

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)

MARCH 3, 2005

MINUTES

A. ROLL CALL

Chairman Williams called the meeting to order at 9:07 a.m. Committee members present: Toni Atkins, Bob Emery, Jerry Rindone, Ron Roberts, and Leon Williams. Ex Officio members present: Harry Mathis and Shirley Kaltenborn.

B. APPROVAL OF MINUTES

Mr. Rindone moved approval of the minutes of the February 3, 2005, Executive Committee meeting. Mr. Roberts seconded the motion, and the vote was 4 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. MTS: Green Line Opening Day - Tentative (CIP 10426.1)

Mr. Jablonski stated that there are many issues remaining to be resolved prior to the opening of the Green Line, but it was necessary for planning purposes and the development of marketing materials to identify a tentative date. He stated that work has been done to ensure no conflict with major events and the availability of certain dignitaries. Mr. Gonzalo Lopez, Director of Marketing & Community Relations, reported that the tentative opening date will be Friday, July 8, at 4:00 p.m. followed by a Free Ride Community Ride Day on Saturday, July 9, from 10:00 a.m. to 3:00 p.m. He stated that revenue operations would commence on Sunday, July 10.

In response to a concern voiced by Mr. Roberts, SDTI President-General Manager Peter Tereschuck reported that specific milestones in the tasks leading up to the opening have been charted out by the start-up committee. He stated that the start-up committee will be aware if slippage starts to occur and can take action to get back on schedule. Mr. Roberts requested that staff report back to the Committee on this schedule every four to five weeks, specifically with regard to the operations aspect of the schedule. Mr. Roberts also suggested that there be tours given of the tunnel portion of the line. Mr. Jablonski pointed out that staff currently has over 90 days, after delivery of the new trolley cars, before the opening of the Green Line, which is the longest lead time staff has ever had for an opening. Mr. Jablonski stated that tours of the tunnel can occur as soon as the Fire Marshall gives approval, which will be most likely in early April after all fire-related testing has been completed. He added that tour type of activities should be able to start in May or June.

In response to a question from Mr. Emery, Mr. Jablonski stated that work continues on the operating agreement with SDSU; tentative agreement has been reached on the financial issues. He stated that no agreements have been signed as issues have arisen that still need to be worked out. He stated that he is meeting every seven to ten days with Ms. Sally Rousch, SDSU, in an effort to finalize all agreements in the next 30 to 60 days. He confirmed that lack of a finalized operating agreement with SDSU will not have a negative impact on the schedule leading up to the opening. He added that SDSU is very excited about the opening and is motivated to resolve issues so they can begin their festivities related to the opening. He stated that they would like to hold a reception in the tunnel for their leadership group.

Mr. Jablonski provided the Board with a brief description of San Diego Transit's shake-up process and stated that it has always been staff's intention to work with the Amalgamated Transit Union (ATU), Local 1309, to handle any bus-related issues that arise out of the opening of the Green Line. He stated that there are a number of alternatives that can be explored.

Mr. Rindone suggested that staff ensure that there are no events being held in the Cox Arena that would complicate the opening.

#### Action Taken

Mr. Rindone moved to forward a recommendation to the Board of Directors to approve the tentative opening day for the Green Line and approve the Free Community Ride Day. Mr. Emery seconded the motion, and the vote was 5 to 0 in favor.

#### 2. MTS: Proposed Changes to Metropolitan Transit System (MTS) Enabling Legislation (LEG 410, PC 30100)

Ms. Tiffany Lorenzen, MTS General Counsel, reminded the Committee that staff was asked by the Board to propose changes to MTS's enabling legislation consistent with the intent of Senate Bill 1703 (SB 1703). She reviewed each proposed change in detail. Highlights were as follows: (1) Language specifying that MTS subsidiaries are considered public agencies for purposes of the California Tort Claims Act; (2) changes to procurement procedures to allow for a more flexible, timely, and economic procurement process; (3) judicial review procedures for protests; (4) clarification of MTS's focus on operations; (5) flexibility to legally merge SDTI and SDTC into MTS, and (6) clarification that MTS, SDTC, and/or SDTI may issue pension obligation bonds. Ms. Lorenzen stated that staff is working with outside counsel to determine how best to approach any merging of SDTI and SDTC into MTS. She added that the recommended changes also include a provision for MTS to appoint ex officio board members.

Ms. Lorenzen reported that SANDAG requested the addition of language that specifies that the recommended changes be in conformity with, and subject to the limitations set forth in SB 1703, as it pertains to MTS's ability to acquire and construct facilities and apply for and obtain funding. They also requested the addition of more specific language regarding MTS's planning responsibilities. In response to a question from Mr. Emery, Ms. Lorenzen stated that any disagreements between MTS and SANDAG over the division of responsibilities would be resolved by referring to SB 1703. She stated that the division of responsibilities would not be affected by MTS's enabling legislation. Mr. Jablonski stated that the changes to the enabling legislation are being made to

ensure that it does not preclude MTS from operating in accordance with SB 1703. Mr. Jablonski pointed out that the language regarding MTS's ability to seek funding is being recommended to give MTS the latitude to pursue funding opportunities as they become available for special circumstances; e.g. security.

Mr. Jack Limber, SANDAG General Counsel, stated that SANDAG did not feel comfortable that MTS was including the design-build statute from SB 1703 in its proposed changes. He stated that SANDAG felt this would be in direct conflict with SB 1703.

Mr. Jablonski stated and Mr. Limber agreed that the Transition Plan that resulted from the passage of SB 1703 is a "living document" that will change as the agencies work out how processes will be handled. Mr. Limber added that the planning function and how it occurs has already been changed, and MTS and SANDAG may agree to other changes. Mr. Jablonski stated that MTS and SANDAG have input into each other's planning processes, which is critical. Mr. Jablonski added that the language in the law should codify the work that SANDAG and MTS did in this area.

Ms. Lorenzen stated that this is the first version of the recommended changes. She stated that there will be many opportunities to make changes as MTS proceeds through the legislative process. Mr. Jablonski added that he will be going to Sacramento for Transit Lobby Day and will be discussing this legislation during that process. In response to a question from Mr. Rindone, Ms. Lorenzen stated that MTS will be seeking bipartisan sponsorship.

#### Action Taken

Mr. Emery moved to receive a report on the proposed changes to MTS's enabling legislation (Attachment A of the agenda item), provide direction to staff on modifications to the legislation, and forward the report to the Board of Directors for its review and comments prior to California Transit Lobby Day. Mr. Rindone seconded the motion, and the vote was 5 to 0 in favor.

#### 3. MTS: Ridership Trend Analysis (SRTP 20271)

Mr. Jablonski introduced this item stating that the Planning Department has put substantial effort into the lengthy process of analyzing MTS's service. He stated that the report, which is the result of that effort, is excellent and would have been very costly to have done by a consultant. He stated that there are many thought-provoking elements to the report. Mr. Conan Cheung, MTS Director of Planning, reviewed the report, the purpose of which was to identify probable causes for the recent ridership decline. He reported that MTS ridership has increased by 300 percent since 1967, but, since FY 2001, ridership has declined significantly despite increases in service hours. He presented staff's analysis of the impact of various unique events (military action, border crossings, fare changes, economy, parking-space availability, tourism, etc), the methodology used, segmentation analysis, national trends, changes in travel patterns in San Diego, mode attractiveness, and how recent service restructuring influenced ridership.

He pointed out that unique events, including fare increases, do not appear to have a significant impact on the continued decline in ridership. He stated that the decline

appears to be systemic and the result of changes in market composition (demand/characteristics). He stated that the geographic shift in employment and residential locations appears to have contributed to ridership decline, that transit is less competitive than other modes, and there has been a shift from the easily served manufacturing industry (highly concentrated, centrally located, employees with similar work hours) to difficult-to-serve service sectors.

Mr. Cheung added that, in at a couple of cases, recent service restructuring has also contributed to the decline. The Committee discussed these service changes, and it was agreed that service changes need to be constantly reviewed to determine if they are productive and, when they are not, should be reconsidered. Mr. Rindone pointed out that transit cannot be "all for all", and the Board needs to be supportive of that. Chairman Williams briefly discussed the various mode choices that people can make and how transit has to compete against these other choices. Mr. Jablonski stated that San Diego's goal is to get people out of single-occupant vehicles, but, as the list of mode options gets longer, it provides transit with more competition.

#### Public Comment

*Clive Richard:* Mr. Richard stated that higher fares, lower speeds, long waits, and less connectivity/reliability are contributing to the decline in ridership. He agreed with the report's assessment that transit has not responded to shifts in the location of jobs and communities.

Mr. Emery stated that the report represents a good start in changing MTS's system. He added that transit must not only look at where the jobs are but the types and pay scales of the jobs as well. He also stated that there are people and entities actively working against transit.

Ms. Atkins stated that transit has been reactive rather than proactive in providing service and stated that she understood how that could happen. She emphasized that transit needs to match land-use patterns, and this type of information is needed early rather than later when projects are more advanced. She stated that it is important to analyze demographics before pursuing the choice rider. She stated that MTS should have dialogue with the Economic Development Corp. to determine where they are trying to attract employees, what type of employees, etc. She also stated that she has friends who live in Hillcrest who do not take the bus to downtown because it is too inconvenient. She stated that this is the type of service transit should excel at providing. Mr. Roberts agreed that MTS should be able to effectively provide service from Hillcrest to downtown. Ms. Atkins stated that MTS and SANDAG have different core missions, which can cause conflict. Chairman Williams stated that San Diego should stop pitting public transit against other modes of transportation.

Mr. Roberts complimented staff on the report. He stated that the MTS cannot provide service everywhere. He also stated that, if service is being implemented that hurts rather than helps productivity, process-wise, MTS is not doing something right. He stated that many decisions have been made for political reasons, and the service is unproductive. He supported a policy of a basic system comprised of life-line services with additional service provided based on productivity. Mr. Roberts added that transit will always be in competition with other modes of transit, and MTS should work to provide better service in the areas where the service will be utilized. He stated that

transit needs to provide service that is convenient, easy to use, and fast. He added that transit can only compete if it provides the maximum amount of service in areas that provide the best return on investment. He also stated that the most significant changes in MTS's operating environment have been the result of things that MTS cannot control. He stated that MTS's focus needs to be on getting the maximum "profit" from its fixed resources. He suggested that tentative conclusions in terms of how MTS operates should be attached to the ridership report. He stated that MTS should analyze its operating environment, decide how best to run the operation to maximize the amount of dollars available, and worry about what MTS can control.

Mr. Jablonski stated that the timing for MTS's Comprehensive Operational Analysis (COA) is good. He added that providing public transit is like any other business – it needs to adapt to its market. He agreed that transit cannot be provided in all places to all people; that it depends on economies of scale and density. Mr. Jablonski also stated that transit needs to provide an attractive alternative if it is going to effectively compete with other modes. Mr. Rindone agreed that the timing for the COA is good and that understanding market demand before going into this process is extremely important. He also stated that this was the finest comprehensive analysis he has seen. He also stated that learning from the study that fares don't impact ridership in the way everyone believed was very illuminating. He stated that staff and the Board need to maintain a focus on MTS's mission throughout the COA process. Mr. Emery and Mr. Rindone made suggestions for improving staff's Power Point presentation. Mr. Emery also stated that transit will become more important when fuel is no longer readily available.

Mr. Cheung stated that his planning staff already have some ideas, based on the data in the ridership report, for restructuring the system. He advised the Committee that they are getting valuable input from the community meetings they are holding. The Committee and staff briefly discussed the concept of transportation hubs and how that might apply to public transit.

Mr. Jablonski stated that MTS is becoming more operationally focused and is beginning to look at things differently. He stated that MTS needs to be run like a regular business and must understand its market, put its resources there, ensure quality service, good customer service, etc. He stated that operations need to be constantly reviewed. He also agreed that changes should be evaluated and, if not performing as predicted, should be adapted.

#### Action Taken

Mr. Rindone moved to receive this report for information and forward it to the Board of Directors. Mr. Emery seconded the motion, and the vote was 5 to 0 in favor.

#### D. REVIEW OF DRAFT MARCH 10, 2005 BOARD AGENDA

##### Recommended Consent Items

6. SDTI: Second and Final One-Year Extension of Nightly Cleaning Services – Contract Amendment (OPS 970.6, PC 30102)

Recommend that the Board of Directors authorize the SDTI President-General Manager to execute Contract Amendment No. 2 to SDTI Doc. No. C.O.001.0-01 (Attachment A of

the agenda item) for a second and final one-year extension of light rail vehicle nightly cleaning services with Calderon Building Maintenance, Inc. (Calderon), for an amount not to exceed \$986,452.30.

7. SDTI: Coupler Parts Procurement: Contract Award (OPS 970.6, PC 30102)

Recommend that the Board of Directors authorize the General manager to execute a Standard Procurement Agreement (Attachment A of the agenda item) with Siemens Transportation Systems, Inc. for supplying SD100 light rail vehicle coupler parts for a total cost, including delivery and taxes, not to exceed \$97,096.22.

8. SDTC: New Flyer Bus Contract Amendment and Fund Transfer for 47 Low-Floor Compressed Natural Gas (CNG) Buses (CIP 10486, 10487)

Recommend that the Board of Directors (1) execute Amendment No. 3 to New Flyer Document No. B0441.3-05 for the addition of manufacturer-supplied tires (shown in Attachment A of the agenda item), in an amount not to exceed \$120,820.55; and (2) transfer a total of \$275,000 into SDTC CNG Bus Purchase (Project Code 1048600). This amount consists of \$185,000 from Contract Services CNG Buses (Project 1048700), and \$90,000 from Chula Vista CNG Buses Project (1048800).

9. MTS: Election to Fill Vacant Position of San Diego and Arizona Eastern (SD&AE) Railway Company Director (SDAE 710.1, PC 40099)

Recommend that the Board of Directors approve a recommendation from the SD&AE Railway Company Board of Directors to elect (1) Douglas Verity as director to replace the position vacated by Scott Treece; (2) Gene Shepard as the alternate for Douglas Verity; (3) Mike Ortega as the alternate for Thomas Schlosser; and (4) Peter Tereschuck as the alternate for Paul Jablonski.

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

*SANDAG Transportation Committee Agenda Item No. 6 – Revisions to Policy 18 – Regional Transit Service Planning:* Mr. Cheung distributed a flow chart for the regional transit service planning and implementation process. He reported that SANDAG has incorporated the changes recommended by the MTS Board and staff. This item will be approved by the SANDAG Transportation Committee at its Friday, March 4, 2005 meeting.

*SANDAG Transportation Committee Agenda Item No. 7 - Draft FY 05-09 Regional Short-Range Transit Plan:* Mr. Cheung distributed copies of a memorandum he sent to SANDAG detailing MTS's comments on the draft regional short-range transit plan that will be approved at the Transportation Committee's March 4 meeting. He stated that staff felt that the document should function more at a policy level, and staff's comments related to that.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There were no Committee Member Communications and Other Business.

G. PUBLIC COMMENTS

There were no public comments.

H. NEXT MEETING DATE:

The next meeting is scheduled for Thursday, March 17, 2005 in the Executive Conference Room.

I. ADJOURNMENT

Chairman Williams adjourned the meeting at 11:30 a.m.

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Chairman

gailwilliams/minutes