

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

June 24, 2004

BOARD OF DIRECTORS MEETING ROOM, 10<sup>TH</sup> FLOOR  
1255 IMPERIAL AVENUE, SAN DIEGO

MINUTES

1. Roll Call

Chairman Williams called the meeting to order at 9:06 a.m. A roll call sheet is attached listing Board member attendance.

2. Approval of Minutes

Mr. Monroe moved to approve the minutes of the June 10, 2004, Board of Directors meeting. Mr. Emery seconded the motion and the vote was 8 to 0 in favor.

3. Public Comment

*Peter Warner* – Mr. Warner reported that on Wednesday night, June 23, San Diego Trolley Train 63 – Green Line from Petco Park - narrowly missed the connection with Coaster 659 leaving 22 passengers stranded at Santa Fe Depot. He reported that this was the last train of the day. He asked that MTDB relay his request to North County Transit that they adopt a 10-minute wait policy similar to Los Angeles Metrolink's wait policy when there is going to be a connection problem. He said the conductor saw the passengers coming and should have held the train.

4. Presentation of Employee Awards

MTDB: MTS/Coca-Cola Scholarship Awards:

The following San Diego Trolley, Inc. (SDTI) employees were presented with service awards: Five Years of Service: Rebecca Zelt. 10 Years of Service: Joe Martinez and James Patrick Clark.

Mr. Wayne Terry, SDTI, also presented a Distinguished Service Award to train operator Bozana Vidic who interceded with a person about to commit suicide. He reported that Ms. Vidic had been on the job for only one month and was operating a trolley when this incident occurred. He reported that she used the trolley car's public address system to get and hold the attention of the jumper until authorities could arrive.

Gonzalo Lopez, Director of Marketing and Communications, provided the Board with information regarding the MTDB/Coca Cola Scholarship Award Program. He also provided the Board with anecdotal information from the essays submitted by the students who participated in the program. He stated that 156 students submitted essays and 20 were selected to receive awards. Mr. Charles Simpson of Coca Cola also made statements regarding the program and advised the Board that winners would be receiving laptop computers. The following Board members and staff made comments recognizing the winner(s) in their district and presented the awards as follows:

Mr. Nick Inzunza to Sharie Michalec, Mark Twain High School  
Ms. Toni Atkins to Yahira Martinez, Hoover High School  
Mr. Tom Clabby to Sage Browning, San Dieguito High School Academy  
Ms. Ruth Sterling to Brittany English, Mission Bay High School  
Mr. Phil Monroe to John Zeugschmidt, Valley Center High School  
Mr. Ron Roberts to Jose Vallejo, Jr., the Bishop's School  
Mr. Jerry Rindone to Brandon Nelson, Bonita Vista High School  
Mr. Leon Williams to Erica Gold, Mt. Carmel High School  
Mr. Paul Jablonski to Lauren Sweeney, La Costa Canyon High School  
Mr. Bob Emery to Monique Wiesmiller, Poway High School (Not Present)  
Mr. Charles Lewis to Alex Hodges, Hoover High School  
Mr. Brian Maienschein to Annesh Kadakia and Zarina Sadat, Scripps Ranch High School  
Mr. Michael Zucchet to Ellina Polyak, La Jolla High School

Mr. Lopez presented an award recognizing the ongoing efforts of Mr. Simpson of Coca Cola. Mr. Lopez then recognized the efforts of MTDB staff members who are also an integral part of maintaining this program. Mr. Jim Esterbook, representing the County Office of Education, recognized the accomplishments of the students.

5. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:44 a.m. for MTDB: Conference With Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9: Four Potential Cases

The Board reconvened to Open Session at 10:27 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, Interim General Counsel, reported the following: The Board of Directors received a report on anticipated litigation and gave direction to staff.

CONSENT ITEMS

6. SDTI: Financial Report for April 2004 (OPS 970.5, PC 30102)

That the Board of Directors receive the following reports: Summary of Cash in Treasury, Status of Revenue, Summary of FY 04 Appropriations and Expenditures, and San Diego

Association of Governments (SANDAG) Ridership Summaries.

7. MTDB: General Reprographic Services – Contract Amendments (CIP 10900)

That the Board of Directors authorize the CEO to negotiate the second one-year option to extend the general reprographic services contracts with the following vendors: Kinko's – MTDB Doc. No. L6392.2-02, and Advance Reprographics – MTDB Doc. No. G0655.2-01.

8. MTDB: MTS Operators Budget Status Report for April 2004 (FIN 310, PC 30100)

That the Board of Directors receive the MTS Operators Budget Status Report for the month of April 2004.

9. MTDB: Consideration of Amending City of San Diego Council Policy No. 500-02 to Temporarily Limit Single Taxicab Permits (TAXI 590.10, PC 30110)

That the Board of Directors recommend to the City of San Diego Council to amend City of San Diego Policy No. 500-02.

10. MTDB: MTS Poway Transit Services Contract Amendment (OPS 920.6, PC 30203))

That the Board of Directors authorize the CEO to execute a 48-month contract extension with Laidlaw Transit Services for Poway Transit Services bus service, as outlined in the agenda item – MTDB Doc. No. B0339.3-02, for an amount not to exceed \$3,616,733. The extension will cover the period of July 1, 2004, through June 30, 2008.

11. MTDB: Workers' Compensation Coverage for Volunteers (ADM 122.2, PC 30100)

That the Board of Directors adopt Resolution No. 04-6 declaring that MTDB volunteers are employees for workers' compensation purposes only.

12. MTDB: Controller's Report for January 2004 (FIN 305, PC 30100)

That the Board of Directors receive the following reports: FY 2004 Budget Summary – Appropriations/Expenditures/Encumbrances, FY 2004 Budget Summary – Status of Cash Receipts, Detail of Portfolio Balances, Investment Transaction Detail, and Estimated Balance of Contingency Reserve.

13. MTDB: Controller's Report for February 2004 (FIN 305, PC 30100)

That the Board of Directors receive the following reports: FY 2004 Budget Summary – Appropriations/Expenditures/Encumbrances, FY 2004 Budget Summary – Status of Cash Receipts, Detail of Portfolio Balances, Investment Transaction Detail, and Estimated Balance of Contingency Reserve.

14. SDTC: Financial Report Through April 2004 (OPS 960.3, PC 30101)

That the Board of Directors receive the SDTC Financial Report Through April 2004.

15. MTDB: Mission Valley East Light Rail Transit Project: Design Contract Amendment  
(CIP 10426.9)

That the Board of Directors authorize the Chief Executive Officer to  
(1) transfer \$400,000 from the Mission Valley East Light Rail Transit (LRT) Project SDSU Design line item (WBS #10426-0610) and \$300,000 from the Mission Valley LRT Project Fare Collection line item (WBS #10426-1400) to the Mission Valley East LRT Project Line Segment Design line item (WBS #10426-0618) as shown in the agenda item; and (2) execute Contract Amendment No. 22 (MTDB Doc. No. L6229.22-99) with Mission Valley Designers, in substantially the same form as shown in the agenda item, in an amount not to exceed \$700,000, for the continuation of construction phase services.

16. MTDB: Proposed 2004/2005 Audit Plan (LEG 492, PC 30100)

That the Board of Directors approve the Internal Audit Plan as outlined in the agenda item.

17. SDTI: LRV 1040 Paint: Award Service Contract (OPS 970.6, PC 30102)

That the Board of Directors authorize the President and General manager to execute a Standard Services Agreement with Carlos Guzman, Inc., for providing LRV 1040 painting and bodywork services, for a total cost not to exceed \$44,137.25.

18. MTDB: Courier Service: Exercise of Contract Option (FIN 330.3, PC 40600)

That the Board of Directors authorize the CEO to exercise the second of three options with Eclipse Messenger Service, Inc., to provide courier services to MTDB on an as-needed basis, and ratify the first option previously executed on January 23, 2003.

Public Speakers on Consent Agenda Item No. 9:

*William A. Price - Hack, Inc.:* Mr. Price stated that he was representing North City Cab Company. He advised the Board that his "shareholders" were not notified that the Taxicab Committee would be discussing this item at its meeting. He requested that the Board send this item back to the Taxicab Committee for further consideration.

*Hushang Nahavandian, American Cab:* He stated that this item needs more study. He stated that approval of this item would be unfavorable to those who do not hold medallions.

*Amir Aghass, Orange Cabi:* Mr. Aghassi also requested that this item be returned to the Taxicab Committee for further discussion and review. He stated that approval of this item would be unfavorable to small taxicab businesses. He also stated that they were not notified that the Taxicab Committee would be discussing this item. He stated that he will be retiring soon and

has promised to sell his business to certain individuals. He stated he will be unable to do so if this item is approved by the City.

*Anthony Palmeri, Yellowcab of San Diego:* Mr. Palmeri also requested that this item be returned to the Taxicab Committee. He stated that this is a very serious issue and that he doesn't feel that all the issues have been presented. He also stated that this issue was passed by the Taxicab Committee by a show of hands. He added that discussions after the meeting with Committee members revealed that they felt pressured by the voting method to cast a favorable vote. He strongly supported giving all operators, old and new, an opportunity to speak regarding this item.

*Margo Tanguay:* Ms. Tanguay spoke in favor of having a balance between owned and leased permits. She also stated that if everyone was not notified that the Taxicab Committee was going to be discussing this item, it should be returned to the Committee for further review.

#### Motion on Recommended Consent Items

Mr. Maienschein moved to pull Consent Agenda Item No. 9 for discussion and approve Consent Agenda Item Nos. 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17 and 18. Mr. Emery seconded the motion and the vote was 14 to 0 in favor.

Mr. Maienschein stated that he and Mr. Inzunza are on the Taxicab Committee and that he is reluctant to return Agenda Item No. 9 to the Taxicab Committee because returning items to committee causes unnecessary delays. He added that he was concerned that members of the Board are somewhat unclear about what was voted on, and that these issues need to be clear when they come to MTDB. He stated that since there is confusion, he would not be opposed to returning this item to the Taxicab Committee. He added that this should not become a habit, and that this issue needs to be resolved at the next Taxicab Committee meeting. He stated that it is important to ensure that everyone is properly notified that this item will be discussed by the Committee.

#### Motion on Recommended Consent Item

Ms. Maienschein moved to approve Consent Agenda Item No. 9. Mr. Inzunza seconded the motion and the vote was 14 to 0 in favor.

Mr. Williams agreed with Mr. Robert's statement that the proper protocol in this situation would be to pull the item for which there are public speakers, approve the Consent Agenda without that particular item, hear staff's report, hear public speakers, and then approve the item.

#### NOTICED PUBLIC HEARINGS

##### 25. MTDB: FY 05 Budget: Public Hearing and Adoption (FIN 310, PC 30100)

Ms. Susan Hafner, MTDB Director of Multimodal Operations, provided an overview of this item. She reviewed the actions that were taken by the Board at its May 27, 2004, meeting and changes that have been made since that time. She pointed out that staff created a FY 05 budget energy contingency of \$350,000. She reported that the total contingency available in the FY 05 budget is \$12.6 million, or approximately seven

percent of the operating budget. She also reviewed budget changes involving revenue anticipation notes and minor service adjustments.

In response to a question from Mr. Monroe about the adequacy of the energy contingency recently established by staff, Ms. Hafner reported that diesel costs have decreased from \$1.86 to \$1.27 per gallon in recent months. She also stated that fuel prices fluctuate with highest prices typically occurring during summer months and that is why an average for the whole year is used for budgeting purposes. She stated that staff is cautious but optimistic about this aspect of the budget.

Mr. Rindone point out that the SANDAG Transportation Committee has already approved this budget and their vote is basically final. Mr. Emery complimented staff members who compiled the budget and pointed out that the individuals who normally prepare MTDB's budget have been transferred to SANDAG.

#### Public Hearing

The Public Hearing was opened at 10:51 a.m.

Public Speakers on Discussion Agenda Item No. 25:

*Peter Warner:* Mr. Warner requested that revenues received from special events be included in the budget and asked a question about fuel prices. Mr. Jablonski stated that revenues from special events are already included in the budget. Mr. Roberts advised Mr. Warner that MTDB purchases diesel fuel, not gasoline, and has its own suppliers.

*Clive Richard:* Mr. Richard spoke out against service cuts on a piecemeal basis and supported the concept of a comprehensive operational analysis.

The Public Hearing was closed at 10:58 a.m.

In response to a question from Ms. Sterling, Mr. Jablonski stated that responsibilities for planning and programming of projects rest with SANDAG. Mr. Rindone added that Mr. Jablonski has discussed his concerns regarding capital needs with Gary Gallegos at SANDAG, and that Mr. Gallegos has acknowledged the priorities that Mr. Jablonski presented. Mr. Rindone pointed out that the issue before the Board at this time is the operating budget. Mr. Jablonski added that the process for the Capital Improvement Program (CIP) will begin in late November/early December and will actually identify capital needs for FY 06. He stated that the CIP for FY 05 was approved in December 2003 and added that funding is only available for about one-third of the projects in that CIP. He added that the SANDAG Transportation Committee is also aware of MTDB's infrastructure capital needs. Mr. Emery also pointed out that some of MTDB's board members also sit on the SANDAG Transportation Committee and have participated in related discussions at both MTDB and SANDAG.

In response to a question from Ms. Sterling, Mr. Jablonski reported that all MTDB planners were shifted to SANDAG. He stated that there will be discussions with the Joint Committee on Regional Transit at its next meeting regarding the planning process

as well as a recommendation to approve a definition of the roles and responsibilities of planning within each organization.

Action Taken

Mr. Emery moved to adopt Resolution No. 04-5 (Page III of Attachment A in the agenda item) approving the operating and capital budget for MTDB and approving the operating budgets for San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTDB Contract Services, Chula Vista Transit, National City Transit, and the Coronado Ferry. Mr. Monroe seconded the motion and the vote was 12 to 0 in favor.

DISCUSSION ITEMS

30. MTDB: Bus Bay Parking Management Services for the San Ysidro Intermodal Transit Center (CIP 10453)

Mr. John Haggerty, SANDAG, reviewed the Intercity Bus Facility Management Services Contract process for the San Ysidro Intermodal Transportation Center Project. He reviewed the operating goals for the center, showed a diagram and traffic flow chart of the bus bay area and reviewed contractor qualifications as specified in the Request for Proposals (RFP). He reported that the Evaluation Committee consisted of representatives from the City, SANDAG, MTDB multimodal staff, and a right-of-way consultant. Mr. Haggerty reviewed the evaluation criteria that were used to evaluate the proposers. He also reviewed the results of the evaluation, as outlined in the agenda item, for each proposer. He stated that, based on that evaluation, Ace Parking appeared to have the best proposal.

Mr. Haggerty advised the Board that a protest was received, which was resolved on June 14, 2004, by MTDB's CEO. He stated that the Border Transportation Council (BTC) protest alleged that MTDB failed to properly evaluate key criteria of the RFP and erroneously concluded that the BTC's members had a conflict of interest. He reported that the Protest Committee carefully reviewed all the associated materials and concluded that the Evaluation Committee properly evaluated the criteria listed in the RFP, and that there may be a conflict of interest for BTC under the Minimum Qualifications section of the RFP.

Public Speakers:

*Martha Ranon:* Not Present

*Margo Tanguay:* Ms. Tanguay stated that Ace Parking, while having great background for this type of project, will not get cooperation from the community in the same way as an operator based within the community.

Mr. Emery reported that this item was reviewed by the Executive Committee, and it is clear that the established process was followed and, under that process, Ace Parking was the top-ranked proposer. Mr. Monroe stated that he appreciated the diligent attention and thoughtful consideration the Executive Committee gave to this item and spoke in favor of moving ahead with this item.

Mr. Williams stated that he empathizes with the BTC. He added that MTDB is a public agency and its mission, as a public agency, is to serve the public. He stated that MTDB must therefore seek the best way to do that. He added that MTDB's mission is to spend public dollars in a way that maximizes the public's interests. He stated that Ace Parking can execute the particulars of this contract and potentially return some revenue.

Action Taken

Mr. Emery moved to authorize the CEO to award a contract to Ace Parking contingent upon successful negotiations. In the event that the CEO is unable to reach an agreement, the CEO is authorized to begin negotiations with the next ranked proposer(s) and award a contract contingent upon successful negotiations. Mr. Clabby seconded the motion and the vote was 11 to 0 in favor.

31. SDTC: Issuance of Pension Obligation Bonds to Fund Unfunded Accrued Actuarial Liability of SDTC Pension Plans (OPS 960.5, PC 30101)

Mr. Cliff Telfer, SDTC Vice President of Finance/Administration, recalled previous discussions with the Board regarding SDTC's \$65 million unfunded pension liability. He advised the Board that this figure does not reflect recent improvements in benefits and a possible adjustment downward of the Plan's current 8.5-percent interest rate assumption. He added that 93 percent of all public pension plans are experiencing unfunded liabilities because of the downturn in the market, benefit improvements, and because retirees are living longer.

Mr. Jablonski pointed out that the Board is not being asked to approve the issuance of the bonds but rather to direct staff to determine a number of factors that would be involved with an issue, e.g. interest rate, terms, dollar amount of issue, etc. He added that approval would be requested after the determination of these factors.

Action Taken

Mr. Maienschein moved to direct staff to proceed with the review of the potential savings and benefits of the issuance of pension obligation bonds, authorize the CEO to enter into a contract with the California Transit Finance Corporation (CTFC) for review and issuance of the bonds, and authorize the CEO to commission a new actuarial valuation. Mr. Monroe seconded the motion and the vote was 10 to 0 in favor.

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

There was no Chairman's Report.

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

Mr. Jablonski reported that MTDB is proceeding with the fulfillment of a contract award for buses that was approved by the Board last fall but delayed due to the loss of funding. He reminded the Board that they approved a contract to purchase 47 buses from North American Bus Industries and seven from Creative Bus. He advised the Board that \$10 million of the \$16 million in TCRP funds that were originally allocated for this purchase



have been released; therefore, MTDB is proceeding with a partial order of buses with delivery projected for January 2005. He added that it appears, because of negotiations with Indian tribes over gaming rights, the additional \$6 million may be restored when the new budget passes.

46. Board Member Communications

*Phil Monroe:* Mr. Monroe stated that he was disappointed in the quality of the TDA Triennial Audit recently completed for SANDAG. He added that the results of this audit should have been presented to the MTDB Board of Directors before it was presented to the SANDAG committees and board.

47. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

50. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, July 8, 2004, at 9:00 a.m. in the same location.

60. Adjournment

Chairman Williams adjourned the meeting at 11:32 a.m.

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Chairman  
San Diego Metropolitan Transit  
Development Board

Filed by:

Approved as to form:

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

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Office of the General Counsel  
San Diego Metropolitan Transit  
Development Board

GWilliams/minutes

Attachments: A. Roll Call Sheet