

MEETING OF THE EXECUTIVE COMMITTEE FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS)
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

December 6, 2012

MINUTES

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:04 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Mr. Minto moved for approval of the minutes of the October 11, 2012, MTS Executive Committee meeting. Mr. Ovrom seconded the motion, and the vote was 5 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. Trolley Renewal Project Update

Wayne Terry, Chief Operating Officer (Rail), introduced Eric Adams, Project Manager at San Diego Association of Governments (SANDAG) and gave the Executive Committee a PowerPoint presentation on the Trolley Renewal Project. He provided a status report on station construction for the Blue and Orange Line Improvement Corridor with a layout of the trolley stations that have been completed, are under construction, and planned construction. Mr. Terry discussed the project statuses in terms of construction, work completed, and work in progress. He provided photographs of the Green Line stations, Orange Line stations, Downtown stations, Blue Line Crossover and Signaling Projects and Blue Line Improvements. Mr. Terry presented information on the crossover and signaling project on the Blue Line. Mr. Terry stated that a shutdown of a string of stations would take place this weekend and the following weekend for signal testing. He indicated that all projects were on schedule.

Mr. Terry discussed the rail train and rail replacement in San Diego in March of next year (2013). He stated that by the end of December 2012 Fifth Avenue and Imperial Avenue will still be under construction and other stations will continue to have minor punch list items.

Mr. Terry reviewed the budget for the project.

Paul Jablonski, Chief Executive Officer commented that in regard to the implementation of low floor service at the Orange Line and Downtown stations, a ribbon-cutting ceremony was in the process of being planned at the Euclid Avenue Station after the first of the year in January 2013 as Euclid Avenue offers the greatest opportunity for the community to attend. He stated the specific information regarding the ceremony would be forthcoming to the Board as soon as a plan was established and agreed upon for the ribbon-cutting ceremony.

Mr. Jablonski stated that construction on the Civic Center Station was delayed due to an issue with the roofing material arriving from a special manufacturer on the east coast. The issues were due to problems in obtaining the correct synthetic materials. This issue has since been resolved and the materials are slated to arrive in January 2013.

Action Taken

Mr. Roberts moved to receive a report for information. Mr. Minto seconded the motion, and the vote was 5 to 0 in favor.

2. Transit Bus Procurement

a. 40-Foot Low-Floor CNG Transit Bus Procurement - Contract Award

Claire Spielberg, Chief Operating Officer (Transit Services), SDTC Management introduced Ernesto DeGuzman, Procurement Manager, who gave a PowerPoint presentation regarding the two concurrent bus procurements and who provided the Executive Committee with a recommendation for the Board to authorize Paul Jablonski, Chief Executive Officer, to execute MTS Doc. No. B0589.0-13 with Gillig, LLC for the purchase of 40-foot low-floor compressed natural gas (CNG) buses for a five-year period contingent upon the successful completion of the federally required Buy America audit. He commented on the pricing, funding and options to purchase additional buses.

Mr. Minto inquired about previous interaction with Gillig and asked if there were any problems with Gillig buses that had been utilized by MTS in the past. Discussion ensued by the Executive Committee and it was stated that Gillig was a good choice as they are a California company, are very selective with their bids, they consider the reputation of the agencies they do business with and offer competitive pricing. Positive feedback was provided during discussion on their operations and manufacturing ability.

Mr. Roberts inquired about the price increase on the option to purchase an additional 100 buses within the contract. Mr. Jablonski advised that a Manufacturer's Pricing Index was used in regard to pricing that it was a modest increase and the way prices are increased is explicitly stated in the contract.

Action Taken

Mr. Roberts moved to forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0589.0-13 with Gillig, LLC. for the purchase of 40-foot low-floor compressed natural gas (CNG) buses for a five-year period contingent upon the successful completion of the federally required Buy America audit. Mr. Ovrom seconded the motion, and the vote was 5 to 0 in favor.

b. 60-Foot Low-Floor CNG Transit Bus Procurement - Contract Award

Ernesto DeGuzman, Procurement Manager, gave a PowerPoint recommendation to the Executive Committee with a recommendation for the Board to authorize Paul Jablonski, Chief Executive Officer, to execute MTS Doc. No. B0570.0-12 with New Flyer of America, Inc. for the purchase of 60-foot low-floor articulated compressed natural gas (CNG) buses for a five-year period contingent upon the successful completion of the federally required Buy America audit. He commented on pricing and funding similar to the 40-foot bus procurement and options to purchase additional buses.

Mr. Jablonski commented that the price would change by the following week's Board meeting on December 13, 2012 as both procurements were expedited so they could be

awarded prior to year end. A price decrease of approximately \$5 million dollars will be reflected when presented to the full Board the following week.

Mr. Roberts questioned why we obtained only one bid. Ms. Spielberg advised that due to the accelerated timeline other manufacturers were unable to bid. Mr. Jablonski commented that there is only one other manufacturer that could provide a quote of this type and magnitude. Mr. Jablonski then advised the Board that when one or few bids are received there is a procedure in validating the price received to confirm that it is not greater than what other agencies have procured for buses with similar features, etc.

Mr. Minto inquired as to what was done with the older buses. Ms. Spielberg advised they were sold at auction, there was not much value recouped and occasionally parts were taken and used on buses of the same type still in circulation.

Mr. Jablonski advised that the new SANDAG buses were of increased price in comparison to our line service buses on a per-unit basis as they have more costly features.

Action Taken

Mr. Minto moved to forward a recommendation to the Board of Directors to authorize the CEO to execute MTS Doc. No. B0570.0-12 with New Flyer of America, Inc. for the purchase of 60-foot low-floor articulated CNG transit buses for a five-year period contingent upon the successful completion of the federally required Buy America audit. Mr. Ovrom seconded the motion, and the vote was 5 to 0 in favor.

3. Taxicab Administration

Harry Mathis reported on Taxicab Administration contracts that MTS currently holds with several cities that include safety, training and standards as MTS performs regulatory functions under these particular contracts. Mr. Mathis advised the contracts expire in July 2013, and stated that it is time to begin to think about how to proceed from a negotiation and public policy standpoint with input from the Board and Executive Committee. He introduced Sharon Cooney to provide background and information on the staff position in order to make a recommendation to the Board.

Sharon Cooney, Chief of Staff, introduced John Scott, Taxicab Manager. Ms. Cooney provided an overview regarding the activities MTS engages in under the existing contracts such as taxicab regulations, permits and policy guidelines. Ms. Cooney emphasized the cities set the policy guidelines and MTS carries out the administrative functions.

Ms. Cooney reported on the operations budget for the fiscal year including a healthy reserve for litigation and legal issues that frequently arise.

Ms. Cooney reported on facilities where the taxicab inspections and administrative offices are located. She discussed inspections, enforcement and compliance. She stated that due to the significant amount of failures MTS will be addressing this issue with the Taxicab Advisory Committee.

Ms. Cooney discussed field enforcement including taxi stand monitoring, assistance to police, community outreach, special events staffing, fielding complaints and administrative

hearings and appeals for non-compliance and safety violations. She reported on permit administration and emphasized that the permit holders are held accountable for any violations.

Ms. Cooney stated that MTS plays a role in maintaining the health of the industry in the region balanced fares, providing dispatcher training, conducting studies and passenger surveys and currently focusing on and working with the industry on implementing in-vehicle cameras in lieu of event recorders. She stated MTS is looking at also implementing better complaint procedures. She advised that the communication with stakeholders is an essential part of MTS's business and discussed concerns regarding the needs of the industry and committees created to communicate with stakeholders in order to meet these increasing needs.

Ms. Cooney provided information on the contract renewals. She stated that MTS is seeking direction from the Board as to what should be memorialized in the current contracts regarding policy and MTS's functions. She stated the contracts need to include additional details to provide clarity. She advised that there have been a number of requests for changes from the Board, Taxicab Advisory Committee and private citizens asking MTS to change the scope of their responsibilities. Ms. Cooney discussed some current policy issues with regard to lease drivers, fleet age and type and the process for better communication between the stakeholders and the Board regarding driver issues and needs. She stated that one option is to renew some but not all of the contracts and discussed possible options resulting in a sustainable budget. She stated that MTS could also determine they do not want to renew any of the contracts and no longer want to be in the business of taxicab administration.

Mr. Roberts stated that MTS needs to decide what agreement is in the best interest of MTS in regard to taxicab administration and to advise the cities of MTS's wishes and if they did not agree with MTS's terms they would be free to take the contract back. He advised the current contracts have become very problematic and MTS needs tighter contracts to work under and is hopeful a mutually beneficial joint decision will be made by MTS and the cities.

Mr. Jablonski advised that our next steps are to look at the contracts, identify the issues, articulate the new terms in the contracts and bring to the Board for review.

Mr. Mathis mentioned that there is great concern regarding roles of MTS being an arbitrator, deciding labor disputes, and MTS does not have a management/employee relationship with the drivers. He stated that he sees our goal as one to improve the industry and to not get into areas that do not coincide with our mission as it's been an excessive drain on staff time and has cost MTS a significant amount of money taking away from our public transport responsibility.

Mr. Jablonski commented that MTS wants the taxicab industry to follow the same suit as transit and be accessible, affordable, clean, and available in all neighborhoods in the city and this is the general premise to operate under moving forward.

Public Speakers:

Margo Tanguay – Ms. Tanguay discussed current problems with the lease program, lease drivers, cab inspections and suggested that MTS renew the current contracts.

Tony Hueso – Mr. Hueso of USA Cab voiced concerns and provided recommendation to the Board of MTS to renew the contracts and strengthen the relationship with the City of San Diego. He advised the transportation industry doesn't understand the issues and there is a problem with misinformation and laws being broken. He stated the cities and MTS need to look at the total picture and take a comprehensive approach as to how to address these issues.

Akbar Majid – Mr. Majid discussed the relationship between the drivers and permit holders. He recommended renewing the contracts with the exception of MTS regulating the relationship between drivers and permit holders.

Action Taken

Mr. Minto moved to receive a report on Taxicab Administration activities and provide direction to staff regarding renewal of contracts with the cities of San Diego, El Cajon, Imperial Beach, La Mesa, Lemon Grove, Poway, and Santee. Mr. Roberts seconded the motion, and the vote was 5 to 0 in favor.

The Executive Committee convened to Closed Session at 10:30 a.m.

4. CLOSED SESSION – CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8

Property: The San Diego and Arizona Eastern Railway Company (SD&AE) Desert Line from approximate Mile Post 60 to approximate Mile Post 130 (Division to Plaster City) in San Diego and Imperial Counties

Agency Negotiators: Karen Landers, General Counsel, Tim Allison, Manager of Real Estate Assets; and Paul Jablonski: Chief Executive Officer

Negotiating Parties: Pacific Imperial Railroad, Inc. (PIR)

Under Negotiation: Price and Terms of Payment for Assignment of Operating Rights

5. CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to California Government Code Section 54957.6

Agency-Designated Representative: Harry Mathis, Chairman

Unrepresented Employee: Chief Executive Officer

The Executive Committee reconvened to Open Session at 11:11 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

4. The Committee received a report for information.

5. The Committee received a report for information.

D. REVIEW OF DRAFT DECEMBER 13, 2012, BOARD AGENDA

Recommended Consent Items

6. Investment Report

Action would receive a report for information

7. Classroom Day Tripper Program Follow-up – Audit Report

Action would receive Internal Audit's report on the Classroom Day Tripper Program.

8. San Diego Transit Corporation (SDTC) Noncontract Pension Formula

Action would: (1) amend the Retirement Plan for Noncontract Employees of the San Diego Transit Corporation (SDTC) to comply with the California Public Employees' Pension Reform Act of 2013 (PEPRA); and (2) adopt Resolution No. 12-20 implementing the "pick-up" provisions of Section 414(h)(2) of the Internal Revenue Code with respect to the Retirement Plan for noncontract employees of San Diego Transit Corporation.

9. Transmissions and In-Frame Engine Overhaul Services - Contract Award

Action would authorize the CEO to: (1) execute MTS Doc. No. B0595.0-13 with Dartco Transmission Sales and Service for the provision of transmission and in-frame engine overhaul services for Group III-Transmission Rebuilds for a three-year base period with 2 one-year options; and (2) exercise each option year at his discretion.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

There was no SANDAG Transportation Committee agenda discussion.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There were no comments.

G. PUBLIC COMMENTS

There were no Public Comments.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for January 10, 2013 at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 11:13 a.m.



Chairman

Attachment: A. Roll Call Sheet

**EXECUTIVE COMMITTEE
METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) December 6, 2012

CALL TO ORDER (TIME) 9:04 AM

RECESS _____

RECONVENE _____

CLOSED SESSION 10:30 AM

RECONVENE 11:11 AM

ADJOURN 11:13 AM

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
YOUNG <input checked="" type="checkbox"/> (Gloria) <input type="checkbox"/>		11:00am
MATHIS <input checked="" type="checkbox"/>		
OVROM <input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		
MINTO <input checked="" type="checkbox"/> (Cunningham) <input type="checkbox"/>		
Transportation Committee Rep Slot (Mathis)		

SIGNED BY THE CLERK OF THE BOARD: 

CONFIRMED BY THE GENERAL COUNSEL: 