

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

EXECUTIVE COMMITTEE MEETING FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
SAN DIEGO TRANSIT CORPORATION (SDTC),
AND SAN DIEGO TROLLEY, INC. (SDTI)

JANUARY 6, 2005

MINUTES

A. ROLL CALL

Chairman Williams called the meeting to order at 9:10 a.m. Committee members present: Toni Atkins, Bob Emery, Jerry Rindone, Ron Roberts, and Leon Williams. Ex Officio members present: Shirley Kaltenborn and Harry Mathis.

B. APPROVAL OF MINUTES

Mr. Emery moved approval of the minutes of the December 2, 2004 Executive Committee meeting. Ms. Atkins seconded the motion, and the vote was 4 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. MTS: Grievance and Hearing Procedure for Nonunion Employees (ADM 128, PC 30100)

MTS Chief Executive Officer Paul Jablonski introduced Mr. Jeff Stumbo, Director of Human Resources, and Rod Betts, MTS Labor Counsel, who developed a proposal for the establishment of a grievance procedure for nonunion employees for the combined agency (MTS, SDTC, and SDTI). Mr. Stumbo pointed out that the proposed procedure will apply to all management employees at the three agencies and does not apply unionized employees who are covered by a collective-bargaining agreement. He added that each of the individual agencies had separate policies for resolving employee conflicts that were not effective and resulted in costly litigation and settlements. He also advised the Committee that the recommended procedure should protect MTS from frivolous lawsuits and mirrors other public-system procedures such as the one used by the University of California.

Mr. Stumbo provided the Committee with an overview of the recommended procedure and also reviewed the procedure's pros and cons. Mr. Mathis suggested that the wording be changed to clarify that employees have 90 days to file, not 90 days in which to appear in court, should they desire to challenge the decision of the Grievance Committee. Mr. Betts stated that many public agencies have similar internal procedures. He added that the recommended procedure allows employees to file a writ challenging the administrative decision, and the court will then rule on whether or not the individual received a fair hearing. He stated that this procedure will give employees a larger voice internally.

In response to a question from Ms. Atkins, Mr. Stumbo stated any staff member who is involved in the disciplinary process with a particular employee would not be selected to be on the Grievance Committee that hears that case. Mr. Betts pointed out that this approach is being taken to reduce the chances that the Grievance Committee's decision could be challenged based on prejudice or bias of a Committee member. Mr. Stumbo also stated, in response to Ms. Atkins's question, that the Human Resources Manager takes no position in the handling of these matters while he himself, as Director of Human Resources, represents MTS's position. It was also clarified that the employee has the right to contest any member of the Grievance Committee and can ask the Human Resources Manager to select a replacement member. Ms. Atkins stated that "fire walls" need to exist to ensure that the process occurs with real objectivity. In response to a question from Mr. Mathis, Mr. Betts reported that members of the Grievance Committee will not receive any special training. Mr. Emery stated that it is important for the agency to have a procedure for resolving employment disputes.

Action Taken

Mr. Emery moved to forward a recommendation to the Board of Directors to approve the Grievance and Hearing Procedure for Nonunion Employees of the Metropolitan Transit System (MTS), San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI), as outlined in Attachment A of the agenda item. Mr. Rindone seconded the motion, and the vote was 5 to 0 in favor.

2. SDTI: Mission Valley East Final Operating Plan and Light Rail Vehicle Deployment (OPS 970.2, PC 30102)

Mr. Peter Tereschuck, President-General Manager of SDTI, provided an overview of the Mission Valley East (MVE) Final Operating Plan and Light Rail Vehicle Deployment Report. He reviewed the proposed final operating plan (including evaluation elements that were applied to develop the plan), described headways and hours of service, and described light rail vehicle deployment issues and car availability. Mr. Tereschuck pointed out that the recommended plan provides a significant estimated cost savings of \$956,417 over the full plan.

In response to a question from Mr. Roberts, Mr. Tereschuck stated that the plan ensures full connectivity between Old Town, downtown, and Mission Valley. Mr. Roberts expressed surprise at the extended hours of service to Santee on the Green Line. Mr. Tereschuck stated that there are 50 to 60 major stores in the shopping center in Santee that is served by this line, and the merchants at the center have expressed strong support for trolley service in the later hours. He added that shopping center employees as well as customers will utilize this service. Mr. Jablonski pointed out that this schedule also provides a late trip to SDSU (last class ends at 9:40 p.m.) and also ensures connectivity with the rest of the system. Mr. Roberts expressed concern that demand for this service would be low. Mr. Mathis suggested that the service be implemented and then adjusted at a later date if there is inadequate ridership to justify the service. Mr. Roberts pointed out that it is much harder to reduce service than it is to add service. Mr. Rindone also expressed doubt regarding the demand level for late service but stated that the Committee could concur with the initial plan with the understanding that adjustments would be made at a later date to address underutilized service. Mr. Roberts requested further analysis of this issue prior to the presentation of this item at the January 13, 2005, Board meeting. Mr. Jablonski stated that the report to the Board will

take a more comprehensive approach looking at service for the entire line. Mr. Emery stated that Santee should be given a decent chance to build its ridership. He agreed that staff should conduct additional analysis, but also requested that service not be cut in a way that would discourage the development of ridership in Santee.

Mr. Jablonski advised the Committee that Congestion Mitigation and Air Quality (CMAQ) monies, which can only be used for new service, will be used to fund the first three years of this service. He stated that, since this type of funding is being used, now is the time to be adventurous and see if ridership will develop. He added that service could be trimmed when MTS has to start using its other operating resources if the ridership doesn't develop as expected. Mr. Rindone felt that it was important to provide service in a way that would encourage SDSU students to utilize the trolley. Mr. Mathis also suggested that staff look at the cost impact of eliminating one one-car trip, which he felt would be minimal.

Mr. Tereshuck briefly discussed compatibility issues between the SD-100s and S-70s. He also briefly discussed vehicle assignment by line and LRV fleet deployment. He reported that the trolley-car requirement for meeting all service plus maintenance spares is 133. Mr. Rindone stated that this was critical information for determining MTS's capital needs going forward. Mr. Mathis stated that mixed-car sets need to operate well with consistency. He requested that further information on this issue be brought back to the Board when the capital-needs issue is discussed. He also requested that the previous discussion about a program for maintaining a higher inventory be revisited.

Mr. Tereschuck then reviewed different approaches that could be taken to ensure that an adequate number of trolley cars are available for special events. Mr. Jablonski pointed out that this will be a particular challenge in 2005 when there are six day games. Mr. Tereshuck also reviewed other options to increase fleet size, if needed. These options included accelerating the option to purchase 11 additional new cars or purchasing residual lease options for excess vehicles from Utah Transit and Sacramento. Mr. Tereschuck stated that these cars have been modified so they can operate at low-platform stations. The Committee and staff briefly discussed these two options plus financial factors that were involved in the decision to purchase low-floor vehicles. Mr. Jablonski stated that there needs to be a more in-depth discussion of these issues. Mr. Mathis expressed concerns regarding increased maintenance requirements that could occur by adding yet another type of trolley car to the system. Ms. Atkins stated that this was an important discussion and the Board needs to understand that short-term decisions impact the system's long-term plan.

Mr. Emery requested that staff eliminate one Power Point slide - Other Options to Increase Fleet Size – for the presentation of this item to the Board on January 13, 2005, and instead simply indicate that staff will come back to the Board very soon with options for increasing the trolley fleet size. The Committee supported Mr. Emery's request.

The Committee briefly discussed staff's options for storing trolley cars in pocket tracks going both east and west from Qualcomm Stadium.

Action Taken

Mr. Emery moved to (1) approve staff's recommendation for Mission Valley East Operating headways, hours of service, and restricting Blue Line Mission Valley West

service to operate only during limited peak-period intervals; and (2) receive the Light Rail Vehicle Deployment Plan for information. Direction was provided as outlined above. Mr. Rindone seconded the motion, and the vote was 5 to 0 in favor.

3. MTS: Election of Vice Chair and Chair Pro Tem and Appointments to Committees for 2005 (LEG 410, PC 30100)

Ms. Tiffany Lorenzen, MTS General Counsel advised the Committee that MTDB is now known as Metropolitan Transit System (MTS) effective January 1, 2005. She then briefly reviewed this agenda item. She referred the Committee to the third page, which displays the Board member assignments to various committees and stated that this list represents the status quo. Mr. Emery advised staff that the Interstate 15 Policy Advisory Committee no longer exists. It was also pointed out that Consolidation Subcommittee should read the Ad Hoc Transition Subcommittee.

Action Taken

Ms. Atkins moved to recommend that the Board of Directors elect a Vice Chair and a Chair Pro Tem for 2005 and appoint representatives to the MTS committees as listed on the table in Attachment A of the agenda item. Mr. Rindone seconded the motion, and the vote was 5 to 0 in favor.

CLOSED SESSIONS

The Executive Committee convened to Closed Session to discuss the following two items (Agenda Item Nos. 4 and 5) at 10:30 a.m. The Executive Committee reconvened to Open Session at 11:40 a.m., and Ms. Tiffany Lorenzen, MTS General Counsel gave an Oral Report of Final Actions Taken in Closed Session as follows:

4. Closed Session – MTS: Public Employee Performance Evaluation – Chief Executive Officer (Government Code Section 54957)

Action Taken

The Executive Committee received a report and recommended forwarding this item to the full Board for consideration.

5. Closed Session – MTS: Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Subdivision (b) of Government code Section 54956.9 (One Potential Case)

Action Taken

The Executive Committee received a report and recommended forwarding this item to the full Board for consideration.

D. REVIEW OF DRAFT JANUARY 13, 2005, JOINT BOARD AGENDA

Ms. Lorenzen called the Committee's attention to the Board agenda for January 13, 2005, and pointed out that, from this point forward, Discussion Items will be split into two sections –

Discussion Items and Report Items. She stated that this approach is being taken to maximize chances that a quorum of the Board will be present through the most critical items on the agenda. She also called attention to the fact that the Board will have a Finance Workshop just before its Board meeting on the 13th, which will start at 8:00 a.m. She stated that there are only two items to consider during the Finance Workshop. Mr. Jablonski stated that this will be a short workshop that will primarily focus on presenting the budget development process; in particular, the budget schedule and oversight issues. He stated that there will be three or four workshop meetings as the budget develops.

Mr. Jablonski also reported that the Board's February 10, 2005, meeting conflicts with the SANDAG Board Retreat, which will be held February 9, 10, and 11. He stated that a number of MTS's Board members will be participating in the retreat, which may affect the Board's ability to achieve a quorum on February 10. He stated that, based on items that require Board attention in February, one Board meeting in February would suffice. The Committee discussed various options including rescheduling the meeting, which did not appear to be feasible. Mr. Jablonski stated that he will advise the Board if there are any issues that require the Board's attention before the regularly scheduled February 27 meeting and, if there are none, will cancel the February 3 Executive Committee meeting and the February 10 Board meeting.

Recommended Consent Items

6. MTS: Contract Amendment for The Ticket Factory (FIN 330.3, PC 40060)

Recommend that the Board of Directors authorize the CEO to exercise a second option year with The Ticket Factory for printing of 17,701,100 Universal Daily-Dated Transfer Slips at a cost not to exceed \$84,497.97 (including tax and delivery), in substantially the same form as Attachment A of the agenda item. This price represents a cost of \$4.77 per 1,000 slips.

7. MTS: Contract Amendment to Extend and Increase Authorization of Liability Claims Management Services (LEG 491, PC 30100)

Recommend that the Board of Directors authorize the CEO to enter into a contract amendment with McDowell Adjusting Company (MTDB Doc. No. G0848.1-03, Attachment A of the agenda item) to provide liability claims administration services and supervision and support of the self-insurance program. The total contract cost is not to exceed \$427,500. The term of the contract extension is for a period of one year with options for two additional years.

8. SDTI: Mission Valley East Equipment Procurement: Contract Award (OPS 970.6, PC 30102)

Recommend that the Board of Directors authorize the President and General Manager to execute a Standard Procurement Agreement (Attachment A of the agenda item) with Altec Industries, Inc. for supplying one hi-rail and insulator washer-equipped bucket truck for a total cost (including delivery, license, and tax) not to exceed \$117,578.05.

9. MTS: Disadvantaged Business Enterprise Semiannual Report (LEG 430, PC 30100)

Recommend that the Board of Directors receive the second semiannual FY 05 Disadvantaged Business Enterprise reports for Federal Highway Administration- and

Federal Transit Administration-assisted projects (Attachments A and B of the agenda item).

10. MTS: FY 05 Vendomat Tickets: Exercise of Contract Option (FIN 330.3, PC 40060)

Recommend that the Board of Directors authorize the Chief Executive Officer to exercise the third of four options with Digital Printing Systems, in substantially the same form as Attachment A of the agenda item, to produce and deliver a total of 8,366,240 vendomat tickets, for a total cost not to exceed \$33,792.68 (including tax and shipping), based on a \$2.21 unit price per 1,000 for rolled stock and \$4.66 unit price per 1,000 for thermal stock.

11. MTS: Contract Amendment for Increased Authorization for Legal Services (LEG 491, PC 30100)

Recommend that the Board of Directors (1) authorize the Chief Executive Officer (CEO) to enter into a contract amendment with J. Rod Betts of the law firm Paul, Plevin, Sullivan & Connaughton for employment practices liability services and employment legal advice, in substantially the same form as attached (MTDB Doc. No. G0920.2-04, Attachment A of the agenda item and MTDB Doc. No. G0924.3-04, Attachment B of the agenda item); and (2) ratify prior amendments entered into under the CEO's and/or previous General Manager's authority(ies).

12. MTS: January 2005 Service Changes (SRTP 830, PC 20287)

Recommend that the Board of Directors receive this information on service changes scheduled for January 2005 implementation.

13. MTS: San Diego Gas and Electric Company Requests for Easement (CIP 10426.6)

Recommend that the Board of Directors authorize the Chief Executive Officer to execute easements to San Diego Gas and Electric Company for utility facilities within the Mission Valley East Light Rail Transit Project and approve easements executed by the previous General Manager during the years 2001, 2002, and 2003.

14. MTS: Taylor/Major Irrigation Sewer Easement (CIP 10426.6)

Recommend that the Board of Directors authorize the Chief Executive Officer to execute an easement to Arthur Samuel Taylor and Maria Ann Taylor, joint trustees for the Taylor Family Trust, for maintenance, repair, and replacement of a private sewer line located within MTS-owned property at the Grantville Station, located on Assessor Parcel No. 461-320-29, in substantially the form attached (Attachment A of the agenda item).

Recommended Consent Items

There was no discussion of Recommended Consent Items.

Recommended Board Discussion Items

There was no discussion of Recommended Board Discussion Items.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

There was no SANDAG Transportation Committee agenda to review.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

Introduction of Steve Alcove: The Committee was introduced to Mr. Steve Alcove, newly elected President of the Amalgamated Transit Union (ATU), Local 1309.

Morena/Linda Vista Station Joint Development Project: Ms. Lorenzen advised the Committee that this project closed escrow on December 23, 2004. Mr. Jablonski stated that it has taken 13 years to reach this point, and activity has been very intense the last one and one-half months. He added that Ms. Lorenzen has spent about four solid weeks working on this project to get it prepared for closing.

G. PUBLIC COMMENTS

There were no public comments.

H. NEXT MEETING DATE:

The next meeting is scheduled for Thursday, January 20, 2005 in the Executive Conference Room.

I. ADJOURNMENT

Chairman Williams adjourned the meeting at 11:47 a.m.

Chairman

gailwilliams/minutes