

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
SAN DIEGO TRANSIT CORPORATION (SDTC), AND
SAN DIEGO TROLLEY, INC. (SDTI)

September 13, 2007

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Mathis called the meeting to order at 9:01 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Young moved to approve the minutes of the August 16, 2007, Board of Directors meeting. Mr. Lewis seconded the motion, and the vote was 9 to 0 in favor.

3. Public Comment

There was no public comment.

CONSENT ITEMS

6. MTS: Budget Transfers and Mission Valley East (MVE) Legal Services Contract Amendment (CIP 10426.12)

Recommend that the Board of Directors (1) transfer funds from the MVE Light Rail Transit (LRT) Project Reserve budget line item 10426-4500 into the Professional Services line Item 10426-0800 (as shown in Attachment A of the agenda item) MVE Budget Revisions; and (2) execute Amendment No. 3 (MTS Doc. No. M6655.3-07) with Hecht, Solberg, Robinson, Goldberg, and Bagley, LLP (in substantially the same form as Attachment B of the agenda item) for legal services on the MVE LRT Project.

7. MTS: Adopt Proposed Policy No. 56 – Fraud in the Workplace (ADM 110.2)

Recommend that the Board of Directors adopt the proposed MTS Policy No. 56 – Fraud in the Workplace (Attachment A of the agenda item).

8. MTS: Audit Report – Human Resources (LEG 492)

Recommend that the Board of Directors receive the internal audit report on Human Resources.

9. MTS: Pay Phone Services Contract Award (LEG 490)

Recommend that the Board of Directors authorize the CEO to execute a revenue contract (in substantially the same format as Attachment A of the agenda item – MTS Doc. No. L5678.0-07) with Western Communication Systems, Inc. for pay phone services for a 3-year base term with 2 one-year option terms.

10. SDTC: Dissolution of San Diego Transit Leasing Corporation (OPS 960.6)

Recommend that the Board of Directors approve Resolution No. 07-11 dissolving the San Diego Transit Leasing Corporation.

11. MTS: IAD/KMD Vacuum System Replacement Project (CIP 11191)

Recommend that the Board of Directors authorize the CEO to award a contract to Peachez, Inc., dba Air Management Systems, in substantially the same form as Attachment A of the agenda item, for the IAD/KMD Vacuum System Replacement Project.

12. MTS: Light Rail Vehicle Window Film Installation and Maintenance – Contract Award (OPS 970.6)

Recommend that the Board of Directors authorize the CEO to execute an agreement (MTS Doc. No. L0807.0-08) with Lakeside Paint and Body Shop for nine months with two 1-year options to supply and install light rail vehicle window film on 134 vehicles.

13. MTS: Rebuilt Allison Transmissions and Cummins Natural Gas Engine In-Frame Overhauls – Contract Award (OPS 920.5)

Recommend that the Board of Directors authorize the CEO to execute two 3-year contracts with two 1-year options (MTS Doc. Nos. B0490.0-08 and B0491.0-08, Attachment A of the agenda item) with: (1) United Transmission Exchange, Inc. for rebuilt Allison transmissions; and (2) Cummins Cal Pacific, LLC for Cummins natural gas engine in-frame overhauls.

14. MTS: Amend Policy No. 52 – Procurement of Goods and Services (ADM 110.2)

Recommend that the Board of Directors authorize General Counsel to amend MTS Policy No. 52 “Procurement of Goods and Services” as recommended.

15. MTS: Investment Report (FIN 300)

Recommend that the Board of Directors receive a report for information.

Recommended Consent Items

Mr. Young moved to approve Consent Agenda Items No. 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15.
Mr. Lewis seconded the motion, and the vote was 9 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:05 a.m.

- a. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to California Government Code Section 54956.9(a) Balfour Beatty/Ortiz v. MTS, (Superior Court Case No. GIC 868963)
- b. MTS: CONFERENCE WITH LABOR NEGOTIATORS Pursuant to California Government Code section 54957.6
Agency-Designated Representative – Jeff Stumbo
Employee Organization – Amalgamated Transit Union, Local 1309

The Board reconvened to Open Session at 9:30 a.m.

Oral Report of Final Actions Taken in Closed Session

Mr. Jablonski, MTS CEO, reported the following:

- a. This item was not discussed
- b. The Board received a report from staff.

NOTICED PUBLIC HEARINGS

There were no noticed public hearings.

DISCUSSION ITEMS

30. MTS: Super Loop Transit Project Update (AG 230.11)

Christine Rychel, SANDAG Project Manager for the Super Loop project, provided the Board with an update. She provided history on how the project has proceeded to date and provided detail on the stations and branding of the buses. She also reviewed the proposed routing for this service and provided information on project elements, priority treatments to enhance route efficiency and the location of those treatments, service plan, and characteristics of the vehicles that will be used to provide the service. Ms. Rychel advised the Board that MTS Executive Committee members asked questions during their September 6 meeting about the span of service. She reported that SANDAG staff will be working with MTS to refine this element. She also advised the Board that this service is projected to carry 4,330 passengers per day by 2030. She then informed the Board that ten to fourteen 35-foot buses will be purchased to provide this service adding that shorter buses that better fit into the community will be purchased. She added that the funding for this project (infrastructure, operating, and maintenance) is provided through TransNet. She also reported that the consultant for this project has been asked to develop maintenance procedures and identify the associated costs.

Ms. Rychel then discussed station amenities and reviewed the process that was used to develop the design of the stations. She presented renderings of the initial station design and the revised station design, which was developed based on community feedback. She also

discussed and provided samples of the materials that will be used in the station. She then reviewed the recommended branding of the buses that will provide this service. She reported that MTS Executive Committee members recommended that the MTS starburst “wrap” around the bus. Ms. Rychel advised the Board that the final design should be complete by the end of the year with service starting by the end of November 2008. She also reported that this presentation is tentatively scheduled to be given to the SANDAG Transportation Committee meeting on September 21.

Public Comment

Clive Richard: Mr. Richard stated that, while the costs for this project have given him pause, he is a fan of Super Loop and encouraged the Board to support this project. He stated that the design features and customer amenities will draw choice riders. He stated that if the project is postponed, MTS will end up spending more money later or would end up not providing this service, which was included in Transit First.

Mr. Lewis stated that this was a fantastic project and asked if it would always be funded through TransNet or if MTS would eventually have to bear the cost of operating this service. He also stated that he would like to see this type of infrastructure throughout the entire system and added that this type of approach will encourage people to ride the bus. He stated that he didn't see any information during the presentation regarding trash receptacles and who would be servicing them.

Mr. Roberts agreed that this would set a desirable standard for the rest of the system but that it would not be practical because of the cost and will therefore never happen. He stated that questions that have been asked by the Executive Committee, including regarding the cost of the stations, should have been asked at the beginning of the project. He stated that these types of services – with higher frequencies and smaller buses serving subregional areas - can be implemented in a more economical fashion than what is being proposed for the Super Loop. He stated that customers are less interested in aesthetics and image and more interested in the frequency and convenience of the service provided. He stated that MTS is struggling with a budget deficit and it currently has bus stops that don't even have benches. He felt that the cost of this project should be put in perspective with the entire system. He stated that he didn't feel comfortable providing distinctive service in one area and woefully inadequate service in another area. He felt that review of this project by someone with overall responsibility should have taken place at the beginning of the project. He also asked if the ridership will justify the expense and stated that MTS has other service with much higher ridership. Mr. Roberts stated that he was in favor of the Super Loop project, wanted to stand behind the promise made in TransNet for this project, but objected to the way in which it was being “delivered” in terms of the design/cost.

Mr. Monroe observed that service in this area of San Diego is not good even though it is the fastest growing area in the city. He stated that he was therefore surprised that ridership projections are so low. He agreed with Mr. Roberts that riders are attracted by frequency and convenience of service, not image. Ms. Rychel explained to Mr. Monroe that ridership is projected to be higher at 5,200 per day in 2010, prior to the opening of the Mid Coast Light Rail Transit line opening, which will probably cause ridership on the Super Loop to drop. He stated that he liked the design but felt it exceeded what was really needed to provide loop-type service.

Mr. Emery asked if the TransNet funding for this project was guaranteed for the 40 years of TransNet. He also asked when Super Loop would be evaluated using the performance goals MTS has set for the rest of its service. He also asked when it was acceptable for someone to abandon plans for a service that was promised as part of TransNet once it is determined to be too expensive so the funding can be used elsewhere. He asked if the inclusion of the Super Loop in TransNet mandates that this service have a higher priority than other projects and improvements that MTS needs to make. He stated that he felt that TransNet should not be immune to the negative impact of the budget shortfalls being experienced by the region. He added that he did like the elements of the project.

Mr. Jablonski stated that SANDAG will make decisions, with MTS input, regarding frequency and the span of service. He also stated that the SANDAG Board would be responsible for making any changes to elements of the project itself. Mr. Jablonski advised the Board that he anticipates that MTS, as the operator of this service, will be reimbursed by TransNet for 40 years for the operating and maintenance costs of providing this service. Ms. Rychel confirmed this statement regarding the funding. She also confirmed that the SANDAG Board can make changes to the service if the expected results are not obtained. She stated that these elements (performance measures and what elements trigger changes) will be incorporated into the memorandum of understanding.

Mr. Ewin requested that efforts be made to retain the water that is used to clean the stations because it should be mineral-rich. He also asked if there was a preliminary budget that included ten-year cost projections for maintenance and operating costs. He also asked if a needs analysis was done and what funding is being allocated for this project that is being taken from another. He also pointed out the importance of having cost-recovery goals. Mr. Ewin stated that the project elements are excessive and specifically referred to the use of granite when concrete is used in other projects. He also asked where these buses would be stored. He stated that just because taxpayers have provided the funding, it doesn't mean that projects should be excessive and stated that he was offended by the excessive nature of this project. He also stated that he would be surprised if this service ends up with a subsidy less than \$4.00 per trip. Mr. Ewin stated that he felt every project should be presented with at least a five-year impact statement.

Mr. Clabby stated that he always felt that SANDAG's goal was to provide a regional system, which means spreading services and funding across all cities and locations. He stated that Lemon Grove bus stops just have signs and stated that he was appalled that this type of design concept would be brought before the MTS Board. He stated that he was unsure how he would address questions from his community about such an expenditure during times of funding shortfalls. He added that the project should have been brought to the MTS Board earlier in the process. He also pointed out that all citizens voted on TransNet, not just citizens that would be served by the Super Loop.

Ms. Atkins asked how to upgrade the entire system so that MTS can attract riders and stated that she felt it was important for the Board to identify exactly what it wants. She also asked how MTS routing changes will impact this expensive infrastructure. She stated that she supports the basic concept and stated that this concept should be carried to other areas of the region in a pragmatic fashion that doesn't point to disparities between subregions. She stated that any new standard that is adopted needs to be realistic, based on need and functionality, and applied to the entire system. She also pointed out that the public does not make distinctions about funding

sources and will not understand this type of expenditure when they are being asked to bear service cuts and fare increases. She agreed with previous comments that these types of projects need to be reviewed earlier in the process and more frequently by the MTS Board.

Mr. Monroe pointed out that Coronado paid for its own bus stops on the Silver Strand. He also expressed his support of transit priority treatments and stated that addressing need and functionality is what creates a first-class system.

Ms. Rychel clarified for Mr. Roberts that the cost estimate per station (per side of the street) for this project is \$550,000 and is all inclusive (including contingency and escalation). She corrected her statement to the Executive Committee stating that the total cost for the stations is projected to be \$12.0 million. Mr. Roberts stated that someone should provide the San Diego Union-Tribune with a corrected estimate.

In response to a question from Mr. Roberts, Ms. Rychel stated that MTS is leading the procurement for the buses for this project and is looking at CNG, CNG hybrid, and gas hybrid. Mr. Jablonski stated that there is an active procurement underway for these buses, which could cost anywhere from \$400,000 to \$700,000 each depending on the bus style and power plant selected.

Mr. Young stated that a budget should always be presented along with project particulars and that he would not feel comfortable voting on this item without that element in place. He also asked if the business community in this affluent area has been approached about helping with the expense for this service. He agreed with previous comments that the cost for this project is excessive.

Chairman Mathis summarized Board comments by stating that Board members approve of the concept but are concerned with the expensive approach that is being taken compared to other parts of the system. He added that people will ride the bus when they can be sure it will take them where they want to do, give them the level of service they need, and they can ride in relative comfort in a clean bus. He added that MTS needs to maintain the flexibility to change routings to improve efficiencies and in response to passenger needs and is concerned that significant investments in bus stops will create hard points in the system that will impede that flexibility. He stated that actually printing Super Loop on the side of the bus will inhibit MTS's ability to use these buses elsewhere for other purposes on a temporary basis.

Ms. Rychel thanked the Board for its comments and stated that she will convey those comments to SANDAG.

Action Taken

Mr. Young moved to request that this agenda item be brought back to the Board along with a budget for infrastructure, operating and maintenance, and potential impacts to the MTS system along with written responses to the questions voiced by the Board prior to review by the SANDAG Transportation Committee. Mr. Monroe seconded the motion and requested that subsidy per passenger also be provided in the next presentation of this item.

Mr. Monroe then stated that the five members of the MTS Board who attend SANDAG Transportation Committee meeting could convey the Board's comments to Transportation

Committee members. He suggested that Mr. Young's motion be amended to request that the presentation be brought back to the Board after Transportation Committee review but prior to review by the SANDAG Board and that any Transportation Committee revisions also be presented at this time.

Action Taken – Amended Motion

Mr. Young amended his motion to request that this agenda item be brought back to the Board along with a budget for infrastructure, operating and maintenance, and potential impacts to the MTS system as well as projected subsidy per passenger along with written responses to the questions voiced by the Board after review by the SANDAG Transportation Committee, along with any changes they make, and prior to review of this project by the SANDAG Board of Directors. Mr. Monroe seconded that motion, and the vote was 11 to 0 in favor.

31. MTS: Budget Transfers and Construction Contract Award for the MTS Mills Building Improvement Project (CIP 11245, 11153)

Mr. Jablonski provided the Board with an overview of this item explaining how MTS's function has changed and how space issues have occurred as a result of the consolidation of functions. He displayed a floor layout and showed where demolition would occur and where functions would be located. He stated that the remodeling project will result in a 20 percent increase in people capacity. He stated that the relocating of the Procurement and Risk Departments from the Imperial Avenue Division (IAD) to MTS for efficiency purposes will open space at IAD to accommodate increased staffing levels that will occur as new services come on line over the next few years. He stated that this project will also make it possible for MTS to vacate Building 3, which can be used for potential joint development or leased out.

Mr. Jablonski reviewed the cost of the project along with details of the original bid process that was used. He also reported that the bid expired before a contract could be awarded and the lowest responsive, responsible bidder wanted to increase its bid; therefore, MTS exercised its option to cancel all bids. He explained that MTS is looking into using the County of San Diego's Job Order Contracting Program and explained the cost-saving benefits of using this approach.

Mr. Jablonski explained that funding is already in place for this project and consists of excess capital funding from other projects that have been completed. He stated that the total expense for this project includes a significant contingency.

Action Taken

Mr. Roberts moved to (1) approve transferring funds from the FY 2007 and 2008 Capital Improvement Program (as shown in Attachment A of the agenda item) to fully fund the MTS Mills Building Improvement Project; (2) transfer funds to the budget line items (as shown in Attachment B of the agenda item); (3) waive the applicable provisions of Policy No. 52 "Procurement of Goods and Services" and authorize the CEO to utilize the County of San Diego's Job Order Contracting process to award a construction contract to Davis and Adams Inc. for the construction of the MTS Mills Building Improvement Project for an amount not to exceed \$650,000; (4) authorize the CEO to purchase office furniture on the open market through Maxon for an amount not to exceed \$200,000; and (5) waive MTS Policy No. 52

"Procurement of Goods and Services" for the construction and furniture contracts. Mr. Monroe seconded the motion, and the vote was 11 to 0 in favor.

REPORT ITEMS

46. MTS: Annual Service Performance Monitoring Report (SRTP 830)
(Taken Out of Order)

Mr. Conan Cheung, MTS Director of Planning and Scheduling, provided the Board with a review of performance indicators for MTS's services. He called attention to the handout that was provided to each Board member and then reviewed the results for total passengers, average weekday passengers, passengers per revenue hour, on-time performance, in-service miles, and subsidy per passenger. He also provided information on network integration. Mr. Jablonski stated that the goal of the Comprehensive Operational Analysis (COA) was to cut costs and carry more passengers. He stated that this first annual report indicates that goal is starting to be realized.

Public Comment

Clive Richard: Mr. Richard stated he was glad to see that the COA is so successful.

Action Taken

Mr. Emery moved to receive a report on the annual performance of bus and trolley services for FY 2007. Mr. Monroe seconded the motion, and the vote was 9 to 0 in favor.

45. MTS: Semiannual Security Report (January through June 2007) (OPS 970.11)

Mr. Bill Burke, SDTI Director of Transit System Security, reviewed the Semiannual Security Report for January through June 2007. He reviewed passenger statistics and passengers carried, Special Enforcement Unit and SWARM activities, and Part I and Part II incidents and arrests. He also reported on no-smoking enforcement activities. He then presented detail on emergency preparedness activities and closed-circuit television programs. Mr. Burke also reported that MTS recently sponsored a joint exercise with the U. S. Department of Homeland Security and introduced two members of the MTS canine team and their handlers. He stated that Security's overriding goal is to be in the field as much as possible.

Mr. Burke reminded Board members that they had already been provided with incident reports by station for 2006 and pointed out that the same data for the last six months was placed at each member's place at the table. He stated that these reports will be distributed on an ongoing basis when semiannual and annual security reports are presented to the Board.

In response to questions from Board members, Mr. Burke stated that he thought the fine for violating MTS's smoking ordinance was \$150.00. He added that the fine for fare evasion is at the discretion of the judge. In response to a question from Mr. Roberts, Mr. Burke stated that special monitoring of gang-related activity is taking place at stations in Chula Vista and Euclid & 47th. Mr. Peter Tereschuck, SDTI General Manager, reported that guards are posted at stations to deal with recurring patterns of problems. It was also reported that all priority locations now have surveillance cameras.

In response to a question from Mr. Lewis, Mr. Burke stated that SDTI enforcement officers work with local law enforcement agencies to deter gang activity and that enforcement officers may confiscate the pass of any repeat offender.

Mr. Monroe requested that staff report on the fines for fare evasion when the next security report is given. Mr. Tereschuck stated that fines total approximately \$129,000 annually. Mr. Clabby stated that the Police Captain of the Lemon Grove Sheriff's Department was very complimentary about the cooperation he was receiving from SDTI security personnel. Mr. Jablonski reported that Mr. Young, who had to leave, asked him to thank Mr. Burke and his security team for their work with the San Diego gang unit and at the Euclid Station.

Public Comment

Clive Richard: Mr. Richard urged MTS to obtain as much funding as possible for surveillance cameras, which he felt are very good at deterring crime. He also stated that he didn't feel that the public has an expectation of privacy when riding public transit.

Action Taken

Mr. Monroe moved to receive a report for information. Mr. McLean seconded the motion, and the vote was 9 to 0 in favor.

60. Chairman's Report

The Chairman had nothing to report.

61. Chief Executive Officer's Report

Certificate of Achievement: Mr. Jablonski reported that MTS recently received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for achieving high standards in its comprehensive annual financial reports (CAFRs). He also reported that MTS is back on schedule with its audit process.

Repainting of Trolley Cars: Mr. Jablonski reported is SDTI is starting to repaint its SD100 trolley cars, which primarily operate on the Orange Line. He stated that three are now done and one is on the third track under the building for Board members to view.

62. Board Member Communications

There were no Board member communications.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments made.

64. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, September 27, 2007, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Mathis adjourned the meeting at 11:50 a.m.

Chairperson
San Diego Metropolitan Transit System
Filed by:

Approved as to form:

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

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

[gail.williams/minutes](#)