

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

May 25, 2006

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Mathis called the meeting to order at 9:13 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Clabby moved to approve the minutes of the May 11, 2006, Board of Directors meeting. Mr. Rindone seconded the motion, and the vote was 10 to 0 in favor.

3. Public Comment

Chuck Lungerhausen: Mr. Lungerhausen reported that he was taking final donations for the MS Walk and hoped to reach the \$5,700 range, which would be his best funding-raising effort ever. He thanked everyone for their donations and briefly discussed his physical condition. He briefly discussed how transit can be easier than driving a car, but felt there should be more service at night.

Olivia Milne: Ms. Milne felt that Route Nos. 13 and 14 should make connections at the Grantville Trolley Station. She stated that the current routing makes it more difficult for those people who are handicapped.

Rich Milne: Mr. Milne discussed how high traffic levels at Route No. 14 bus stops makes it difficult for people who are handicapped.

Don Stillwell: Mr. Stillwell stated that more effective signage at the Grantville Trolley Station would improve the safety of passengers who are sight impaired. He also stated that signage should indicate which elevator should be used based on a passenger's desired direction of travel. He stated that better signage is needed to direct customers to the correct bus stop to go west (Crawford) or eastbound (Zion).

4. Distinguished Service Awards

Mr. Wayne Terry, SDTI Vice President of Operations, presented Distinguished Service Awards to three SDTI employees. He reported that, on Tuesday, April 25, 2006, at 7:50 p.m., Train Operator Ray Corsey observed a train at the Imperial Avenue station that was experiencing a

delay. He boarded the train and noticed an individual who was not breathing and had no pulse. He, along with Security Sergeant Jerrod Gressett, and Security Office Israel Rocha-Pina, initiated CPR. Paramedics who responded indicated that without the intervention of these employees, it would have been unlikely that the individual could have been revived.

San Diego Taxpayers Association Award: Mr. Jablonski displayed an award MTS received for its Comprehensive Operational Analysis (COA) from the San Diego Taxpayers Association under their Golden Watchdog Award Program. Mr. Jablonski reported that MTS was recognized for economizing public service and for bringing more efficiency and productivity to the system.

CONSENT ITEMS

6. MTS: Disadvantaged Business Enterprise (DBE) Semiannual Report (CIP 10453.6)

Recommend that the Board of Directors receive the semiannual Fiscal Year 2006 DBE reports for Federal Highway Administration- and Federal Transit Administration-assisted contracts (Attachment A of the agenda item).

Recommended Consent Items

Mr. Monroe moved to approve Consent Agenda Item No. 6. Mr. Clabby seconded the motion, and the vote was 10 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:27 a.m.

- a. MTS: CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to Government Code Section 54956.8
Property: Grossmont Trolley Station Parking Lot at the intersection of Grossmont Center Drive and Fletcher Parkway
Agency Negotiators: R. Martin Bohl, Paul Jablonski, Tim Allison, Tiffany Lorenzen, and Jerry Trimble
Negotiating Parties: Fairfield Residential, LLC, JP Morgan Chase Bank, and Mass Mutual
Under Negotiation: Instructions to Negotiators will Include Price and Terms of Payment
- b. MTS: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant Exposure to Litigation Pursuant to Subdivision (b) of California Government Code Section 54956.9: (One Potential Case)

The Board reconvened to Open Session at 10:04 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, General Counsel, reported the following:

- a. The Board received a report from General Counsel and gave direction to General Counsel and negotiating staff.
- b. The Board received a report and gave direction to outside counsel.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. MTS: Rural Service Update (OPS 950.7, PC 50451)

Mr. Brandon Farley, MTS Senior Transportation Planner, provided the Board with an update on MTS Rural Service. He reminded the board that rural service and fares were adjusted January 30, 2006, after Board approval to do so and reviewed performance indicators for both before and after the service changes and fare adjustments. He stated that a typographical error was made on the farebox recovery rate for Route 888 and explained that 5.6 percent should be changed to 10.4 percent. In response to a question from Mr. Ewin, Mr. Farley reported that only three comments have been received since the implementation of the changes – one requesting service from Warner Springs, one requesting service from Ramona to East County, and one requesting service from Borrego Springs. Mr. Farley then reviewed the particulars of an Intercity Bus Program Granting Opportunity. In response to a question from Mr. Monroe, Mr. Farley reported that both 15-passenger and 30-passengers vehicles are being used to provide rural bus service.

Action Taken

Mr. Ewin moved to (1) receive an update regarding the performance of rural services; and (2) authorize staff to submit Intercity Bus Program grant applications (a) to support FY 2007 operating-subsidy costs for rural services; and (b) for the East County Bus Maintenance Facility expansion. Mr. McLean seconded the motion, and the vote was 10 to 0 in favor.

31. MTS: Office of Homeland Security Grant (OPS 970.8, PC 30102)

Mr. Bill Burke, SDTI Transit Security Administrator, reported that FY 2004 Office of Homeland Security special grant funds that have been unspent or committed are now being made available through a reallocation of funds. He reported that an award of \$400,000 in funds has been granted to MTS based on need and the ability to complete the San Ysidro Station Security Project within a short time frame. Mr. Burke reviewed the particulars of the improved technology of the closed-circuit television equipment that will be used at this location. In response to a question from Mr. Rindone, Mr. Burke stated that signage notifying the public that the station is being monitored by closed-circuit television will be posted at the station as part of the project.

Action Taken

Mr. Clabby moved to approve the use of Office of Homeland Security special grant funds in support of the San Ysidro Closed-Circuit Television Project and approve the CEO as "Authorized Agent" on behalf of this grant. Mr. Ewin seconded the motion, and the vote was 9 to 0 in favor.

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

Ms. Tiffany Lorenzen, MTS General Counsel, provided the Board with an update on this project. She reported that a conference call will be held on Wednesday, May 31, 2006, to review the final version of the Ground Lease. She added that Fairfield Residential, LLC had two minor issues related to the Disposition and Development Agreement (DDA) that have since been resolved so the DDA is now in final form. Ms. Lorenzen anticipated that the Board would be able to approve these documents at its June 8, 2006, meeting. She also anticipated a 60-day escrow because of the complexity of the project. She added that, during escrow, staff will work out the final details of the Estoppel Certificate.

Ms. Lorenzen advised the Board that a right-of-entry permit has been sent to the property owner where the soil borings need to be made for the pedestrian bridge landing, but, even though the owner gave verbal approval, the permit has not yet been returned to MTS. She stated that she may ask for Mr. Ewin's assistance in facilitating resolution of this issue. She also reported that off-site utility work will start June 11, and heavy construction should begin at the end of July or in early August.

Public Comment

Clive Richard: Mr. Richard advised the Board that Assembly Bill 394, which took effect January 1, 2006, encourages the deletion of unlawful covenants and makes it easier to remove this language from recorded documents affecting real property. He provided documentation related to this matter. He suggested that MTS enter into a covenant not to discriminate rather than just making an agreement not to discriminate. Ms. Lorenzen stated that there are statements in the DDA as well as the Ground Lease that address this matter. Chairman Mathis suggested that Mr. Richard and Ms. Lorenzen discuss this matter.

Action Taken

Mr. Emery moved to receive an update from General Counsel regarding the status of the Grossmont Trolley Station Joint Development Project. Mr. Ewin seconded the motion, and the vote was 10 to 0 in favor.

33. MTS: Employee Suggestion Award Program (ADM 150.3, PC 50711)

Ms. Claire Spielberg, Chief Operating Officer – Bus, explained that this program was established at the suggestion of several Board members. She reported that the Program will encourage MTS's talented employees to "think outside the box" and produce significant benefits to both the agency and customers by achieving cost savings, increasing efficiency, and improving service to customers. She explained that the recommended program was developed

by a committee after looking at other models in the industry and the public sector. She stated that the program is simple, easy to understand, and will provide employees with either one-time awards or larger awards based on the percentage of savings that MTS would incur over the first year of the implementation of the suggestion. She provided a brief explanation of how an employee would make a suggestion and how the suggestion would be evaluated and the award determined. Ms. Hanson-Cox stated that the Executive Committee felt that awards should be made more frequently than annually. Ms. Spielberg reported that staff plans to make awards quarterly. Mr. Cliff Telfer, Interim Chief Financial Officer, reported that the cost of this program will be funded from the savings generated by the suggestions. Mr. Ewin requested that staff report back on a regular basis on the results of the program.

Action Taken

Mr. Ewin moved to authorize the CEO to implement an Employee Suggestion Award Program agency wide. Mr. McLean seconded the motion, and the vote was 10 to 0 in favor.

34. MTS: ADA Paratransit Vehicle Inspection Award (CIP 11418)

Mr. Max Calder, MTS Associate Transit Operations Specialist, provided the Board with an overview of the recommended award of a contract for paratransit vehicle inspections. He reported that the production inspections would take place at the El Dorado Plant in Salinas, Kansas, for the 14-week duration of production. He further reported that predelivery inspections would take place in Riverside for a duration of 14 weeks, and an audit will be conducted after delivery of the vehicles to ensure compliance with Federal Transit Administration regulations. He stated that MTS's maintenance team and project managers will also inspect the vehicles on site, which will be part of the acceptance procedure. He advised the Board that MTS will have a 15-day period in which to accept or not accept each vehicle.

Action Taken

Mr. Emery moved to authorize the CEO to execute an agreement (in substantially the same form as Attachment A of the agenda item) with Vehicle Technical Consultants, Inc. for plan inspections, postproduction inspections, and a postdelivery compliance audit not to exceed \$28,000. Mr. Clabby seconded the motion, and the vote was 10 to 0 in favor.

REPORT ITEMS

45. MTS: Comprehensive Operational Analysis (COA) Implementation Status (ADM 121.10, PC 20484)

Mr. Conan Cheung, Director of Planning and Performance Monitoring, explained that the service changes approved during the COA would be implemented in phases to maximize the marketability and promotional opportunity of the changes and to ensure that route packages are implemented together. He presented a map that showed the three different phases and the service areas that would be affected during each phase. Mr. Rob Schupp, Director of Marketing and Communications, reviewed the Marketing and Communications Plan for the COA and reported that, in order to generate \$2 million in new revenue, MTS must net 14,000 new riders per day. He reviewed the objectives of the plan, strategies and tactics that would be used, and outreach efforts that would be made. He presented visuals of the improved timetables that are being created and briefly discussed the focus of the Summer Campaign and the transition from

that campaign to the September Campaign. He stated that staff will also engage in an Umbrella Campaign to deliver consistent branding messages and to take advantage of regional transportation realities. He stated that the new tag line will be Smart Move!

Mr. Emery stated that he was glad to see that staff would be holding educational meetings for concierges, who are typically uninformed about public transportation. He stated that this will help MTS capture the tourist and conventioner trade. Mr. Faulconer stated that he was looking forward to helping with the kick off for the beach routes. Ms. Hanson-Cox suggested that bellmen also be educated about public transit because, in many cases, they make recommendations to hotel guests regarding transportation options. Mr. Rindone offered the following acronym for the new tag line Smart Move: **Swift Moves Access Rapid Transit**.

Action Taken

Mr. Rindone moved to receive a report on the Comprehensive Operational Analysis implementation phasing and its associated marketing and outreach. Mr. Emery seconded the motion, and the vote was 9 to 0 in favor.

46. MTS: February and March 2006 Monthly Performance Indicators
(OPS 920.1, 960.5, 970.5, PC 50451)

Ms. Anika Smart, MTS Associate Transportation Planner, provided the Board with an overview of February and March 2006 performance indicators. She reviewed the operating environment, system ridership, on-time performance, mean distance between failures, collision accidents, and customer complaints. Mr. Monroe expressed concern that on-time performance is decreasing for MTS bus. Ms. Smart reported that Planning is now using Automated Vehicle Locator (AVL) data, which is a sampling of 100 percent for determining on-time performance, which tends to decrease the statistic. She stated that data from previous months was the result of a sampling rate of 10 percent. Mr. Monroe requested that the combined (trolley and bus) line on the on-time performance chart be dropped as the information is for two very different types of services. He also requested that staff separate MTS bus from contract bus on future charts. Mr. Ewin requested that the MTS goal for each of those performance indicators be reflected on the performance chart for that particular indicator.

Action Taken

Mr. Monroe moved to receive this report for information. Ms. Hanson-Cox seconded the motion, and the vote was 9 to 0 in favor.

48. SDTC: Preventative Fleet Maintenance Restructuring (OPS 960, PC 50553)
(Taken Out of Order)

Mr. Monroe and Ms. Spielberg provided the Board with an overview of SDTC's Preventive Maintenance Program. Mr. Monroe reported that he and Ms. Spielberg gave this same presentation at the APTA Bus and Paratransit Conference in Long Beach, and it was well received. He provided the Board with background on the maintenance-related challenges that SDTC faced. Ms. Spielberg then provided the Board with information on the preventive maintenance program she implemented on January 7, 2004, to rectify continually deferred maintenance that occurred because of budgetary pressures. She stated that the program was

designed to be a comprehensive inspection and repair plan to return SDTC's bus fleet to a state of good repair and that every defect on every bus was to be repaired every time it occurred, and the bus would be held until that was accomplished. She added that she handpicked the first inspection team and talked to each foremen individually to get their commitment to the program. She stated that maintenance employees had been working very hard prior to the implementation of this program, but not working smart. She stated that the initial inspections that were conducted yielded a daunting collection of work orders. She then showed Board members pictures of the improved condition of SDTC buses and stated that maintenance workers have shown a great sense of pride in the results of this program. Mr. Monroe reported that the first time a bus was brought in for inspection and repair at the start of this program, the bus was typically out of service for 20 days. He added that the second time a bus was brought in for preventive maintenance, it averaged eight days out of service, and the third time 4.6 days out of service.

Ms. Spielberg then provided the Board with details of the 72,000 Mile PM Inspection Cycle Program she implemented to reduce the number of times buses were pulled off the road for other types of inspections, e.g. brake, deep cleaning, electrical, coolant, etc. She stated that this program basically integrates all other types of inspections into one preventive maintenance program. Mr. Monroe stated that SDTC's fleet is now averaging about 30,000 miles between chargeable road calls.

Chairman Mathis thanked Mr. Monroe for his role in this project and recognized Ms. Spielberg for her accomplishments

Action Taken

Mr. Rindone moved to receive this report for information. Mr. Monroe seconded the motion, and the vote was 8 to 0 in favor.

47. SDTC: Customer Information Project (OPS 960, PC 50553)

Mr. Mark Lowthian, SDTC Manager of Passenger Services, provided the Board with an overview of the Transit Television Network (TTN) project. He reported that TTN is a customer information and entertainment tool that has been in demonstration on MTS Bus and Trolley since October 2005. He displayed a diagram showing how real-time station-by-station tracking is provided to the rider and discussed some of the other benefits of TTN such as automated on-board stop announcements and automated exterior announcements. He stated that the system can also be used to provide rider alerts and marketing information and will eliminate a costly retrofit of S70 trolley cars to provide visual stop displays. He added that the televisions may prove to be a distraction to potential vandals. He reviewed rider reaction to the demonstration project, which has been mostly positive, and provided an overview of the contract process currently underway with TTN.

Mr. Monroe thanked Mr. Jablonski for his letter to the editor of the San Diego Union-Tribune in response to previous letters to the editor criticizing this project. Mr. Jablonski stated that MTS has received one e-mail, a copy of which was placed at each Board member's place, and one voice mail from individuals opposed to this project. Mr. Jablonski stated that TTN is currently installing a system in Los Angeles and won't be able to start San Diego's project until they are finished in LA. He added that MTS's demonstration project was really the first test in the

country of this type of system on light-rail vehicles. He felt that an agreement would be reached by midsummer with installation in late summer to early fall. Ms. Spielberg pointed out that the demonstration program presented only a portion of TTN's programming.

Public Comment

Clive Richard: Mr. Richard expressed his support of this project and briefly discussed how automated announcements would make it easier for riders to catch the right bus. He stated that it is difficult for operators to be consistent in calling out bus-stop announcements.

Action Taken

Mr. Clabby moved to receive this report for information. Mr. Emery seconded the motion, and the vote was 9 to 0 in favor.

60. Chairman's Report

There was no Chairman's Report.

61. Chief Executive Officer's Report

Status on the Repainting of Trolley Cars: Mr. Jablonski reported that 58 out of 71 U2 trolley cars have been repainted, and 13 are left. He stated that MTS has been expending about \$500,000 per year on exterior refurbishment of trolley cars. He added that the remaining cars may take longer than the average car to finish, and it is unlikely that the exterior refurbishing will be completed in FY 2007. He stated that if there are any savings in miscellaneous capital, staff will consider allocating those funds to this program. He added that buffing of the SD100 cars has met with limited success. He stated that staff will probably focus on these cars once the U2s are done.

News Articles: Mr. Jablonski referred to the package of recent news articles about MTS at each board member's place and stated that these will be provided at each Board meeting.

APTA Awards Committee: Mr. Jablonski reported that he was in Chicago last week for a meeting of the APTA Awards Committee. He reported that he is a member of this committee, and the committee picked four outstanding transit systems for recognition this year.

62. Board Member Communications

There were no board member communications.

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, June 8, 2006, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Mathis adjourned the meeting at 11:45 a.m.

Chairperson
San Diego Metropolitan Transit System
Filed by:

Approved as to form:

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

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

gail.williams/minutes