



1255 Imperial Avenue, #1000  
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## Agenda

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

June 12, 2014

Executive Conference Room  
Immediately following the Audit Oversight Committee Meeting

#### ACTION RECOMMENDED

- |    |   |                    |
|----|---|--------------------|
| A. | ROLL CALL   |                    |
| B. | APPROVAL OF MINUTES - April 10, 2014  | Approve            |
| C. | COMMITTEE DISCUSSION ITEMS  |                    |
| 1. | <u>Trolley Renewal Project Update (Bruce Schmith of SANDAG)</u>   | Information        |
| 2. | <u>Encanto/62nd Street Trolley Station Transit Oriented Development (Karen Landers and Tim Allison)</u><br>Action would (1) receive a report on a potential long-term development agreement and ground lease with AMCAL Multi-Housing, Inc.; and (2) forward a recommendation to the Board of Directors for approval of the draft Disposition and Development Agreement and Ground Lease. | Possible<br>Action |
| 3. | <u>San Diego Taxi Fare Standardization Report (Sharon Cooney, Bill Kellerman and Dr. James Cooper, Taxi Research Partners)</u><br>Action would receive a presentation by Taxi Research Partners regarding the "San Diego Taxi Fare Standardization Report" and provide direction.   | Possible<br>Action |
| 4. | <u>South Bay Maintenance Facility Update (Elliot Hurwitz)</u><br>Action would receive a report for information.   | Receive            |
| 5. | <u>Update on Department of Labor Challenge of California Public Employees' Pension Reform Act of 2013 (Paul Jablonski)</u><br>Action would receive a report for information.  | Receive            |

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

- |    |   |                    |
|----|---|--------------------|
| 6. | <u>Baltimore Junction Excess Property Potential Development (Tim Allison)</u><br>Action would forward a recommendation to the Board of Directors for the approval of an Exclusive Negotiating Agreement (ENA) for the long-term lease of 5159 Baltimore Drive.  | Possible<br>Action |
| 7. | CLOSED SESSION - CONFERENCE WITH REAL PROPERTY<br>NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE<br>SECTION 54956.8;<br><u>Property:</u> 8650 Tech Way, San Diego, California (Assessor Parcel Nos. 369-<br>220-85)<br><u>Agency Negotiators:</u> Paul Jablonski, Chief Executive Officer; Karen Landers,<br>General Counsel; and Tim Allison, Manager of Real Estate Assets<br><u>Negotiating Parties:</u> Excel Hotel Group<br><u>Under Negotiation:</u> Price and Terms of Payment | Possible<br>Action |
| D. | REVIEW OF DRAFT JUNE 19, 2014, BOARD AGENDA   |                    |
| E. | <u>REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA</u><br>Review of SANDAG Transportation Committee Agenda and discussion regarding any<br>items pertaining to MTS, San Diego Transit Corporation, or San Diego Trolley, Inc.<br>Relevant excerpts will be provided during the meeting.  | Possible<br>Action |
| F. | COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS  |                    |
| G. | PUBLIC COMMENTS   |                    |
| H. | NEXT MEETING DATE: July 10, 2014  |                    |
| I. | ADJOURNMENT   |                    |

# DRAFT

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
EXECUTIVE COMMITTEE  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

April 10, 2014

## MINUTES

### A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:35 a.m. A roll call sheet listing Executive Committee member attendance is attached.

### B. APPROVAL OF MINUTES

Mr. Roberts moved for approval of the minutes of the March 13, 2014, MTS Executive Committee meeting. Mr. Ovrom seconded the motion, and the vote was 5 to 0 in favor.

### G. PUBLIC COMMENTS (TAKEN OUT OF ORDER)

*Maria Cortez – Mid-City CAN.* Ms. Cortez stated that they appreciate the bus passes they received from MTS. She also stated that they are requesting additional bus passes for the 2014-2015 school year. Ms. Cortez talked about some of her students that have benefited from having the bus passes such as getting to school on time, going to job interviews and exploring different areas of San Diego.

*Abdul Mohamed – Mid-City CAN.* Mr. Mohamed stated that he wanted to discuss the economic development portion of this program. He said that there has been an increased positive image of MTS because more people have been riding transit and referring others to ride transit as well. Mr. Mohamed said this program helps people get to school and job interviews, which then helps the overall economic development of the community.

*Emily Serafy Cox – Mid-City CAN.* Ms. Cox stated that they would like to talk with individual members of the Board about how MTS could possibly invest in the program. She explained that they appreciate the time MTS put into the program last year and hopes to increase the partnership of this program in the future. Ms. Cox also stated that the program is currently going through an independent evaluation by UCSD and Global ARC. She said they are hoping to extend the program into a year round program instead of running the program only during the school year.

### C. COMMITTEE DISCUSSION ITEMS

#### 1. Trolley Renewal Project

Chairman Mathis stated that they will waive the presentation on the agenda item for the trolley renewal project, unless there was a significant point that needed to be discussed. Bruce Schmith of SANDAG stated that there are no significant changes from the last meeting. He said that they are thinking that by October 2014 the Blue Line will be able to switch over to low-floor service. Mr. Jablonski briefly stated that car 4064 is the last car to be delivered. He said that this car will have a new product featuring a battery system that will keep the battery charged for about 2-3 miles in case of power loss. Mr. Jablonski explained that they will be

testing this system and it will ideally be used in Downtown without a wire for approximately 2-3 miles. Staff will keep the Committee updated on testing and results.

Action Taken

Informational item only. No action taken.

2. Mid-Coast Corridor Transit Project

John Haggerty of SANDAG introduced the agenda item and stated that they will review the station design progress and concepts. He also introduced Greg Gastelum of SANDAG, an Engineer for the Mid-Coast project, and Jeff Howard, an Architect for the Mid-Coast project. Mr. Howard and Mr. Gastelum reviewed the design features for the station structures including the viaduct guideways and columns, platform transverse beams, elevators, stairs and pedestrian bridges. They also reviewed the station concepts, canopies concepts, and illustrated site access, existing conditions and organization of station structures for the Executive Drive Station, UTC Station, UCSD East Station, UCSD West Station and Balboa Avenue Station.

Messrs. Howard, Gastelum and Haggerty asked the committee what their ideas and feedback were about the entire presentation and concepts. Mr. Roberts recommended when the concepts are presented to the community that the imagery and details be more enhanced so the members of the community can better visualize the plans. He also recommended that the lighting fixtures that line the stations should be an important focus aspect. Mr. Jablonski explained that the recommendations from the committee members will help influence what will be presented to the members of the community. Mr. Gloria stated that he agreed with Mr. Roberts on the fact that lighting should be an important focus point. Mr. Roberts also recommended that there should be some consistency throughout the different stations. Mr. Haggerty stated that they appreciated the input and recommendations they received regarding the presentation.

Action Taken

Informational item only. No action taken.

D. REVIEW OF DRAFT APRIL 17, 2014, BOARD AGENDA

Recommended Consent Items

6. Investment Report - February 2014  
Informational only.
7. California Department of Transportation (CALTRANS) Program of Projects for Federal Transit Administration (FTA) Section 5311(f) Funding, Fiscal Year 2014  
Action would approve Resolution No. 14-6 authorizing the use of and application for \$200,000 of FTA Section 5311(f) for operating assistance in non-urbanized areas.
8. Light Rail Vehicle Paint and Body Rehabilitation-Sole Source Contract Award

Action would authorize CEO to execute MTS Doc. No. L1176.0-14 with Carlos Guzman Inc. on a sole-source basis for the provision of Light Rail Vehicle (LRV) Paint and Body Rehabilitation Services for five (5) SD-100s.

9. MTS Enterprise Infrastructure for RTMS Back Office Upgrade and Contract Bus Fleet Expansion Project - Contract Award

Action would authorize the CEO to execute MTS Doc. No. G1707.0-14 with Nth Generation for the provision of HP computer hardware, maintenance and technical services in support of the Regional Transportation Management System (RTMS) Back Office Upgrade and Contracted Bus Fleet Expansion project.

10. June 2014 Service Changes

11. Proposed Fiscal Year 2015 Internal Audit Plan

Action would approve the proposed fiscal year 2015 Internal Audit Plan.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

No discussion for this agenda item.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There were no Committee member communications.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for May 8, 2014.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 10:45 a.m.

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Chairman

Attachments: Roll Call Sheet

**EXECUTIVE COMMITTEE  
METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) April 10, 2014

CALL TO ORDER (TIME) 9:35a.m.

RECESS N/A

RECONVENE \_\_\_\_\_

CLOSED SESSION N/A

RECONVENE \_\_\_\_\_

ADJOURN 10:45a.m.

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
GLORIA <input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:35a.m.	10:45a.m.
MATHIS <input checked="" type="checkbox"/>	9:35a.m.	10:45a.m.
OVROM <input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>	9:35a.m.	10:45a.m.
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:35a.m.	10:45a.m.
CUNNINGHAM <input type="checkbox"/> (McClellan) <input checked="" type="checkbox"/>	9:35a.m.	10:45a.m.
Transportation Committee Rep Slot (Mathis)		

SIGNED BY THE CLERK OF THE BOARD:

Julia Fomone (interim C.O.B.)

CONFIRMED BY THE GENERAL COUNSEL:

Karen Lovale



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## Agenda Item No. C1

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

June 12, 2014

#### SUBJECT:

TROLLEY RENEWAL PROJECT UPDATE (BRUCE SCHMITH OF SANDAG)

#### INFORMATIONAL

##### Budget Impact

None.

#### DISCUSSION:

The Trolley Renewal Project is a system-wide rehabilitation and upgrade of the existing trolley system. The project includes the purchase of new low-floor vehicles, the rehabilitation and retrofit of stations and transit centers throughout the system, new crossovers and upgraded signaling, replacement of the overhead catenary wire, track work and rail replacement, slope repair, and traction power substation replacement and rehabilitation. Construction and infrastructure work is currently underway in downtown San Diego and on the Orange and Blue Lines. Staff will provide an update on the construction project.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)





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## Agenda Item No. C2

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

June 12, 2014

#### SUBJECT:

ENCANTO / 62<sup>ND</sup> STREET TROLLEY STATION TRANSIT ORIENTED DEVELOPMENT  
(KAREN LANDERS AND TIM ALLISON)

#### RECOMMENDATION:

That the Executive Committee:

1. receive a report on a potential long-term development agreement and ground lease with AMCAL Multi-Housing, Inc. (AMCAL); and
2. forward a recommendation to the Board of Directors (Board) for approval of the Disposition and Development Agreement and Ground Lease.

#### Budget Impact

The San Diego Metropolitan Transit System (MTS) will receive an initial payment of \$1,035,000 for the first fifty-five year term of the ground lease to be credited to Land Management.

#### DISCUSSION:

AMCAL, a California affordable housing developer, has expressed interest in developing the Encanto/62<sup>nd</sup> Street Trolley Station (Attachment A) for a multi-family affordable-housing development. MTS received a letter dated August 30, 2011, that outlined the proposal. On October 13, 2011, the Board authorized staff to execute an Exclusive Negotiating Agreement (ENA) to open negotiations on final business terms for a potential long term ground lease. The ENA was executed on March 15, 2012, and later amended on October 16, 2012, October 30, 2013, and March 26, 2014 to negotiate the terms of a Disposition and Development Agreement (DDA) and Ground Lease.


MTS staff and AMCAL have been working to finalize the basic business terms and site layout in order to finalize a draft DDA for Board approval. The DDA and Ground Lease





are attached. MTS staff will provide a more detailed analysis to the Board on the details of the agreements.

The Executive Committee is asked to recommend to the Board the approval of the DDA and Draft Ground Lease in substantially the same format attached.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contacts: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachments: A. Site Map

# Encanto / 62nd Street Station



A-1





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## Agenda Item No. C3

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

June 12, 2012

#### SUBJECT:

SAN DIEGO TAXI FARE STANDARDIZATION REPORT (SHARON COONEY, BILL KELLERMAN AND DR. JAMES COOPER, TAXI RESEARCH PARTNERS)

#### RECOMMENDATION:

That the Executive Committee receive a presentation by Taxi Research Partners regarding the "San Diego Taxi Fare Standardization Report" and provide direction.

#### Budget Impact

None.

#### DISCUSSION:

#### Taxi Fare Setting Policy

MTS carries out the responsibilities of Taxicab Administrator for the cities of San Diego, El Cajon, Poway, Lemon Grove, La Mesa, Imperial Beach, and Santee. Each city has delegated to MTS its authority to regulate the operation of taxicabs and other vehicles for hire through a separate agreement between MTS and the city. This authority includes the collection and administration of all fees, fines, and forfeitures related to taxicabs. Each of the agreements cites MTS Ordinance No. 11, "An Ordinance Providing for the Licensing and Regulating of Transportation Services within the City," as the basis for MTS's authority and responsibilities.

The San Diego County Regional Airport Authority (SDCRAA) regulates, permits, and collects fees for taxicabs operating at the airport. However, MTS carries out inspections for those vehicles and, to work at the airport, the taxicab must have both an SDCRAA permit and an MTS/City of San Diego medallion.



Under MTS Ordinance 11, section 2.2 (a), MTS shall establish a maximum rate of fare for taxicab trips. Taxicab permit holders may set their rates at or below the maximum rate, but those rates must be filed with MTS, placed in the meter, and printed on the vehicle's rear doors. The Ordinance provides an exception for trips originating at the Airport, which must have a uniform rate of fare. (Section 2.2 (b)) This exception was made at the request of the Airport.

These fares are set based on MTS Board Policy 34. MTS Board Policy 34 provides guidelines and procedures for the implementation of Ordinance 11. The relevant provisions are as follows:

#### 34.4 Maximum Fare Policy

Pursuant to MTS Ordinance No. 11, Section 2.2(a) and after a duly noticed and open public hearing, MTS determined that the maximum rate of fare for exclusive ride and group ride hire of taxicabs shall be that fare that does not exceed twenty percent (20%) more than the weighted average of fares as established in accordance with this policy.

##### 34.4.1 Maximum Fare Determination

The weighted average of fares shall be computed by the Chief Executive Officer and duly promulgated in writing upon the passage of this policy and thereafter each year by averaging each segment of the fare structure of all MTS taxicab permit holders. The fare structure shall consist of the dollar amounts charged by said permit holders for the flag drop, the per-mile charge, waiting-time charge, first zone, and each additional zone charge. The weighted average of these charges shall be arrived at by adding each segment of each respective charge and dividing it by the total number of taxicabs holding effective permits.

34.4.2 The Chief Executive Officer will use his discretion when the maximum rates of fare and the uniform rates of fare for trips from Lindbergh Field airport are incompatible. The Chief Executive Officer may adjust the maximum rates of fare so that the uniform rates of fare, based on the change in the Annual All Urban Western Transportation Consumer Price Index, do not exceed the maximum rates allowed in accordance with Section 34.4.1.

#### 34.5 Airport Taxicab Fare Policy

Rates of fare for trips from Lindbergh Field Airport shall be uniform.

In the event an owner chooses a different rate for nonairport trips for taxicabs authorized to service the airport, two meters or a multirate meter shall be installed and identified. The meter(s) shall be activated according to the proper rate for the trip's origin, and it shall be clearly visible to the passenger which rate is being charged.

- 34.5.1 The uniform rates of fare for taxicab trips from Lindbergh Field Airport are initially established at \$1.40 flag drop, \$1.50 per mile, and \$12.00 per hour, effective June 1, 1990.

The airport rates shall be reviewed annually, beginning in January 2009, by the Chief Executive Officer. Airport rates shall be adjusted based on the 1990 amounts, in accordance with the change in the Annual All Urban Western Transportation Consumer Price Index/ San Diego. Adjustments shall be rounded up or down, as appropriate, to the nearest even \$0.10 increment.

In addition to the airport uniform rate of fare, a taxicab operator may charge an "extra" equal to the Airport Trip Fee assessed against the individual taxicab operator by the San Diego County Regional Airport Authority. The extra may not be charged on any trip that does not originate at the airport or on any trip where the taxicab operator does not pay the fee to the San Diego County Regional Airport Authority. The extra charge may only be charged to the customer by utilizing the extra button on the taxicab meter. A driver may not verbally request payment.

#### 2014 San Diego Taxi Fare Standardization Report

A letter from the SDCRAA in 2011 requested that MTS standardize rates of fare for MTS-permitted airport taxis. This request initiated a discussion regarding what the fare should be and the appropriateness of having standardized rates of fare. MTS contracted with Taxi Research Partners to analyze the San Diego industry with the purpose of recommending appropriate rates of fare and assessing the impacts of moving to standardized rates for all taxis. Dr. James Cooper of Taxi Research Partners will present the results of the study and its recommendations.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [sharon.cooney@sdmts.com](mailto:sharon.cooney@sdmts.com)

Attachments: San Diego Taxi Fare Standardization Report (Board only due to volume)  
Attachment also available online at <http://www.sdmts.com/MTS/2014EC.asp>



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## Agenda Item No. C4

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

June 12, 2014

#### SUBJECT:

SOUTH BAY MAINTENANCE FACILITY UPDATE (ELLIOT HURWITZ)

#### RECOMMENDATION:

That the Executive Committee receive a report for information.

#### Budget Impact

None.

#### DISCUSSION:

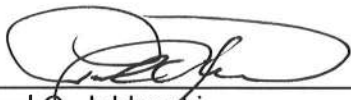
The South Bay Maintenance Facility (SBMF) is one of the largest bus divisions of MTS. It is located in Chula Vista on Main Street. MTS has been developing this site for many years and has expanded the site to 10.6 acres. Facilities are being added to increase the capacity of this bus operating division from 180 to 250 buses. On January 25, 2013, SANDAG issued a Notice to Proceed for Whiting-Turner to begin the SBMF design-build construction project. This project is valued at approximately \$30 million and consists of several basic elements.

The expansion project involves constructing a new two-story 14,000 square feet administration and operations building. This will include dispatching, driver's facilities, and administrative functions like human resources, operations management, and finance. The project also includes building a new 15-bay 48,000 square feet maintenance facility with service functions, in-ground lifts, and parts storage. The project includes a new state-of-the-art Ross and White bus wash. The new maintenance building will be LEED-certified and will have photovoltaic solar panels generating electricity.

Veolia Transportation is the MTS contract bus operator of the SBMF site and currently operates 190 buses over the southern and central regions of the MTS area from the SBMF facility.



MTS staff will provide the Executive Committee with an update on the current construction project and the latest schedule to complete the project.

A handwritten signature in black ink, appearing to read 'Paul C. Jablonski', is written over a horizontal line.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)





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## Agenda Item No. C5

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

June 12, 2014

#### SUBJECT:

UPDATE ON DEPARTMENT OF LABOR CHALLENGE OF CALIFORNIA PUBLIC  
EMPLOYEES' PENSION REFORM ACT OF 2013 (PAUL JABLONSKI)

#### RECOMMENDATION:

That the Executive Committee receive a report for information.

#### Budget Impact

None.

#### DISCUSSION:

The California Public Employees' Pension Reform Act of 2013 (PEPRA) was enacted in August 2012 and became effective on January 1, 2013. Reform measures included in the law affect all agencies that participate in the California Public Employees' Retirement System, including MTS. Provisions of the act include employee cost-sharing, compulsory reduced-retirement formulas and increased-retirement ages, limitations on pensionable compensation, anti-spiking provisions, limitations on postretirement employment, forfeiture of pension benefits upon conviction of certain felonies, health benefit equitability, and prohibitions on pension-funding holidays.

In the summer of 2013, the United States Department of Labor upheld challenges by transit labor unions associated with PEPRA. The State of California enacted a one-year exemption from PEPRA for transit agencies pending the outcome of litigation over the Department of Labor's decision. Staff will provide an update.

A handwritten signature in black ink, appearing to read 'Paul C. Jablonski', is written over a horizontal line.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

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## Agenda Item No. C6

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

June 12, 2014

#### SUBJECT:

BALTIMORE JUNCTION EXCESS PROPERTY POTENTIAL DEVELOPMENT (TIM ALLISON)

#### RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors for the approval of an Exclusive Negotiating Agreement (ENA) for the long-term lease of 5159 Baltimore Drive.

#### Budget Impact

The lease revenue would be credited to Land Management.

#### DISCUSSION:

MTS acquired the property at 5159 Baltimore Drive in the City of La Mesa for a portion of the Mission Valley East Project. The property is 4.63 acres, which has a portion consisting of light rail trackage and a traction power substation. The remainder of the site which is not utilized for transit purposes, nets approximately 3.35 acres (Attachment A). The site has had several short-term tenants that needed construction laydown space or yard space. It currently has a construction field office occupied by the San Diego Association of Governments (SANDAG) Construction Engineering staff and also has various short term tenancies.

Board Policy No. 17 allows MTS to consider unsolicited development proposals provided they meet MTS's development goals and have support of the local jurisdiction.

MTS has had interest from the development community over the years, but no proposals have matured. MTS has discussed the potential uses of the site with the City of La Mesa. G8 Development, Inc., a San Diego based real estate development company, has expressed interest in long-term leasing of the site for a hotel. The developer would like to construct a 98-room Garden Inn hotel, which is a Hilton Hotels product and includes a



9,000 SF restaurant within the facility (Attachment B). City of La Mesa staff has expressed support for the proposed development. Because of the site's distance from an MTS transit station, it does not meet the criteria for a transit oriented development.

MTS had the property appraised with a date of value of October 2011. The appraiser determined that the value per square foot of land was approximately \$13 per square foot. The market research indicated the site could attract between a 9% to 10% return yielding approximately \$180,000 per year in ground lease revenue. This equates to approximately \$.10 per square foot per monthly lease rate.

MTS staff recommends that once an ENA is executed, the property should be re-appraised at today's market value.



Paul C. Jablonski  
Chief Executive Officer

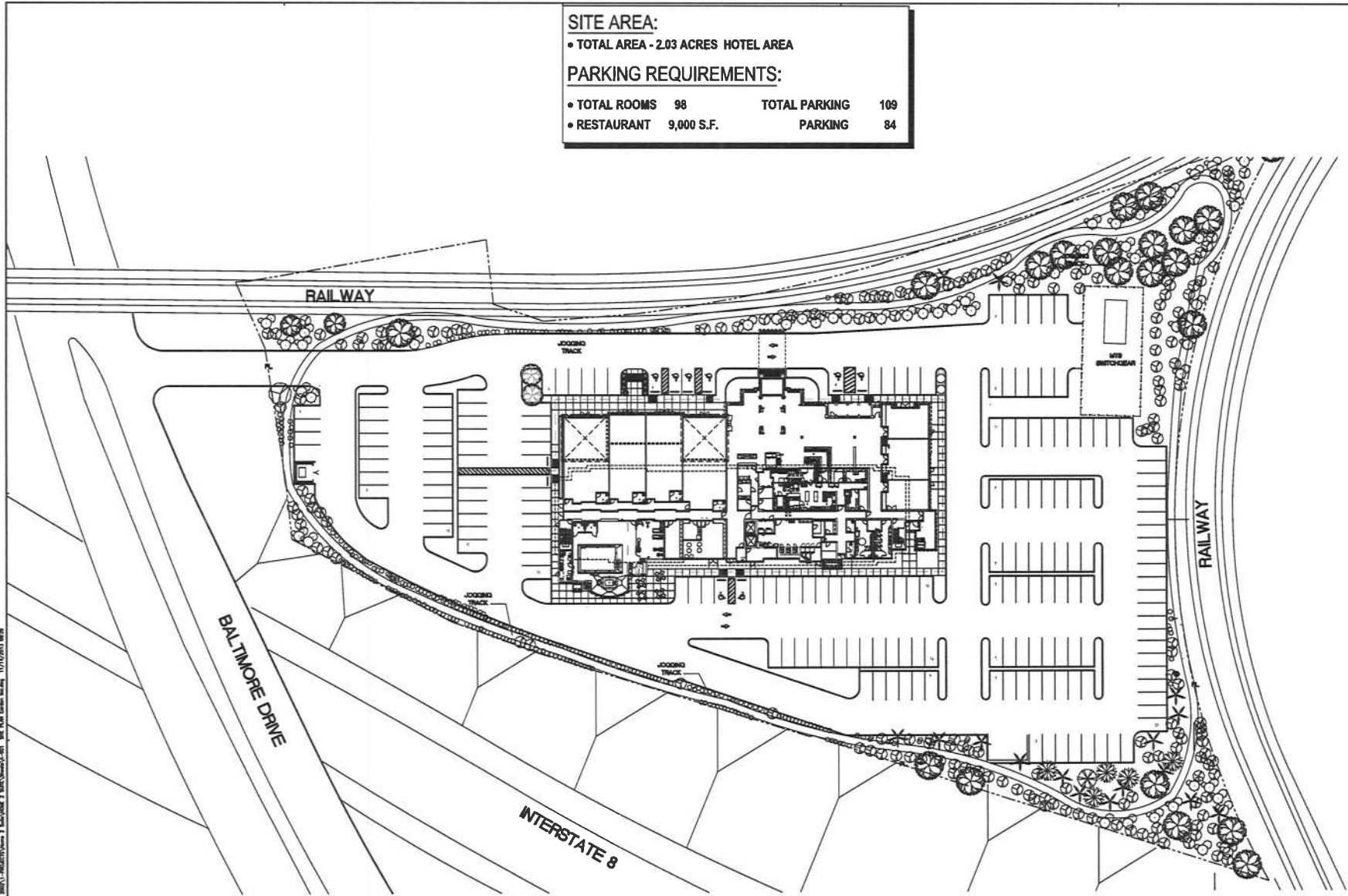
Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Site Map  
B. Proposed Project

Exhibit A



<b>SITE AREA:</b>			
• TOTAL AREA - 2.03 ACRES HOTEL AREA			
<b>PARKING REQUIREMENTS:</b>			
• TOTAL ROOMS	98	TOTAL PARKING	109
• RESTAURANT	9,000 S.F.	PARKING	84



**SITE PLAN**

SCALE: 1"=30'

Exhibit B

C:\Users\james.McGowan\Documents\Projects\2013\1 - Hilton Garden Inn\2013\1 - Hilton Garden Inn.dwg 11/14/2013 10:08

Issue Date:	
Revisions:	XXXX
Drawn By/Checked:	
Consultant:	
Project Number:	
<b>5159 BALTIMORE DRIVE LA MESA CA.</b>	
	
	
Sheet Title:	<b>SITE PLAN GARDEN INN</b>
Sheet Number:	<b>A-001</b>
SHEET NO. : - OF - SHEETS	





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DRAFT

## Agenda

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

June 19, 2014

9:00 a.m.

James R. Mills Building  
Board Meeting Room, 10th Floor  
1255 Imperial Avenue, San Diego

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please call the Clerk of the Board at least two working days prior to the meeting to ensure availability. Assistive Listening Devices (ALDs) are available from the Clerk of the Board/Assistant Clerk of the Board prior to the meeting and are to be returned at the end of the meeting.

ACTION  
RECOMMENDED

1. Roll Call
2. Approval of Minutes - May 15, 2014 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Please SILENCE electronics  
during the meeting

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



## CONSENT ITEMS

- |     |  |             |
|-----|--|-------------|
| 6.  | <u>Policy 25 - Equal Employment Opportunity (EEO) Program for Employees and Contractors</u><br>Action would update and reaffirm MTS Policy 25.   | Approve     |
| 7.  | <u>Motorola Regional Transit Management System Annual Maintenance and Support Services - Contract Amendment</u><br>Action would authorize the CEO to execute MTS Amendment No. G0867.15-03 with Motorola, Inc. to extend the Regional Transit Management System (RTMS) annual maintenance and support period from July 1, 2014 through June 30, 2015; and execute MTS Amendment No. G0868.9-03 with North County Transit District (NCTD) for a Funds Transfer Agreement. | Approve     |
| 8.  | <u>Weed Abatement Services - Contract Award</u><br>Action would authorize the CEO to execute MTS Doc. No. L1186.0-14 with DeAngelo Brothers, Inc. for the provision of on and off track weed abatement services for a contract period of five (5) years.   | Approve     |
| 9.  | <u>Investment Report - April 2014</u>  | Information |
| 10. | <u>Fiscal Year 2015 Capital Improvement Program Amendment</u><br>Action would approve the amended FY 2015 Capital Improvement Program (CIP).   | Approve     |
| 11. | <u>Fiscal Year 2015 Transportation Development Act Claim</u><br>Action would adopt Resolution Nos. 14-8, 14-9, and 14-10 approving fiscal year 2015 Transportation Development Act (TDA) Article 4.0, 4.5 and 8.0 claims respectively.   | Approve     |
| 12. | Number Not Used  |             |
| 13. | <u>Compass Card Back Office Memorandum of Understanding</u><br>Action would execute Addendum 21 to the Master MOU with NCTD and SANDAG to formally transfer Compass Card Back Office responsibilities to MTS and allocate cost sharing for such services.  | Information |
| 14. | <u>2014 Mills Building Board Room Improvement Project</u><br>Action would authorize the renovation of the 10th Floor Board Room through Colliers International, the Mills Building on-site property management company.  | Approve     |

## CLOSED SESSION

- |     |  |                 |
|-----|--|-----------------|
| 24. | CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) 54956.9: Doris Bueto - MTS Claim No. TL-11-5060-13 | Possible Action |
|-----|--|-----------------|

Oral Report of Final Actions Taken in Closed Session

## NOTICED PUBLIC HEARINGS

- |     |   |                 |
|-----|---|-----------------|
| 25. | <u>Fiscal Year 2015 Budget: Public Hearing and Adoption (Mike Thompson)</u> | Enact/<br>Adopt |
|-----|---|-----------------|

## DISCUSSION ITEMS

- |     |   |         |
|-----|---|---------|
| 30. | <u>Encanto/62nd Street Trolley Station Transit Oriented Development (Karen Landers and Tim Allison)</u> | Approve |
| 31. | <u>Fixed-Route Bus Services - Contract Amendment (Bill Spraul &amp; Larry Marinesi)</u>                 | Approve |
| 32. | <u>Taxicab Contracts Renewal (Sharon Cooney)</u>  | Approve |

## REPORT ITEMS

- |     |   |             |
|-----|---|-------------|
| 45. | None.   |             |
| 60. | <u>Chairman's Report</u>  | Information |
| 61. | <u>Audit Oversight Committee Chairman's Report</u>  | Information |
| 62. | <u>Chief Executive Officer's Report</u>   | Information |
| 63. | <u>Board Member Communications</u>  |             |
| 64. | <u>Additional Public Comments Not on the Agenda</u><br>If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. |             |
| 65. | <u>Next Meeting Date:</u> July 17, 2014   |             |
| 66. | <u>Adjournment</u>  |             |



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## Agenda Item No. 6

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

June 19, 2014

**Draft for  
Executive Committee  
Review Date: 6-12-14**

#### SUBJECT:

POLICY 25 – EQUAL EMPLOYMENT OPPORTUNITY (EEO) PROGRAM FOR  
EMPLOYEES AND CONTRACTORS

#### RECOMMENDATION:

That the Board of Directors update and reaffirm the San Diego Metropolitan Transit System (MTS) Policy 25, as attached.

#### Budget Impact

None.

#### DISCUSSION:

California Fair Employment and Housing Act ("FEHA") prohibits employment discrimination and harassment. FEHA recently added several new categories to its list of protected classes. Therefore, MTS Policy 25 has been updated to include the following protected categories: military and veteran status, sex, mental disability, genetic information, gender identity, gender expression, and sexual orientation.

MTS Policy 25 has also been updated to reflect that the current EEO Policy and preceding year's EEO report will be posted on the MTS Intranet.

A handwritten signature in black ink, appearing to read 'Paul C. Jablonski', is written over a horizontal line.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachments: A. Proposed Revisions to MTS Policy 25







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## Policies and Procedures

No. 25

SUBJECT:  
6/19/2014/10/08

Board Approval:

### EQUAL EMPLOYMENT OPPORTUNITY PROGRAM FOR EMPLOYEES AND CONTRACTORS

#### PURPOSE:

To establish a policy of equal opportunity employment.

#### BACKGROUND:

Federal regulations require the adoption of an approved Equal Employment Opportunity (EEO) program as a condition of receipt of federal funds.

The MTS EEO Program requires the annual setting of goals and contains monitoring and reporting requirements relative to attainment of those goals. It sets forth public dissemination procedures, recruiting, selecting and hiring procedures, and grievance procedures. In addition, it incorporates an EEO Program for the employees of MTS's contractors. The program is revised annually and ~~t~~. The full plan is on file with the Clerk of the Board.

#### POLICY:

- 25.1 It is the policy of the San Diego Metropolitan Transit System, ~~hereinafter "MTS," its subsidiaries, San Diego Transit Corporation and (SDTC), San Diego Trolley, Inc. (SDTI) collectively, "MTS"), and as well as its third-party contractors,~~ to recruit, hire, train, and promote all applicants and employees in accordance with the California Fair Employment and Housing Act ("FEHA") and Title VII of the Civil Rights Act of 1964, as amended. MTS will ensure that its recruitment, selection, hiring, and promotion procedures do not adversely affect the employment of persons protected by FEHA and Title VII. Furthermore, MTS will ensure and, in addition, that all MTS, SDTC, and SDTI hiring and promotional criteria, requirements, and tests are job-related. MTS will adhere to the provisions of Executive Order 11246, the Equal Employment Opportunity Commission (EEOC) guidelines, and all other applicable standards ~~taking into~~



~~account the present size and expected growth of the three agencies and consistant with California and federal laws.~~

- 25.2 It is the policy of MTS, ~~SDTC, and SDTI~~ to assure that discrimination based on race, color, religious ~~creed~~, ancestry, national origin, sex, gender, age ~~(over 40 years)~~, marital status, medical condition ~~(cured or rehabilitated cancer)~~, or physical disability, mental disability, genetic information, gender identity, gender expression, sexual orientation, or military and veteran status handicaps (including AIDS) does not occur in relationships that may exist between these organizations and any employee or applicant for employment. Such relationships may be defined as, but not limited to, recruitment, hiring, promotion, compensation, benefits, terminations, transfers, layoffs, recalls, company-sponsored training, education, and social and recreational programs. Goals and timetables with specific measurement and evaluation factors will be established to help measure management's progress with remedying discrimination.
- 25.3 The responsibility for the implementation of the EEO Program is assigned to the Director of Human Resources and Labor Relations. All management personnel within MTS, ~~SDTC, and SDTI~~ are expected to support and implement the EEO Program in performance of their job duties and responsibilities. Any employee or applicant who feels they have been discriminated against has the right to file a complaint alleging discrimination with the Director of Human Resources and Labor Relations. If the Director of Human Resources and Labor Relations is involved in the complaint, the complaint should be filed with and will be processed by the General Counsel.
- 25.4 In the development and implementation of their employment and promotional policies, MTS, ~~SDTC, and SDTI~~ will base decisions solely on the individual's qualifications (merit) and the feasibility of any necessary job accommodations.

#### PROCEDURES:

An outline of basic procedures included in the Program is as follows:

##### Annual

- Director of Human Resources and Labor Relations will conduct utilization study to determine needs and set goals to eliminate underutilization.
- Chief Executive Officer will approve goals to correct any underrepresentation.
- Manager of Human Resources will update lists of women's and minority media, community organizations, and college minority placement offices.
- Director of Human Resources and Labor Relations will communicate EEO Program to all employees.
- Various aspects of Program will be featured from time to time in MTS publications.
- Briefings will be held with various underrepresented groups.

### Reports

- At the beginning of each fiscal year, the ~~MTS Board of Directors will review an EEO report for the preceding year~~ will be posted on the MTS intranet. The report will include employment results, ~~review of EEO goals,~~ and an EEO summary ~~for each organization (MTS, SDTC, and SDTI).~~

### Records

- Contractors awarded construction contracts greater than \$10,000 will submit monthly Employment Utilization Reports (CC-257).
- Contractors awarded nonconstruction contracts greater than \$50,000 and with 50 or more employees will submit annual Workforce Reports.
- Director of Human Resources and Labor Relations will maintain a record on each job applicant, ~~each promotional opportunity,~~ ~~employee termination data,~~ and referral of applicants (follow-up action and feedback on disposition of those recommended).

### Posting/Notification

- EEO Policy will be posted on ~~appropriate office bulletin boards~~ the Agency intranet and contained in employee handbook.
- All employment ads will contain "San Diego Metropolitan System is an Equal Opportunity Employer.-"
- Required federal and state posters will be displayed in employee lounge.
- All successful contractors shall be notified of their obligations under MTS's EEO Program for contractors.

POLICY.25.EEO FOR EMPLOYEES AND CONTRACTORS  
4/10/08

This original policy was adopted on 10/18/84.

Policy revised on 8/13/92.

Policy revised on 10/26/95.

Policy revised on 5/27/99.

Policy revised on 2/26/04.

Policy revised on 4/10/08.

Policy revised on 6/19/14.



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## Agenda Item No. 7

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

June 19, 2014

**Draft for  
Executive Committee  
Review Date: 6-12-14**

SUBJECT:

MOTOROLA REGIONAL TRANSIT MANAGEMENT SYSTEM ANNUAL  
MAINTENANCE AND SUPPORT SERVICES – CONTRACT AMENDMENT

This item will be provided with the  
Board meeting materials





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## Agenda Item No. 8

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

June 19, 2014

**Draft for  
Executive Committee  
Review Date: 6-12-14**

#### SUBJECT:

WEED ABATEMENT SERVICES - CONTRACT AWARD

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1186.0-14 (in substantially the same format as Attachment A) with DeAngelo Brothers, Inc. for the provision of on and off track weed abatement services for a contract period of five (5) years.

#### Budget Impact

The value of this agreement will not exceed \$362,862.50. The total amount of \$362,862.50 will be funded from the respective fiscal years' MTS Maintenance of Way annual operating budget account 371-53710. The annual expenses are as follows:

Fiscal Year 2015	=	\$70,525.00
Fiscal Year 2016	=	\$70,525.00
Fiscal Year 2017	=	\$71,987.50
Fiscal Year 2018	=	\$73,775.00
Fiscal Year 2019	=	\$76,050.00
<b>Grand Total</b>	<b>=</b>	<b>\$362,862.50</b>

#### DISCUSSION:

Weed abatement services are needed by MTS's Maintenance of Wayside (MOW) in order for staff to safely access and maintain the Trolley track system. Furthermore, California Public Resource Code 4291-4299 requires at least 100 feet of "defensible

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space" for wild fire protection. The proposed weed abatement services will prevent the growth of unwanted vegetation within 150 feet of MTS Trolley wayside. MTS Policy No. 52, governing the procurement of goods and services, requires a formal competitive process for procurements exceeding \$100,000.

An Invitation for Bid (IFB) was issued on March 3, 2014. Three (3) responsive and responsible bids were received on the due date of April 30, 2014. The bidders were DeAngelo Brothers Inc., Quality Sprayers and TruGreen, LP.

After conducting a price analysis, staff determined that the pricing presented by DeAngelo Brothers, Inc. was fair and reasonable and was the lowest bid relative to their competitors.

GRAND TOTAL		Quality Sprayers	TruGreen Limited Partnership	DeAngelo Brothers Inc.
Description		Total	Total	Total
1	Year One (1) Total:	\$ 106,550.00	\$ 88,608.00	\$ 70,525.00
2	Year Two (2) Total:	\$ 106,550.00	\$ 88,608.00	\$ 70,525.00
3	Year Three (3) Total:	\$ 106,550.00	\$ 91,258.00	\$ 71,987.50
4	Year Four (4) Total:	\$ 106,550.00	\$ 93,999.00	\$ 73,775.00
5	Year Five (5) Total:	\$ 106,550.00	\$ 93,999.00	\$ 76,050.00
GRAND TOTAL		\$ 532,750.00	\$ 456,472.00	\$ 362,862.50



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment A: Draft MTS Doc. No. L1186.0-14

**ATTACHMENT A  
(DRAFT)**

**L1186.0-14  
CONTRACT NUMBER**

**STANDARD SERVICES AGREEMENT  
FOR  
WEED ABATEMENT SERVICES**

FILE/PO NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2014, in the State of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following, hereinafter referred to as "Contractor":

Name: DeAngelo Brothers, Inc.

Address: 1459 South Cucamonga Ave.

Form of Business: Corporation  
(Corporation, partnership, sole proprietor, etc.)

Ontario, CA 91761

Telephone: (909) 786-4860

Authorized person to sign contracts: TK Scrivner General Manager  
Name Title

**The attached Standard Conditions are part of this Agreement. The Contractor agrees to furnish to MTS services and materials, as follows:**

Weed abatement services, as specified in the Scope of Work (attached as Exhibit A), DeAngelo Brothers, Inc. Bid dated April 30, 2014 (attached as Exhibit B), and in accordance with the Standard Conditions Services Agreement, including the Standard Conditions Services (attached as Exhibit C), and the Federal Requirements (attached as Exhibits D). Contract in effect from July 1, 2014 thru June 30, 2019.

Total contract will be in the amount of **\$362,862.50**.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer		Firm: _____
Approved as to form:		By: _____ Signature
By: _____ Office of General Counsel		Title: _____
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$ 362,862.50	371-53710	FY 15-19

By: \_\_\_\_\_  
Chief Financial Officer Date

(\_\_\_ total pages, each bearing contract number)

SA-SERVICES REVISED (REV 6-13)  
DATE



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## Agenda Item No. 9

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

JUNE 19, 2014

#### SUBJECT:

INVESTMENT REPORT – APRIL 2014

**Draft for  
Executive Committee  
Review Date: 6-12-14**

#### RECOMMENDATION:

That the Board of Directors receive a report for information.

#### Budget Impact

None.

#### DISCUSSION:

Attachment A comprises a report of MTS investments as of April 30, 2014. The combined total of all investments has decreased from \$194.0 million to \$187.2 million in the current month. This \$6.8 million decrease is attributable to expenditures of \$4.2 million for acquisition of capital assets, \$450,000 for the six month RTMS maintenance agreement, \$220,000 for an additional MTS payroll, as well as normal timing differences in other payments and receipts.

The first column provides details about investments restricted for capital improvement projects and debt service, which are related to the 1995 lease and leaseback transactions. The funds restricted for debt service are structured investments with fixed returns that will not vary with market fluctuations if held to maturity. These investments are held in trust and will not be liquidated in advance of the scheduled maturities.

The second column, unrestricted investments, reports the working capital for MTS operations allowing payments for employee payroll and vendors' goods and services.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Investment Report for April 2014





**San Diego Metropolitan Transit System  
Investment Report  
April 30, 2014**

	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>	<b>Average rate of return</b>
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	14,075,681	14,075,681	0.00%
Total Cash and Cash Equivalents	-	14,075,681	14,075,681	
Cash - Restricted for Capital Support				
US Bank - retention trust account	8,651,807	-	8,651,807	N/A *
San Diego County Investment Pool Proposition 1B TSGP grant funds	4,440,256	718,402	5,158,658	
Total Cash - Restricted for Capital Support	13,092,063	718,402	13,810,465	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	18,155,040	23,061,230	41,216,270	0.233%
Total Investments - Working Capital	18,155,040	23,061,230	41,216,270	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	39,396,669	-	39,396,669	
Rabobank - Payment Undertaking Agreement	78,692,891	-	78,692,891	7.69%
Total Investments Restricted for Debt Service	118,089,560	-	118,089,560	
Total cash and investments	<b>\$ 149,336,663</b>	<b>\$ 37,855,313</b>	<b>\$ 187,191,976</b>	

N/A\* - Per trust agreements, interest earned on retention account is allocated to trust beneficiary (contractor)



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## Agenda Item No. 10

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

June 19, 2014

**Draft for  
Executive Committee  
Review Date: 6-12-14**

#### SUBJECT:

FISCAL YEAR 2015 CAPITAL IMPROVEMENT PROGRAM AMENDMENT

#### RECOMMENDATION:

That the MTS Board of Directors approve the amended FY 2015 Capital Improvement Program (CIP).

#### Budget Impact

This action would decrease the FY 2015 CIP budget from \$104,067,000 to \$103,967,000, a decrease of \$100,000.

#### DISCUSSION:

When the FY 2015 CIP was approved by the MTS Board of Directors in March, the CIP assumed no capital funding would be included in the operating budget. During the budget development process, the Board recommended shifting \$600,000 of capital funding to the operating budget as a replacement for lost Federal Job Access Reverse Commute funding. This Federal Section 5316 funding was discontinued with the passage of Moving Ahead for Progress in the 21st Century (MAP-21) reauthorization legislation. MAP-21 increased Section 5307 funding to offset the Section 5316 reductions. However, the Section 5307 funding increase at MTS funded the CIP and not the operating budget.

Additionally, since the FY 2015 CIP was approved by the MTS Board of Directors, MTS has received additional funding that was not included in the original plan. MTS received an additional \$500,000 of leasing revenue for San Diego and Arizona Eastern's desert line.

The staff recommendation for the net funding reduction of \$100,000 is to reduce the allocation for the Bus Replacement project from \$23,579,000 to \$23,479,000. This funding would be replaced in a subsequent year's CIP.





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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachments: A. Fiscal Year 2015 Funding Sources  
B. Fiscal Year 2015 Capital Improvement Projects List

# San Diego Metropolitan Transit System

## FY 2015 Funding Sources (\$000s)

<b>Funding Description</b>	<b>Approved FY15</b>	<b>Adjustments</b>	<b>Proposed FY15</b>
Federal FY14 - 5307 Funding Estimate	\$ 40,975		\$ 40,975
Federal FY14 - 5337 Funding Estimate	22,055		22,055
Federal FY14 - 5339 Funding Estimate	3,522		3,522
Transportation Development Act (TDA)	48,928		48,928
Proposition 1B	37,076		37,076
Proposition 1B - Security	2,779		2,779
California State Transit Assistance (STA)	14,400		14,400
Other (Transfers, 5311, SD&AE)	984	500	1,484
<b>Total Available Funding</b>	<b>\$ 170,720</b>	<b>\$ 500</b>	<b>\$ 171,220</b>
Preventive Maintenance - Federal 5307	\$ (23,945)		\$ (23,945)
Preventive Maintenance - Federal 5337	(22,055)		(22,055)
Preventive Maintenance - FY15 TDA Match	(11,500)		(11,500)
ADA Preventive Maintenance - Federal 5307	(4,097)		(4,097)
ADA Preventive Maintenance - FY15 TDA Match	(4,097)		(4,097)
SANDAG Planning Study - Federal 5307	(767)		(767)
SANDAG Planning Study - FT14 TDA Match	(192)		(192)
Operations Usage	-	(600)	(600)
<b>Total Preventative Maintenance/SANDAG Planning</b>	<b>\$ (66,653)</b>	<b>\$ (600)</b>	<b>\$ (67,253)</b>
<b>Available Funding for FY 15 Capital Program</b>	<b>\$ 104,067</b>	<b>\$ (100)</b>	<b>\$ 103,967</b>

**San Diego Metropolitan Transit System  
Capital Improvement Program - Funded Projects  
Fiscal Year 2015**

Att. B, AI 10, 6/19/14

Project Description	Funding Thru FY 2014	FY 2015 Funded	FY 2015 Unfunded	FY 2016	FY 2017	FY 2018	FY 2019	Budget FY15 FY19
Bus Replacement	44,095	23,479	-	29,000	26,377	23,299	23,218	125,373
LRV Procurement	144,325	15,317	-	-	-	-	-	15,317
SD100 Replacement	-	9,000	18,000	27,000	27,000	27,000	27,000	135,000
Orange and Blue Line Platforms	-	7,946	-	-	-	-	-	7,946
Orange and Blue Line Traction Power Substations (TPSS)	-	7,326	-	-	-	-	-	7,326
RTMS Expansion	3,939	5,942	-	-	-	-	-	5,942
Blue Line Station Rehab	-	4,439	-	-	-	-	-	4,439
Green Line Communication System Upgrade	-	4,170	-	-	-	-	-	4,170
Main Line Drainage (Hill Street)	3,394	3,000	-	-	-	-	-	3,000
Para-Transit Vehicles	8,686	2,781	-	-	2,623	2,701	2,782	10,887
OCS Insulator/Catch Cable Replacement	1,841	2,485	-	1,603	-	-	-	4,088
Orange Line Signal System Interface Upgrade	12,231	2,431	-	-	-	-	-	2,431
Substation DC Feeder Breaker Replacement (Implementation)	-	1,700	-	2,300	2,300	-	-	6,300
Orange and Blue Line Communications System	-	1,510	-	-	-	-	-	1,510
Network Switches and Comm Cabinets Upgrade	-	1,500	-	-	-	-	-	1,500
Fashion Valley Second Elevator	150	1,010	-	-	-	-	-	1,010
SD100 Buffer/Coupler Overhaul	1,133	1,000	-	2,212	-	-	-	3,212
Grade Crossing Replacements	-	980	-	1,000	1,000	1,000	1,000	4,980
System-wide CCTV	-	787	-	1,098	-	-	-	1,885
Behavior Recognition System (BRS)	-	667	-	500	500	-	-	1,667
Network Infrastructure	1,240	554	-	50	25	25	200	854
Orange and Blue Line Project Management	-	538	-	-	-	-	-	538
Design & Upgrades (Rio Vista/Morena Wall Buttress)	-	500	-	1,000	-	-	-	1,500
Wireless Infrastructure	400	414	-	414	-	-	-	828
Orange & Green Line Print Verification / Event recorders	850	368	-	256	-	-	-	624
Green Line Entry Monument Signs	-	300	-	-	-	-	-	300
Misc. Capital	1,250	250	-	-	-	-	-	250
Cubic Maintenance Server Replacement	-	250	-	-	-	-	-	250
SDSU Fire System Design & Installation	-	250	-	-	-	-	-	250
El Cajon & 8th Street Bridge Abutment Repairs (Design)	-	250	-	-	-	-	-	250
Crossing Diamond at Broadway	-	250	-	-	-	-	-	250
Enterprise Data Warehouse	-	202	-	-	-	-	-	202
Kronos Upgrade Project	-	201	-	-	-	-	-	201
Compass Card Back Office	-	200	-	-	-	-	-	200
LRV Fall Protection	-	200	-	-	-	-	-	200
Rail Lubricators	-	185	-	-	-	-	-	185
SharePoint Intranet	-	161	-	-	-	-	-	161
SD8 Brake Tooling	-	160	-	-	-	-	-	160
MCS Campo Rural Bus Parking Lot and Fencing	-	144	-	-	-	-	-	144
IAD Bus Wash Replacement	450	125	-	-	-	-	-	125
SDMTS Website Redesign	-	110	-	-	-	-	-	110
CPD Perimeter Fence Replacement	-	100	-	-	-	-	-	100
Station CCTV Upgrade	1,050	100	-	-	-	-	-	100
IAD Dispatch and Crew Room Upgrades	-	95	-	-	-	-	-	95
Trolley Station Cleaning Equipment	150	85	-	-	-	-	-	85
Cyber Security Project	75	75	-	-	-	-	-	75

**San Diego Metropolitan Transit System  
Capital Improvement Program - Funded Projects  
Fiscal Year 2015**

Att. B, AI 10, 6/19/14

Project Description	Funding Thru FY 2014	FY 2015 Funded	FY 2015 Unfunded	FY 2016	FY 2017	FY 2018	FY 2019	Budget FY15 FY19
Compressor Replacement	-	62	-	-	-	-	-	62
Building "C" AC unit & SDSU AC Upgrade (Design)	-	60	-	-	-	-	-	60
S70 (SD7) Reverse Seating	-	60	-	-	-	-	-	60
ADA and Rural Radio Replacement	420	50	-	-	-	-	-	50
S70 Center Truck Axle Bearing Tooling/Training	-	50	-	-	-	-	-	50
Baltimore Power Switch Replacement	-	46	-	-	-	-	-	46
Wood Chipper	-	44	-	-	-	-	-	44
Scissor Lift	-	42	-	-	-	-	-	42
Electric Utility Vehicle	-	17	-	-	-	-	-	17
C Yard Track Expansion	-	-	4,693	-	-	-	-	4,693
Orange Line Parking Lots	-	-	500	-	-	-	-	500
Compass Card - CPOS Replacements	-	-	400	-	-	-	-	400
Euclid Crossing Equipment	-	-	362	-	-	-	-	362
Transit Service Trucks	-	-	250	250	250	-	250	1,000
Signal Case Fencing	-	-	35	-	-	-	-	35
Copier Replacement	-	-	20	20	20	20	20	100
Transit Facility	-	-	-	10,000	20,000	15,000	5,000	50,000
Bus Shelter	2,270	-	-	2,300	2,300	-	-	4,600
Replace S70 (3000) Bode ADA Ramps w/ IFE	-	-	-	1,540	-	-	-	1,540
University Crossing Design & Equipment	-	-	-	350	-	-	-	350
IAD/KMD Tire Shop Canopy	-	-	-	280	-	-	-	280
IAD/KMD Yard Camera Replacement	-	-	-	250	-	-	-	250
IAD Gas Detection System Replacement	-	-	-	125	-	-	-	125
Building C Shop Door Hinge Replacement	-	-	-	100	-	-	-	100
Replace Wiggins Forklift	-	-	-	100	-	-	-	100
CPD Roof Replacement	-	-	-	50	-	-	-	50
Compass Card - NexFare upgrade	-	-	-	-	-	10,000	-	10,000
SBMF Fuel Tank and Service Lanes Upgrade	-	-	-	-	200	1,200	-	1,400
LRV Remote Diagnostic System (128 LRVs)	-	-	-	-	3,840	-	-	3,840
SD8 Brake Overhaul	-	-	-	-	1,300	1,300	-	2,600
SD7 Truck Overhaul	-	-	-	-	-	-	2,750	2,750
								-
<b>Project Totals</b>	<b>\$ 227,949</b>	<b>\$ 103,967</b>	<b>\$ 24,260</b>	<b>\$ 81,798</b>	<b>\$ 87,735</b>	<b>\$ 81,545</b>	<b>\$ 62,220</b>	<b>\$ 441,524</b>

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## Agenda Item No. 11

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

June 19, 2014

**Draft for  
Executive Committee  
Review Date: 6-12-14**

#### SUBJECT:

FISCAL YEAR 2015 TRANSPORTATION DEVELOPMENT ACT CLAIM

#### RECOMMENDATION:

That the MTS Board of Directors adopt Resolution Nos. 14-8 (Attachment A), 14-9 (Attachment B), and 14-10 (Attachment C) approving fiscal year 2015 Transportation Development Act (TDA) Article 4.0, 4.5 and 8.0 claims respectively.

#### Budget Impact

The FY 2015 TDA claims would result in the approval of \$86,358,868 in TDA funds for MTS to be utilized in the FY 2015 operating and capital budgets.

#### DISCUSSION:

The TDA provides one-quarter percent of the state sales tax for operating and capital support of public transportation systems and non-motorized transportation projects. The San Diego Association of Governments (SANDAG), as the designated Regional Transportation Planning Agency, is responsible for the allocation of TDA funds to the region's cities, the County and transit operators. At the February 28, 2014 meeting, the SANDAG Board of Directors approved the San Diego County Auditor's regional transportation estimate of \$131,153,547 for the FY 2015 TDA apportionment.

A Master Memorandum of Understanding (MOU) exists between SANDAG, MTS and the North County Transit District (NCTD) with respect to the functions and responsibilities transferred to SANDAG as a result of Senate Bill 1703 (Peace, 2003). Pursuant to the MOU, both transit agencies transfer TDA funding to SANDAG annually to pay for the administrative and planning functions that transferred to SANDAG as a result of the consolidation. The MOU is updated as circumstances change. For FY 2015, \$1,686,060 in funding will remain with SANDAG for MTS's portion of transferred administrative and planning functions.

TDA allocations are authorized under four separate articles of the law. Article 4 funds are used to provide general public transit services. Article 4.5 funds are designated for community transit services and, pursuant to SANDAG Board Policy



No. 027, are allocated within the San Diego region to support paratransit services required by the Americans with Disabilities Act (ADA). Article 8 funds support specialized services, such as express bus and ferry services.

A total of \$86,358,868 is estimated to be allocated to MTS for fiscal year 2015. This includes \$81,548,729 in TDA Article 4.0 claims, \$48,817,652 of which will fund operating activities, and the remaining \$32,731,077 will fund the capital improvement program. \$4,320,225 in Article 4.5 claims will fund the MTS Access/CTS Paratransit services, and \$489,914 in Article 8.0 claims will fund the ferry/commuter express services.

  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com

Attachments: A. Resolution No. 14-8  
B. Resolution No. 14-9  
C. Resolution No. 14-10



**San Diego Metropolitan Transit System  
Authorizing Resolution**

**Resolution Number 14-8**

**Resolution Approving Fiscal Year 2015 Transportation Development Act, Article 4.0**

WHEREAS, effective August 10, 2000, the San Diego Metropolitan Transit System (MTS) area consolidated Transportation Development Act (TDA) claim process provides that MTS will be responsible for submitting a single claim for each article of the TDA for all MTS operators; and

WHEREAS, consistent with the intent of consolidating all transit funding for MTS-area operators, the San Diego Association of Governments (SANDAG) approved the MTS FY 2015 TDA claim; and

WHEREAS, MTS and SANDAG Boards must approve any alternate use of said balances differing from that for which they were originally claimed; and

WHEREAS, MTS and SANDAG staffs have analyzed this amendment and found it to be warranted pursuant to Section 6659 of Title 21 of the California Code of Regulations (CCR);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED that the MTS Board of Directors does hereby approve the FY 2015 TDA Article 4.0 MTS TDA claim of \$81,548,729; \$48,817,652 of the 4.0 TDA claim will be used for operating activities, and the remaining \$32,731,077 will be used to fund capital.

PASSED AND ADOPTED by the Board of Directors this \_\_\_\_\_ day of \_\_\_\_\_, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

\_\_\_\_\_  
Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

\_\_\_\_\_  
Clerk of the Board  
San Diego Metropolitan Transit System

\_\_\_\_\_  
Office of the General Counsel  
San Diego Metropolitan Transit System

**San Diego Metropolitan Transit System  
Authorizing Resolution**

**Resolution Number 14-9**

**Resolution Approving Fiscal Year 2015 Transportation Development Act, Article 4.5**

WHEREAS, effective August 10, 2000, the San Diego Metropolitan Transit System (MTS) area consolidated Transportation Development Act (TDA) claim process provides that MTS will be responsible for submitting a single claim for each article of the TDA for all MTS operators; and

WHEREAS, consistent with the intent of consolidating all transit funding for MTS-area operators, the San Diego Association of Governments (SANDAG) approved the MTS FY 2015 TDA claim; and

WHEREAS, MTS and SANDAG Boards must approve any alternate use of said balances differing from that for which they were originally claimed; and

WHEREAS, MTS and SANDAG staffs have analyzed this amendment and found it to be warranted pursuant to Section 6659 of Title 21 of the California Code of Regulations (CCR);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board of Directors does hereby approve the FY 2015 TDA Article 4.5 MTS TDA claim of \$4,320,225. The allocation will be used to fund the MTS Access/CTS Paratransit services.

PASSED AND ADOPTED by the Board of Directors this \_\_\_\_\_ day of \_\_\_\_\_, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

\_\_\_\_\_  
Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

\_\_\_\_\_  
Clerk of the Board  
San Diego Metropolitan Transit System

\_\_\_\_\_  
Office of the General Counsel  
San Diego Metropolitan Transit System

**San Diego Metropolitan Transit System  
Authorizing Resolution**

**Resolution Number 14-10**

**Resolution Approving Fiscal Year 2015 Transportation Development Act, Article 8.0**

WHEREAS, effective August 10, 2000, the San Diego Metropolitan Transit System (MTS) area consolidated Transportation Development Act (TDA) claim process provides that MTS will be responsible for submitting a single claim for each article of the TDA for all MTS operators; and

WHEREAS, consistent with the intent of consolidating all transit funding for MTS-area operators, the San Diego Association of Governments (SANDAG) approved the MTS FY 2015 TDA claim; and

WHEREAS, MTS and SANDAG Boards must approve any alternate use of said balances differing from that for which they were originally claimed; and

WHEREAS, MTS and SANDAG staffs have analyzed this amendment and found it to be warranted pursuant to Section 6659 of Title 21 of the California Code of Regulations (CCR);

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board of Directors does hereby approve the FY 2015 TDA Article 8.0 MTS TDA claim of \$489,914. The allocation will be used to fund the ferry/commuter express services.

PASSED AND ADOPTED by the Board of Directors this \_\_\_\_\_ day of \_\_\_\_\_, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

\_\_\_\_\_  
Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

\_\_\_\_\_  
Clerk of the Board  
San Diego Metropolitan Transit System

\_\_\_\_\_  
Office of the General Counsel  
San Diego Metropolitan Transit System



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## Agenda Item No. 12

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

June 19, 2014

**Draft for  
Executive Committee  
Review Date: 6-12-14**

# This number not used.



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## Agenda Item No. 13

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

JUNE 19, 2014

**Draft for  
Executive Committee  
Review Date: 6-12-14**

#### SUBJECT:

#### COMPASS CARD BACK OFFICE MEMORANDUM OF UNDERSTANDING

#### RECOMMENDATION:

That the Board of Directors authorize the CEO to execute a Compass Card Back Office Memorandum of Understanding with NCTD and SANDAG (MTS Doc. No. G0930.21-04).

#### Budget Impact

None, as this administration function shifts from SANDAG to MTS. Costs for these functions are already included in the MTS budget. NCTD will fund the portion of services attributable to NCTD operations.

#### DISCUSSION:

In 2013, SANDAG agreed to transfer responsibility of the region's smart card fare collection system, the Compass Card Program, to MTS.

The first phase occurred in July 2013, when approximately ten (10) call center and administrative staff moved from SANDAG to administer the following aspects of the Compass Card Program:

1. Customer Service
2. Card Fulfillment and Distribution
3. Contract Management
4. Revenue Distribution

As part of the second and final phase of the transition, the following functions will be transferred to MTS by July 1, 2014:

1. Program Management
2. Server & Network Management
3. Outlet Support & Service



4. Application Support – Includes fare changes, promotional programs, configuration changes and software enhancements.
5. System Support Contracts – Includes maintenance support for Cubic Software, Oracle, Hummingbird and third party operating systems.

The attached Memorandum of Understanding details the transition timelines and agencies' responsibilities, SANDAG post-transition support, agency expense budget allocation, and revenue distribution formulas for the Compass Card Program.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Addendum Number 21 to the Master Memorandum of Understanding Between SANDAG, NCTD and MTS Concerning the Compass Card Program

**ADDENDUM NUMBER 21  
TO MASTER MEMORANDUM OF UNDERSTANDING BETWEEN  
SAN DIEGO ASSOCIATION OF GOVERNMENTS, NORTH SAN DIEGO COUNTY TRANSIT  
DEVELOPMENT BOARD, AND SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
CONCERNING THE COMPASS CARD PROGRAM**

**SANDAG AGREEMENT NO. 5000710**

This Addendum Number 21 to Master Memorandum of Understanding Between San Diego Association of Governments, North San Diego County Transit Development Board and San Diego Metropolitan Transit System Concerning the Compass Card Program ("Addendum") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2014, by the San Diego Association of Governments ("SANDAG"), the North County Transit District, existing and operating pursuant to Public Utilities Code sections 125000 et seq., formerly the North San Diego County Transit Development Board ("NCTD") and the San Diego Metropolitan Transit System ("MTS"), existing and operating pursuant to Public Utilities Code sections 120000 et seq., individually referred to as "Party" and collectively referred to as the "Parties."

**RECITALS**

**WHEREAS**, the Parties described their functions and responsibilities in the Master Memorandum of Understanding, which defines the functions and responsibilities for the three agencies dated April 23, 2004 ("Master MOU"); and

**WHEREAS**, the Parties have jointly agreed to transition the responsibilities of the Compass Card program from SANDAG to MTS in two phases, as outlined herein; and

**WHEREAS**, the Parties previously entered into a series of Interim Compass Card MOUs (MTS Doc. Nos. G1248.0-09 through G1248.3-09, SANDAG Contract No. 5001230) to allocate the costs of Compass Card Back-Office functions; and

**WHEREAS**, this Addendum shall supersede and replace the Interim Compass Card MOUs.

**AGREEMENT**

**NOW THEREFORE**, in consideration of the mutual promises set forth herein, the Parties agree as follows:

**A. THE PARTIES AGREE TO TRANSITION THE COMPASS CARD PROGRAM TO MTS AS FOLLOWS:**

**1. Transition Timeline:**

a. The following functions related to the Compass Card program shall transition from SANDAG to MTS no later than July 1, 2013 thus, beginning in fiscal year 2014 under the direction and supervision of MTS:

i. Customer Service

- ii. Card fulfillment and distribution
  - iii. Contract Management including:
    - (1) Employers, groups, and institutions
    - (2) Outlets
    - (3) Program Suppliers – Compass Cards, etc.
  - iv. Finance including:
    - (1) Inventory Control
    - (2) Invoicing and Collections
    - (3) Reconciliation
    - (4) Revenue Distribution pursuant to the Revenue Allocation Formulas set forth in Attachment A.
  - v. Marketing and Public Communication for the Compass Card program will be relieved from SANDAG, and MTS and NCTD shall be responsible for marketing and public communications requirements on an as needed basis outside of this agreement.
- b. The following functions related to the Compass Card program shall transition from SANDAG to MTS no later than July 1, 2014; thus beginning in fiscal year 2015 under the direction and supervision of MTS. In the event transition of these functions from SANDAG is not feasible, operators will notify SANDAG of need for continued assistance by April 1, 2014.
  - i. Program Management
  - ii. Server and Network Management
  - iii. Outlet Technical Support and Service
  - iv. Application Support including:
    - (1) Fare Changes or Promotional Programs
    - (2) Configuration Changes to support changes in employees, buses, routes, etc.
    - (3) Periodic Enhancements to Software
  - v. Contracts to Support Systems including:
    - (1) Cubic Software Maintenance Support



- (2) 3<sup>rd</sup> Party Software Maintenance Support:
  - (a) Oracle
  - (b) Hummingbird
  - (c) Operating Systems
- (3) Server and Network Equipment Warranties

2. **Transition Activities and Budget.**

a. **Fiscal Year 2014 Transitional Activities**

Beginning no later than July 1, 2013, MTS shall assume responsibility for Customer Service and Card distribution and fulfillment. To that end, SANDAG shall terminate employment with existing staff listed in Attachment B and MTS shall issue employment offer letters to ensure continuity of service. SANDAG shall complete the following transitional activities:

- i. Assign or terminate contracts listed in Attachment C with the intent of MTS either accepting assignments or initiating new contracts for those contracts that do not have assignment clauses.
- ii. Transfer equipment related to Compass Card customer service or fulfillment on or before July 1, 2013 including:
  - (1) Two (2) Ticket Office Terminals (TOTs)
  - (2) One (1) Card Printer
- iii. Transfer Auxiliary Support Systems on or before July 1, 2013 to include:
  - (1) Card Inventory System (CIS)
  - (2) Non-Account Registered Card Database
- iv. Transfer remaining stock of Compass Cards, MTS Access Books, College Stickers, and other fare collection ticket stock or media on or before July 1, 2013.
- v. Transfer any outstanding fare revenue held in trust by SANDAG to MTS and NCTD including any fees collected for new cards or replacement cards on or before 60 days from close of fiscal year 2013.
- vi. Transfer any unused program expense funds to MTS and NCTD on or before 90 days after the close of fiscal year 2014.
- vii. Transfer any and all marketing material created for the program to MTS on or before July 1, 2013.

- viii. MTS has prepared an estimated draft budget as detailed in Attachment D-1 for a Net Operating Subsidy amount projected at \$915,302. MTS and NCTD agree to fund these activities through the end of fiscal year 2014 at a 75% and 25% ratio respectively. MTS' share is projected to be \$686,477 and NCTD's share is projected to be \$228,826.

As part of the transition of Customer Service to MTS from SANDAG, a portion of the restructuring / remodeling costs incurred are to be shared appropriately between MTS and NCTD. As detailed in Attachment D-2, of the total remodeling costs, \$83,475.97 pertains to the Compass Card Customer Service function. MTS and NCTD agree to fund these activities at a 75% and 25% ratio. MTS' share is \$62,606.98 and NCTD's share is 20,868.99.

Future fiscal year Compass Card Program expenses will also be subject to a 75% (MTS) and 25% (NCTD) funding ratio. Fiscal year 2015 projected expenses are also included in Attachment D-1.

b. Fiscal Year 2014 SANDAG Compass Card Program Expenses

- i. It is agreed that SANDAG will continue to support the Compass Card program through fiscal year 2014 including the following functions. In the event transition of these functions from SANDAG is not feasible, operators will notify SANDAG of need for continued assistance by April 1, 2014.
- (1) Program Management
  - (2) Server and Network Management
  - (3) Outlet Support and Service
  - (4) Application Support including:
    - (a) Fare Changes or Promotional Programs
    - (b) Configuration Changes to support changes in employees, buses, routes, etc.
    - (c) Periodic Enhancements to Software
  - (5) Contracts to Support Systems including:
    - (a) Cubic Software Maintenance Support
    - (b) 3rd Party Software Maintenance Support:
      - Oracle

- Hummingbird
- Operating Systems

(c) Server and Network Equipment Warranties

- ii. SANDAG has prepared a draft budget for the above services as detailed in Attachment E for an amount not to exceed \$779,157, which has been included in Attachment D-1 as part of the comprehensive FY 2014 budget. MTS and NCTD agree to fund these activities through the end of fiscal year 2014 at a 75% and 25% ratio respectively. MTS share shall be \$584,368 and NCTD share shall be \$194,789.
- iii. Prior to September 1, 2014, SANDAG will replace the fare collection system debit / credit software and hardware which are critical components for the credit card processing for the fare collection system. This upgrade will cost approximately \$200,000 and will be shared 75% MTS and 25% NCTD.
- iv. MTS and NCTD agree to pay SANDAG on a monthly basis.

c. Fiscal Year 2015 Transition Activities

- i. SANDAG shall transfer the remaining Compass Card program functions to MTS on or before July 1, 2014. To that end, SANDAG shall transition the following elements to the responsibility of MTS and NCTD:

(1) System Support Contracts

SANDAG shall assign or terminate support contracts as detailed in Attachment C with the intent of MTS accepting assignments or initiating new contracts for those contracts that do not have assignment clauses.

(2) Back Office Equipment

SANDAG shall transfer ownership of back office servers, networking equipment, software licenses, specialized equipment or tools, and backup systems and media on or before July 1, 2014.

c. Post Fiscal Year 2015 SANDAG Support

In order to ensure continuity of service and ongoing support, and to provide a method for MTS and NCTD to utilize personnel or SANDAG services after Compass Card transition to MTS in fiscal year 2015, the parties agree to reimburse SANDAG separately for actual expenses incurred resulting from support requested of SANDAG. If MTS and NCTD mutually agree that SANDAG support is necessary as related to the Compass Card Program, the parties shall

reimburse SANDAG through the expense allocation set forth in this agreement. This MOU will stay enforce for such future needs by the transit operators. The projected SANDAG technical support for fiscal year 2015 is 100 hours for the Principal Technology Program Manager and 200 hours for the Senior Information Systems Analyst.

d. MTS and NCTD Share of Program Expenses

- i. Program Expense Funding Ratios. MTS and NCTD agree to fund agreed-upon Compass Card Program activities beginning in fiscal year 2014 at a 75% and 25% ratio respectively.

The budget for 2014 and the estimated budget for fiscal year 2015 is set forth in Section A(2)(a)(viii) and Attachment D-1. For each fiscal year thereafter, the budget shall be established by MTS during its normal budget development process. On or before March 15 of each year (for fiscal year beginning on July 1), MTS will provide NCTD with the next fiscal year's budget for Compass Card Program Expenses for approval by NCTD. In the event NCTD disputes the budget as established, the parties will meet and confer according to the alternate dispute resolution procedures set forth in Section F(4). In the event a new budget is not agreed upon before July 1 in a given year, NCTD shall reimburse MTS at the previous year's budget share. Once a new budget is agreed upon, it shall apply retroactively to July 1. To the extent that MTS seeks a mid-year adjustment to the Program Expense budget in order to achieve the mutually agreed upon program objectives, the parties shall meet and confer to consider such an adjustment. All such adjustments shall be in writing.

- ii. Quarterly Billing. MTS will bill NCTD quarterly for its share of the expenses incurred to carry out the transferred responsibilities.

- iii. Program Management Decisions. All Compass Card program management business process decisions shall require joint input from MTS and NCTD. Any unilateral decisions shall be paid for separately. The allocation of and responsibility of ordering the Compass Card and paper inventory costs, as well as the fees collected for them are detailed in Attachment F.

- iv. Long-Term Fare Strategy Planning. As the Compass Card transition takes place, MTS, in partnership with NCTD, will begin the investigation on the long-term fare technology strategy for the region. This analysis will include the status of all current technology infrastructure, including all existing equipment and software. MTS will provide a go-forward fare technology strategy, both current infrastructure and potential other solutions, and will provide NCTD with the results for regional implementation. Any future costs for equipment and/or software updates to the existing system, including but not limited to the back office infrastructure, will be shared by MTS (75%) and NCTD (25%) as set forth above. Notwithstanding the agreed upon 75%/25% ratio for the ongoing operating costs related to the existing system, this ratio does not apply to

the funding of a *new* fare collection system (whether a material augmentation of the existing system or new fare technology solution). The funding split for a new fare collection system will be separately negotiated by MTS and NCTD at the time the new system is identified and a joint procurement process established.

**B. SANDAG AGREES:**

SANDAG Indemnification. Neither MTS nor NCTD nor any officer thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by SANDAG under or in connection with any work, authority or jurisdiction delegated to SANDAG under this Addendum. It is understood and agreed that, pursuant to Government Code Section 895.4, SANDAG shall fully defend, indemnify and save harmless MTS and NCTD, all officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by SANDAG under or in connection with any work, authority or jurisdiction delegated to SANDAG under this Addendum.

**C. MTS AGREES:**

MTS Indemnification. Neither SANDAG nor NCTD nor any officer thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by MTS under or in connection with any work, authority or jurisdiction delegated to MTS under this Addendum. It is understood and agreed that, pursuant to Government Code Section 895.4, MTS shall fully defend, indemnify and save harmless SANDAG and NCTD, all officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by MTS under or in connection with any work, authority or jurisdiction delegated to MTS under this Addendum.

**D. NCTD AGREES:**

NCTD Indemnification. Neither SANDAG nor MTS nor any officer thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by NCTD under or in connection with any work, authority or jurisdiction delegated to NCTD under this Addendum. It is understood and agreed that, pursuant to Government Code Section 895.4, NCTD shall fully defend, indemnify and save harmless SANDAG and MTS, all officers and employees from all claims, suits or actions of every name, kind and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by NCTD under or in connection with any work, authority or jurisdiction delegated to NCTD under this Addendum.

**E. MTS AND NCTD MUTUALLY AGREE:**

1. Selection of Key Personnel: MTS and NCTD shall both have input and mutually agree, which agreement shall not be unreasonably withheld, upon key personnel involved with the Compass Card Program. The following positions shall be considered key personnel:
  - a) Fare Technology Manager
  - b) Compass Card Customer Service Manager

- c) Systems Administrator
  - d) Computer Support Specialist
2. Selection of Key Vendor Contracts: MTS and NCTD shall both have input and mutually agree, which agreement shall not be unreasonably withheld, upon the key vendor contracts provided under this agreement. A list of current key vendor contracts is included in Attachment C.
  3. Critical Technology Decisions: All Compass Card Program critical technology decisions require mutually agreement by MTS and NCTD, which agreement shall not be unreasonably withheld, prior to implementing deviation from the current technology.
  4. Service Level Agreements. The following services provided under this agreement shall contain performance service level agreements mutually agreed upon by MTS and NCTD, which agreement shall not be unreasonably withheld, and which shall be in place by July 1, 2016:
    - a. Customer service call center
    - b. Card fulfillment
    - c. Card inventory
    - d. Program management issue resolution
    - e. Server and network reliability
    - f. TVM, TOT, and CPOS reliability
  2. Asset Life-cycle Management. Program equipment and assets shall be maintained properly according to manufacturer and industry standards, and managed to prepare for asset replacement promptly by the end of the estimated life of the asset to maintain state of good repair of all Compass Card program equipment.
  3. System Configuration. All configuration changes to system network, equipment, and software require mutual agreement by MTS and NCTD, which agreement shall not be unreasonably withheld, prior to implementing deviation from current configuration.
  4. System Operations and Maintenance. The Compass Card system shall be operated and maintained in a manner to provide both agencies the equivalent benefit.

**F. SANDAG, MTS AND NCTD MUTUALLY AGREE:**

1. Notice. Any correspondence required or permitted under this Addendum may be personally served on the other party, by the party giving notice by personal service or first class USPS mail to any of the following addresses:

Att. A, AI 13, 6/19/2014

For SANDAG  
401 B Street, Suite 800  
San Diego, CA 92101  
Attn: Executive Director

For MTS  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
Attn: Chief Executive Officer

For NCTD  
810 Mission Avenue  
Oceanside, CA 92054  
Attn: Executive Director

2. Term and Termination. This Addendum shall operate in perpetuity unless amended in writing or until a Party to this Addendum gives 360 days written notice of its desire to withdraw from the Addendum ("Termination"). To the extent the responsibilities and obligations set forth in this Addendum cannot be unwound and transferred to each individual party within the ninety (90) day termination deadline, the parties agree to diligently pursue termination and unwinding of the responsibilities and obligations set forth herein so that the transfer of responsibilities can take place as soon as practicable, without unreasonable adverse impact on the public transit service obligations of either MTS or NCTD.
3. Force Majeure. Should any Party be unable to perform any obligation required of it under this Addendum, other than the payment of money, because of any cause beyond its control (including, but not limited to war, insurrection, riot, civil commotion, shortages, strike, lockout, fire, earthquake, calamity, windstorm, flood, material shortages, failure of any suppliers, freight handlers, transportation vendors or like activities, any other force majeure), then such Party's performance of any such obligation shall be suspended for such period as the Party is unable to perform such obligation.
4. Disputes, Laws, Venue and Attorneys' Fees. Any dispute, controversy, or claim arising out of or related to this Addendum or any claimed breach thereof, shall be resolved in accordance with the provisions of this Section.
  - a. Informal Meet and Confer by Staff. SANDAG, MTS and NCTD staff, as applicable, shall meet and confer and shall attempt in good faith to reach agreement on any disputed matter. The meet and confer process shall be repeated, if necessary, until agreement is reached or for a period of 30 days, whichever occurs first.
  - b. Agency Executive Meet and Confer. If staff is unable to resolve the dispute, the SANDAG Executive Director, MTS Chief Executive Officer and NCTD Executive Director, as applicable, shall meet and confer in an attempt to resolve the issue. If the parties are unable to reach agreement after the meet and confer process, that party may terminate this MOU in accordance with Section F(2) and pursue all legal remedies available under state law.
  - c. Laws, Venue and Attorneys' Fees. This Addendum shall be interpreted in accordance with the laws of the State of California. Following mediation, if any action is brought to interpret or enforce any term of this Addendum, the action shall be brought in a state or federal court situated in the County of San Diego, State of

California. In the event of any such litigation between the Parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorneys' fees, as determined by the court.

5. Heirs and Assigns. All terms, conditions and provisions hereof shall inure to and shall bind each of the Parties hereto, and each of their respective heirs, executors, administrators, and assigns.
6. Assignment. No Party may assign its rights and obligations under this Addendum without the prior written consent of the other Parties. This cause shall not be construed to prohibit MTS and NCTD from assignment of any rights and obligations subsequent to transfer of Compass Card program functions from SANDAG to MTS and NCTD.
7. Independent Entities. For purposes of this Addendum, the relationship of the Parties is that of independent entities and not as agents of each other or as joint venturers or partners. The Parties shall maintain sole and exclusive control over their personnel, agents, consultants and operations.
8. Modifications. No modifications of the terms of this Addendum shall be valid unless made in writing and signed by the Parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the Parties hereto.
9. Third Parties. Nothing in the provisions of this Addendum is intended to create duties or obligations to or rights to third parties under this Addendum or effect the legal liability of the Parties to third parties.
10. Waiver. A Party's failure to insist in any one or more instances upon another Party's performance of any terms or conditions of this Addendum shall not be construed as a waiver or relinquishment of that Party's right to such performance or to future performance of such terms or conditions.
11. Superseded Agreements. The Parties agree that this Addendum supersedes and replaces the prior Interim Compass Card MOUs(MTS Doc. Nos. G1248.0-09 through G1248.3-09, SANDAG Contract No. 5001230).
12. Timeline of Transfer of Responsibilities. The Parties acknowledge that at the time of execution of this Addendum, some of the transition activities outlined herein have already taken place. Execution of this Addendum is intended to document and approve of the transition activities that have already taken place, and approve of the terms and conditions going forward.
13. Execution in Counterparts. This Addendum may be executed in any number of identical counterparts, each of which shall be deemed to be the original, and all of which together shall be deemed to be one and the same instrument when each Party has signed one such counterpart and that a facsimile copy of the executed counterparts shall have the same force and effect as an original.

**[SIGNATURES ON FOLLOWING PAGE]**



**IN WITNESS HEREOF**, the Parties have caused this Addendum to be executed as of the date above set forth.

<p><b>NORTH COUNTY TRANSIT DISTRICT</b></p> <p>By: _____  Matthew O. Tucker  Executive Director</p> <p>By: _____  Ryan Bailey  Chief Financial Officer</p> <p>APPROVED AS TO FORM:  By: _____  Lori Winfree  General Counsel</p>	<p><b>SAN DIEGO ASSOCIATION OF GOVERNMENTS</b></p> <p>By: _____  Gary Gallegos  Executive Director</p> <p>APPROVED AS TO FORM:  By: _____  John Kirk  Office of the General Counsel</p>
<p><b>SAN DIEGO METROPOLITAN TRANSIT SYSTEM</b></p> <p>By: _____  Paul C. Jablonski  Chief Executive Officer</p> <p>APPROVED AS TO FORM:  By: _____  Karen Landers  General Counsel</p>	

**ATTACHMENTS:**

Attachment A – Revenue Allocation Formulas  
Attachment B – List of SANDAG Existing Compass Card Staff  
Attachment C – List of SANDAG Key Vendor Contracts  
Attachment D-1 – FY 2014 Program Expense Budget; Estimated FY 15 Program Expense Budget  
Attachment D-2 – SANDAG Budget for Restructuring / Remodeling Costs  
Attachment E – SANDAG FY 14 Budget for Compass Card Program Expenses During Transition  
Attachment F – Ordering Responsibility and Cost/Revenue Allocation of Compass Card Inventory



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619.231.1466, FAX: 619.234.3407

## Agenda Item No. 14

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

June 19, 2014

**Draft for  
Executive Committee  
Review Date: 6-12-14**

#### SUBJECT:

2014 MILLS BUILDING BOARD ROOM IMPROVEMENT PROJECT

#### RECOMMENDATION:

That the Board of Directors authorize the renovation of the 10<sup>TH</sup> Floor Board Room through Colliers International, the Mills Building on-site property management company.

#### Budget Impact

The total cost of the Board Room improvement project will not exceed \$122,000. Funding will be through the FY15 CIP 11200 (Miscellaneous Capital).

#### DISCUSSION:

#### Background

The MTS headquarters is located in the Mills Building at 1255 Imperial Avenue, San Diego, CA 92101. The Mills Building opened in 1991 and is owned by the SDRBA, a joint powers authority comprised of MTS and the County of San Diego. Under a series of financing leases, MTS occupies the 9<sup>th</sup> and 10<sup>th</sup> floors and has the right to lease out retail space on the 1<sup>st</sup> floor. The County of San Diego occupies the 2<sup>nd</sup> through 8<sup>th</sup> floors of the building. MTS and the County of San Diego jointly fund building expenses using various cost-sharing formulas.

SDRBA contracts with Colliers International to manage the Mills Building, which includes overseeing all construction projects on the property, providing security, and maintaining janitorial and maintenance staff. Under the SDRBA and Colliers International property management contract, additional tenant-related projects may be assigned to Colliers for project management on a case-by-case basis.

#### Proposed Board Room Renovation:



The Board Room's audio/visual equipment was installed in 1991 and requires significant upgrades to remain functional and reliable.

#### *Display System*

Provide and install two (2) 80" LED displays on opposite walls of the Board Room. In addition, up to two (2) 48" displays will be installed for additional viewing toward the rear of the room. The displays will be integrated with a laptop connection at the Presenter's station via network transmitters and receivers. The 80" displays will be mounted on flat wall-mount brackets, while the 48" displays will be mounted on articulated wall-mounted brackets. All displays will be controlled via a Crestron control system. A network receiver will be installed in the adjacent conference room to allow the audience to view proceedings from the Board Room while in the conference room.

#### *Audio System*

The audio system and DSP units will be replaced with a new audio processor and DSP units, integrated and programmed for the existing speakers and microphones. The new DSP units will be programmed in a mix/minus setup for the microphones and speakers at the lectern. Upon replacing the units in the existing AV rack, the cabling/wiring in the rack will be redone and properly dressed, labeled and laced. Two new wireless hand-held microphones will be provided for audience and Americans with Disabilities Act Compliance.

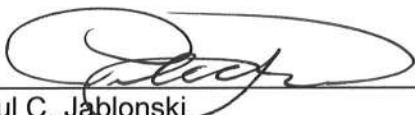
#### *Control System*

The existing AMX control system will be replaced with a new Creston control system that will include two (2) 7" wired touch panels for user control. One of the touch panels will replace the existing Panja button panel in the dais and the other touch panel will reside in the rear of the room at the IT station.

#### *Construction*

The contractor will install new carpet, paint, acoustic wall panels, window coverings and applicable electrical and cabling.

Colliers International has proven an effective project manager in the Mills Building and we wish to rely on its expertise to manage this project. Assigning this work to Colliers International also ensures that the work will be completed in accordance with the requirements of the SDRBA and building engineer. Pursuant to the terms of the SDRBA and Colliers International property management contract, three bids have been obtained from reputable companies and estimated project cost is \$122,000. MTS is required to pay building invoices for this project within 15 days. Today's action would allow the CEO to authorize Colliers International to proceed with the Board Room Improvement Project.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Amendment No. 2 to Property Management Agreement

MTS Doc. No. G1233.2-09

**AMENDMENT NO. 2  
TO  
PROPERTY MANAGEMENT AGREEMENT FOR THE JAMES R. MILLS BUILDING**

This Amendment No. 2 to the Property Management Agreement is made and entered into as of this 5th day of December 5, 2013, by and between the San Diego Regional Building Authority, a joint exercise of powers agency (the "JPA"), and Colliers International Real Estate Management Services (CA), Inc. ("Property Manager").

**RECITALS**

- A. Pursuant to the Property Management Agreement (MTS Doc. No. G1233.0-09), Property Manager acts as an independent manager of the ten-story office building known as the James R. Mills Building ("Mills Building").
- B. On or before December 31, 2011, Property Manager changed its name to Colliers International Real Estate Management Services (CA), Inc.
- C. The original term of the Property Management Agreement expires on December 31, 2013. The JPA desires to exercise its first 5-year option, extending the term of the agreement through December 31, 2018.
- D. In order to accommodate additional business and operational needs, MTS and County may periodically need to make minor tenant improvements to a portion of the Mills Building.
- E. The JPA wishes to authorize Property Manager to oversee these improvements as part of the Property Management Agreement, with the Project costs paid for by the requesting tenant, in accordance with the terms and conditions stated in this Amendment No. 2.

**AGREEMENT**

The JPA and Property Manager hereby agree as follows:

- 1. Extension of Term. Pursuant to Section 2.2 of the Property Management Agreement, the JPA hereby exercise its first option, extending the term of the agreement through December 31, 2018.
- 2. Repairs/Tenant Improvement Projects. The parties hereby revise the last sentence of Section 3.1(h) Repairs, to read:

Upon written request of the applicable Space Lease tenant, and written consent of the non-requesting tenant, Property Manager may contract for or supervise the construction of tenant improvements or alternations made pursuant to Space Leases, subject to the terms and condition of Amendment No. 2 (MTS Doc. No G12332-09). Any request and corresponding consent may be accomplished through the Space Lease tenant's authorized representative. Any request made pursuant to this section shall include a statement by the requesting Space Lease tenant agreeing to submit payment to the SDRBA within 15 days of invoicing. Prior to commencing any work according to this provision, Property Manager shall confirm to County and MTS that sufficient Operating Funds exist to accommodate any cash flow needs for Mills Building operations

MTS Doc. No. G1233.2-09

and other projects. In the event Property Manager determines cash flow may be impacted by the requested special project, prior to commencing any work, the requesting Space Lease tenant shall deposit sufficient funds with the SDRBA to resolve any cash flow concerns.

Any tenant improvement work supervised and contracted for by Property Manager pursuant to the last sentence of Section 3.1(h) shall be subject to the following additional requirements:

- a. For all work performed by an independent contractor pursuant to Section 3.1. (l) of the Property Management Agreement, Property Manager shall obtain a minimum of three bids for the work.
- b. Property Manager shall provide for the payment of prevailing wages, indemnification and insurance for all work performed as part of tenant improvement projects. The terms and conditions for any contract related to the work described in this Amendment No. 2 shall be reviewed and approved by counsel for the requesting party (MTS or County).
- c. Property Manager shall be compensated pursuant to Section 4.1(c) of the Property Management Agreement for the work described in Section 1(a) above.
- d. Because these projects are for the benefit of each individual Space Tenant, the requesting tenant shall pay all costs associated with tenant improvement projects authorized by this Amendment No. 2 as follows:
  - i. Property Manager is authorized to pay all expenses related to requested tenant improvement projects from the Mills Building Operating Account pursuant to Section 3.1(a) of the Property Management Agreement;
  - ii. Property Manager, on behalf of the JPA, shall invoice the applicable tenant directly for such expenses, including a copy of the invoice paid and the check copy;
  - iii. The applicable tenant shall submit payment for such expenses within fifteen (15) days of invoicing, payable to the "James R. Mills Building".

3. All other terms and conditions of the Property Management Agreement shall remain the same.

IN WITNESS WHEREOF, the JPA and Property Manager have executed this Amendment No. 2 on the date first written above.

SAN DIEGO REGIONAL BUILDING  
AUTHORITY

BY: 

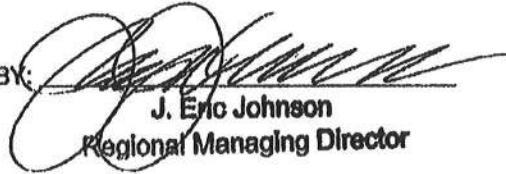
April F. Heinze, P.E.  
SDRBA Executive Officer and  
County of San Diego Director of General  
Services

BY: 

Paul C. Jablonski  
Chief Executive Officer  
San Diego Metropolitan Transit System

MTS Doc. No. G1233.2-09

**COLLIERS INTERNATIONAL REAL ESTATE  
MANAGEMENT SERVICES (CA), INC**

BY:   
J. Eric Johnson  
Regional Managing Director

**APPROVED AS TO FORM:**

BY:   
Karen Landers, General Counsel  
San Diego Metropolitan Transit System