blocks are 220 feet long, and a three-car train is 240 feet long; therefore, it is necessary for the trolley to protrude into the cross walk. He added that there are no viable alternatives. Mr. Tereshuck stated that SDTI personnel are on the committee for the C Street Corridor Project chaired by Mr. Zucchet. He added that the Committee is working on renovations for C Street, some of which may help alleviate this problem.

4. Presentation of Employee Awards

There were no Employee Awards.

5. Closed Session Items (ADM 122)

There were no Closed Session Items.

CONSENT ITEMS

6. SDTI: Rail Lubricant Procurement: Contract Award (OPS 970.6, PC 30102)

Recommend that the Board of Directors authorize the SDTI President-General Manager to execute a Standard Procurement Agreement (Attachment A of the agenda item) with Neleco, Inc. to supply "Synco Super Lube" rail lubricant for a three-year base period with an option for two single-year extensions. The total cost, including delivery but excluding California sales tax, for a three-year base period shall not exceed \$576,000.

7. MTS: Property Insurance Renewal (LEG 491, PC 30100)

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, 2005, through March 31, 2006, with 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.

8. MTS: Increased Authorization for Legal Services (LEG 491, PC 30100)

Recommend that the Board of Directors authorize the CEO to enter into contract amendments with Bing Bush of the Law Offices of Bing I. Bush, Jr. (MTDB Doc. No. G0873.4-03, (Attachment A of the agenda item), and Stephan Wismar of the law firm Wismar & Barber (MTDB Doc. No. G0730.3-02, Attachment B of the agenda item) for general liability and workers' compensation legal services, in substantially the same form as attached, and ratify prior amendments entered into under the CEO's and/or previous General Manager's authority(ies).

9. MTS: Mission Valley East Light Rail Transit Project: Lease Amendment with the San Diego State University Foundation (CIP 10426.6)

Recommend that the Board of Directors authorize the CEO to execute lease amendments for the second floor of 5814 Hardy Avenue and 5850 Hardy Avenue in the City of San Diego and ratify a prior amendment entered into under the CEO's and/or previous General Manager's authority(ies) to extend the term of the lease in substantially the form attached (Attachment A of the agenda item).

10. MTS: Mission Valley East Light Rail Transit Project – Grantville Segment: Contract Change Order (CIP 10426.7.3)

Recommend that the Board of Directors authorize the CEO to execute Contract Change Order (CCO) No. 132, Supplement No. 7, with Modern Continental Construction

Company (MCC), in substantially the same form as shown in Attachment A of the agenda item, for changes in quantities of landscaping and irrigation in various areas along the Grantville Segment of the Mission Valley East Project (LRT-426.3), in an amount not to exceed \$137,166.60, including a net amount of \$72,422.60 approved by the previous General Manager and the CEO with the original CCO No. 132 and Supplement Nos. 1 through 6.

Recommended Consent Items

Mr. Rindone moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, and 10. Mr. Monroe seconded the motion, and the vote was 13 to 0 in favor.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. MTS: Grievance and Hearing Procedure for Nonunion Employees (ADM 150.2, PC 30100)

Mr. Jeff Stumbo, MTS Director of Human Resources, reminded the Board that this item was presented at a previous meeting, and staff was directed by the Board to solicit employee input about this procedure. Mr. Stumbo reported that employees were provided with a copy of the procedure, which generated questions from a couple of employees. He stated that he has received no negative feedback to date.

Action Taken

Mr. Emery moved to approve the Grievance and Hearing Procedure for Nonunion Employees (Attachment A of the agenda item) of MTS, SDTC, and SDTI. Mr. Rindone seconded the motion, and the vote was 13 to 0 in favor.

31. MTS: Draft FY 2005-2009 Regional Short-Range Transit Plan (SRTP 810.5, PC 20223)

Ms. Toni Bates, SANDAG Division Director of Planning, provided the Board with an overview of the Draft FY 2005-2009 Regional Short Range Transit Plan (RSRTP). She stated that the Plan was prepared in coordination with MTS and North County Transit, and is grounded in the goals and objectives approved in December 2004. She discussed transit needs and deficiencies, service proposal development & implementation, the FY 06 regional service implementation plan, and briefly discussed the nature of FY 06 service changes. She briefly described what elements of the service implementation plan and service changes will be dependent on Phase I of the Comprehensive Operational Analysis (COA). She also briefly discussed transit priority treatments and provided a listing of studies that will be conducted. She then reviewed the schedule for the approval of the RSRTP.

Mr. Williams stated that he thought the SANDAG Transportation Committee had agreed that Smart Growth should support transit, not that transit should support Smart Growth. He felt that the concept of transit supporting Smart Growth implies an obligation to provide transit service in remote locations, which doesn't make the best use of public dollars. Mr. Emery agreed and stated that Smart Growth and transit go hand-in-hand.

He stated that San Diego should make sure that transit is provided to core areas that need it now, but not to serve density wherever it is placed. Mr. Monroe stated that it was not SANDAG's intention that transit be utilized in that way. Ms. Bates stated that SANDAG has implemented seven definitions of Smart Growth ranging all the way from metropolitan centers to rural communities, and varying levels of transit are identified for each of these definitions. Ms. Bates provided an example of a Smart Growth definition with a transit component that simply states that any village core should allow for bus stops. She stated that staff will revise the language to link the level of transit support to particular place types.

In response to a question from Mr. Rindone, Ms. Bates stated that the five-year RS RTP is amended annually. She stated that the Plan focuses on next year's service with the remainder of the plan serving as a guide for the last four years of the five-year time period. Mr. Jablonski stated that the Plan's identification of needs should have a strong recognition of the capital needs and infrastructure issues of the system and should be given high priority. Ms. Bates stated that the RS RTP can be used as a basis for continuing to identify infrastructure needs in the region.

Action Taken

Mr. Rindone moved to receive this report on the Draft FY 2005-2009 Regional Short-Range Transit Plan (RS RTP) and direct that comments provided by the Board to SANDAG staff be incorporated into a revision of the RS RTP. Mr. Ewin seconded the motion, and the vote was 13 to 0 in favor.

32. MTS: Authorization for Use of City of San Diego Billboard Reserve Funds (AG 250, PC 30100)

Ms. Tiffany Lorenzen, MTS General Counsel, introduced this item explaining how the agreement that created the San Diego Billboard Reserve Fund evolved and the purpose of the agreement. She introduced Mike Arnold, City of San Diego, and Mr. Jim Neri, Neri Landscape Architecture, to present information on the MTS Station Improvement Project.

Mr. Arnold presented information on the selection of the stations that would be improved under the proposed project and also provided some project background. Mr. Neri reviewed the project features and benefits and reviewed the plans for each of the three stations – Euclid Avenue, 47th Street, and 62nd Street. Mr. Arnold then reviewed the project cost and schedule.

Mr. Morrison expressed concern that 1/6th of the total expenditure for this project would be spent on refurbishing the mural at the Euclid Avenue Station, which has limited visibility. In response to Mr. Robert's concern about what would happen if the project goes over budget, Ms. Lorenzen stated that any expense over the recommended funding of \$200,000 would have to be paid for by the City of San Diego or be brought back for approval by the MTS Board. Mr. Arnold stated that, as is typical with projects that go over budget, design changes could be made to adjust project costs. Mr. Arnold stated that he did not anticipate any surprises with regard to the cost for this project. Mr. Roberts stated that he wanted it made clear that MTS has no obligation for additional costs. Mr. Ewin stated the he hoped MTS would maintain an attitude that this project must be completed for the recommended level of funding. In response to a question from Ms. Kaltenborn, Ms. Lorenzen stated that SDTI currently maintains these stations

and will be able to maintain the improvements at the stations at no additional cost. In response to a question from Mr. Morrison, Ms. Lorenzen stated that the Billboard Reserve Fund will have a balance of \$44,000 after allocation for this project, and that funds accrue at a rate of \$25,000 per year.

Action Taken

Mr. Monroe moved to approve the proposed concept plans for landscaping improvements at the Euclid Avenue, 47th Street, and Encanto/62nd Street Stations and authorize the release of up to \$200,000 from the City of San Diego Billboard Reserve Fund to the City of San Diego for a final design, construction, and landscape improvements at those stations in City of San Diego Council District 4. Mr. Emery seconded the motion, and the vote was 14 to 0 in favor.

33. MTS: Green Line Opening Day - Tentative (CIP 10426.13)

Mr. Jablonski stated that the Green Line is in the final stages of construction, and that MTS is currently testing both its current trolley cars as well as the new S70 trolley car on the line. He added that testing of systems, such as the fire alarm system and intrusion detection system, have to be completed and approvals given before MTS will have full access to the tunnel at SDSU Station.

Mr. Jablonski also stated that, with a project of this magnitude, it is necessary to have extensive grand opening activities, and it is therefore necessary to identify a tentative opening date so planning activities can be started. He reported that staff is recommending a tentative opening date of Friday, July 8, at 4:00 p.m. followed by a Community Ride-Free Day on Saturday, July 9, from 10:00 a.m. to 3:00 p.m., with revenue operations commencing on Sunday, July 10. He stated that San Diego's congressional delegation is in recess during this particular weekend, and there are no conflicting major events.

Mr. Jones suggested that free rides also be provided on Sunday, July 10, with revenue operations starting on Monday, July 11. Mr. Jablonski stated that providing an additional day of free rides would be a budget issue. Mr. Emery agreed with Mr. Jones' suggestion but only if feasible from a budgetary standpoint. Mr. Emery suggested that SDSU be highlighted in opening activities. Mr. Jablonski stated that the opening dedication will most likely be held at the SDSU station. Mr. Roberts suggested a special event for SDSU graduates as part of graduation activities since they were present through construction but will not be when the line is opened. Mr. Gonzalo Lopez, MTS Director of Marketing and Community Relations, stated that staff has been considering a special tour during rehearsal for graduation. Mr. Jablonski stated that the event will have to be tailored around MTS's authorization to access the SDSU station and tunnel.

In response to a comment by Mr. Ewin, Mr. Lopez stated that MTS marketing staff are working closely with organizers of related community events and are discussing the possibility of holding some joint events.

In response to a suggestion from Mr. Monroe, Mr. Jablonski estimated that the cost of providing free rides on the entire system would be approximately \$60,000 to \$70,000. He stated that the free-ride program is currently still in development but preliminary plans involve providing free rides between Qualcomm Stadium and Gillespie Field,

which would provide substantial parking at both ends of the line. Mr. Jablonski stated that updates will be provided as plans develop.

Action Taken

Mr. Emery moved to approve the tentative opening day for the Green Line and approve the Free Community Ride Day. Mr. Rindone seconded the motion, and the vote was 12 to 0 in favor.

REPORT ITEMS

45. MTS: 2004 Year-End Security Report

Mr. Bill Burke, SDTI Director of Transit Security, provided the Board with an overview of security for calendar year 2004. He reviewed the result of MTS's Problem-Oriented Policing Project (POP) at Civic Center Station and the 5th Avenue Station. He also reported on prisoner bookings, a security awareness brochure currently under development, and showed a video clip of the recent multiagency emergency preparedness drill. He then reported on the efforts and results of MTS's special enforcement unit and briefly provided an overview of procedures for issuing citations. He reported that citation and warning information is currently being entered into the Transit Watch Database and, because this information is available to by fare inspectors as they carry out their duties, inspectors are more effective in the field. Mr. Burke also reviewed the new 4-10 workweek that has been introduced for the fare inspectors and the benefits of that program, and also provided the Board with an update on the success of the closed-circuit television (CCTV) system. He reported that MTS's CCTV system was recently used to help police identify a criminal in a shooting incident and identify the location of a weapon that the victim tried to hide. He stated that the hidden weapon had been used in a previous crime. Mr. Burke explained that the recording of the shooting was so clear because the digital recorders for the CCTV are at each station. He showed a sample recording to demonstrate the clarity of the images.

In response to a question from Mr. Mathis, Mr. Burke stated that SDTI's rate for fare evasion compares very favorably to systems that use turnstiles according to a recent study. Mr. Mathis asked if .29 incidents per 100,000 passengers compares favorably with the national average. Mr. Burke stated that he would get that information for Mr. Mathis. In response to a comment from Mr. Monroe, Mr. Burke stated that an internal audit has recently verified SDTI's statistics on the number of fare inspections that are being conducted on a regular basis.

Action Taken

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

46. MTS: Status Report on Intelligent Transportation Systems (CIP 10940)

Mr. Samuel Johnson, SANDAG ITS Chief Technology Officer, reviewed Intelligent Transportation Systems being pursued by the region under the auspices of SANDAG. He reviewed the ITS program mission and also reviewed the program's focus areas – freeway management, transit management, major streets/arterial management, incident

management, and traveler information. He provided details on each of these focus areas with an emphasis on transit management and traveler information.

Mr. James Driesbach-Towle, SANDAG Administrator of Systems Integration, reviewed specific projects. He reported that the Electronic Payment Fare Collection Project, which is being implemented on a regional basis with all agencies, will result in better reporting, improved accuracy, improved accuracy, and will reduce barriers for the public. He also provided detail on the Centralized Train Control, Regional Automatic Vehicle Location Projects, and Regional Transit Manager System projects. Mr. Johnson reviewed ongoing efforts and future plans in the area of Traveler Information, which will make it easier for the public to access the information they need for making travel/mode decisions.

Mr. Mathis expressed his strong support for the Centralized Train Control Project, and stated that SDTI's system has been out of date for some time. Ms. Kaltenborn suggested that the information in Mr. Johnson's report be provided to the public. Mr. Rindone suggested that Mr. Johnson make his presentation to the county and to the city councils represented on the MTS Board.

Action Taken

Mr. Rindone moved to receive this report and direct SANDAG staff to offer this presentation to the County and city councils represented on the MTS Board. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

47. SDTC: Pension Update (OPS 960.5, PC 30101)

Mr. Cliff Telfer, MTS Interim Chief Financial Officer, reported that the SDTC Employees' Pension Plan increased in value during calendar year 2004 by \$10 million as a result of investment returns and \$75 million as a result of the recent pension bond issue. He stated that the Plan is managed by nine managers with varying investment styles and has an asset allocation mix of 60 percent equity/40 percent fixed income. He then introduced Mr. Bruno Grimaldi, KPMG, who reviewed the Investment Performance Analysis as of December 31, 2004. Mr. Grimaldi briefly reviewed the Executive Summary, the Sources of Portfolio Growth chart, the Cumulative performance Comparison chart, and the Performance Summary Table. He reported that SDTC's plan has had a higher return with lower risk than the standard deviation of market risk for the last ten years. He also pointed out that the Plan has experienced an 11.55 percent return since inception (1982) compared to a policy index (customized benchmark) of 11.80 percent, in spite of a recession that lasted 22 years, the 1987 crash, and a three years of bear market in 2000, 2001 and 2002.

In response to a comment from Ms. Kaltenborn, Mr. Grimaldi stated that Nicholas Applegate is on their "watch list." He stated that their performance will be monitored for one year. He added that he is holding monthly conference calls to discuss their performance and is having face-to-face meetings as well.

In response to a question from Mr. Rindone, Mr. Grimaldi recommended that MTS review the Plan's performance in six months and add diversification in areas that have not been addressed. In response to a question from Mr. Monroe, Mr. Telfer reported that an actuarial valuation is currently being performed to factor in the Plan's recent

investment return and recent benefit improvements, and the results of that valuation will be available in April or May. Mr. Telfer estimated that the valuation will show that the Plan is close to 90 percent funded. In response to a question from Mr. Ewin regarding firewalls between the different pension plans in place for MTS and its agencies, Mr. Telfer reported that MTS and SDTI employees are covered by CalPers and SDTC's plan is just for its employees. He stated that SDTC employees may be merged into the CalPers plan at some time in the future.

In response to a comment from Mr. Roberts regarding the validity of the eight percent investment return assumption going forward, Mr. Telfer explained that asset allocation studies are conducted on a regular basis for the purpose of projecting investment returns for the Plan. He stated that the most recent study projected a return of 7.96 percent. He stated that changes in asset class allocations may be recommended in order to improve investment return. Mr. Roberts requested that staff report back on the asset allocation study at the same time the actuarial valuation is presented. Mr. Jablonski reminded the Board that, as a result of the Plan's most recent actuarial valuation, the interest rate assumption was reduced from 8.5 percent to 8 percent.

Action Taken

Mr. Clabby moved to receive this report. Mr. Ewin seconded the motion, and the vote was 11 to 0 in favor.

48. MTS: Operations Budget Status Report for January FY 05 (ADM 110.7, PC 30100)

MTS Controller Mr. Tom Lynch reviewed the budget status report for January FY 05. He reviewed the Net Operating Subsidy Variance, the net subsidy and other expenditures for the agency and by operator by month and year to date, financial review on a functional basis for the month and year to date, and also reviewed energy prices. There were no comments or questions from Board members regarding this item.

Action Taken

Mr. Clabby moved to receive the MTS Operations Budget Status Report for January FY 05. Mr. Emery seconded the motion, and the vote was 12 to 0 in favor.

49. MTS: January Monthly Performance Indicators
(OPS 920.1, 960.5, 970.5/PC 30101, 102, 103)

Ms. Anika deSilva, MTS Associate Transportation Planner, reviewed MTS Monthly Performance Indicators through January 2005. She reviewed the operating environment, system ridership, on-time performance, mean distance between failures for both bus and rail, customer complaints, and collision accidents.

Mr. Monroe complimented staff on the report and stated that he appreciated chart formats. In response to a question from Ms. Kaltenborn, Ms. deSilva stated that ADA complaints relate only to paratransit service.

Action Taken

Mr. Monroe moved to receive a report on MTS operators' performance for the month of January 2005. Mr. Rindone seconded the motion, and the vote was 11 to 0 in favor.

50. MTS: Comprehensive Operational Analysis (COA): Project Update
(ADM 121.10, PC 20484)

Mr. Conan Cheung, Director of Planning and Performance Monitoring, provided the Board with an update on the COA. He reviewed the purpose and schedule for the study. He also contrasted the process for making service changes in previous years against the opportunity to do so within the context of the COA this year with enhanced public participation. Mr. Jablonski pointed out that, in previous years, service changes were already basically decided upon before being presented at the public hearing. He stated that this year involves an unprecedented effort in trying to identify efficiencies – that staff is looking at the whole system, not just components of the system. He stated that, in addition, rather than just having a public hearing, staff is going through an extensive outreach program with the public that even includes having staff members on buses talking to passengers. He stated that MTS can be proud of its efforts and of the collaborative attitude of staff members working on this project.

Mr. Cheung stated that the project consists of two phases and identified the tasks to be performed in each stage. He provided the Board with information on the success of the operator “drop in” sessions that are being conducted to solicit input and forge new relationships with the system’s employees who actually deliver the service. He also reviewed public information resources. Mr. Cheung stated that staff is attempting to gauge public acceptance of the COA process.

Public Comment

Clive Richard: Mr. Richard stated that when the Route 81 was recommended for discontinuation, staff stated that the Route 27 would provide the service that was eliminated. He stated that now the Route 27 is being discontinued.

Mr. Cheung stated that there was inadequate ridership to justify retaining Route 27. He stated that Route Nos. 9 and 34 each provide service between Pacific Beach and Old Town where riders can connect with the Trolley.

Mr. Emery stated that staff materials for community meetings should indicate that they are in “draft” form. He felt it was important for the public to understand that no decisions have been made. He also suggested that it be clear that there are two phases to the project, and that Phase I consists of identifying efficiency measures that will help balance the MTS budget. He stated that both the public and the Technical Advisory Committee need to understand that there are two phases.

In response to a question from Mr. Monroe, Mr. Cheung stated that the recommended service efficiencies will be presented to the Board on April 14 and will include detailed analysis of the proposed efficiencies as well as breakdowns of costs savings. He stated that the public hearing will then be held on April 28. He added that the next meetings of the Blue Ribbon Committee, Community Advisory Committee, and Technical Advisory Committees will consist of half-day workshops to discuss issues and develop criteria

that can be used to translate policy into action. He advised Mr. Monroe that he has ideas for balancing productivity with coverage that he will present at a future meeting. Ms. Atkins stated that she is interested in knowing if community meetings are being attended by actual transit riders or by community leaders. She also stated that the public may not understand what a COA is or how it applies to them and may therefore not be looking at materials such as Take Ones, etc.

Action Taken

Mr. Rindone moved to receive this status report for on the COA of MTS services. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

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

There was no Chairman's Report.

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

There was no discussion of this item.

62. Board Member Communications

Public Comments Related to Carrizo Gorge Railway: In response to a request from Mr. Monroe, Mr. Jablonski stated that he made a trip to Jacumba following the public comments that were made about this subject at a recent Board meeting. He stated that he talked to citizens of Jacumba brought in by Carrizo Gorge and also knocked on doors to solicit comments from residents. He stated that idling of trains is a common practice in cold weather, and there have been discussions about moving the location of idling trains. He also stated that tensions have eased because the weather is warmer and trains can now be shut down. Mr. Jablonski also advised the Board that he has talked to the President of Carrizo Gorge and stressed the importance of working with the community and being a good neighbor and good corporate citizen. He reported that Jacumba residents were very pleased with MTS's response and handling of this problem. He stated that he handed out business cards and asked residents to call if they had concerns. He stated that he has not received any calls.

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 14, 2005, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Williams adjourned the meeting at 12:10 p.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](#)