

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE  
METROPOLITAN TRANSIT SYSTEM,  
SAN DIEGO TRANSIT CORPORATION, AND  
SAN DIEGO TROLLEY, INC.

September 22, 2005

Board of Directors Meeting Room, 10th Floor  
1255 Imperial Avenue, San Diego

MINUTES

1. Roll Call

Chairman Williams called the meeting to order at 9:08 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

It was moved and seconded to approve the minutes of the August 8, 2005, Board of Directors meeting. The vote was 8 to 0 in favor.

3. Public Comments

Chuck Lungerhausen – Mr. Lungerhausen thanked Mr. Williams for his public service as Chairman of the Board and wished him luck. Mr. Lungerhausen added that he has attended MTS meetings since July 1995 and will miss Mr. Williams' passion for San Diego's public transportation system; his predecessor will have a tough act to follow.

Clive Richard – Mr. Richard thanked Mr. Williams.

Tony Young – Mr. Young stated that he got his political start with Mr. Williams. After Howard University, Mr. Young had an interview with Mr. Williams and was very intimidated. He added that it is a pleasure to be on the same board as his former boss, and he is honored to have spent some of his career with Mr. Williams who has done an incredible job.

Mr. Young commended MTS for assisting with the Hurricane Katrina crisis. MTS has given information on how to utilize public transportation in San Diego. The crisis center is close to the trolley stop on Mission Gorge Road. Mr. Young asked if MTS could offer at least a month of free ridership to the victims.

Mr. Rindone responded that this discussion was addressed at the last Executive Committee meeting and a number of efforts are being made in this arena. Mr. Jablonski added that MTS feels very strongly about the crisis and communicated to all employees the avenues that are available to them for donations. MTS has been in constant communication with county emergency services and the Red Cross. MTS staffed the evacuees' center from 8:00 a.m. to 8:00 p.m. six days a week, and the Red Cross is spearheading relief efforts for the hurricane victims. There are private donors who want to buy transit passes for victims, and MTS would extend its ECO Pass Program discounts for bulk purchases.

In response to Mr. Young's question, Mr. Jablonski stated that there would be a cost to MTS to provide Adult Monthly Passes, which are \$60 each. It would be the same if MTS gave free rides under any circumstance. Mr. Young stated his disagreement that there would be any costs.

Mr. Tereschuck added that he spoke with the Emergency Services Division of San Diego County who initially said that the Federal Emergency Management Agency (FEMA) could reimburse MTS for free transit passes. In a later discussion, he was told there was a private donor who had given the Red Cross money for passes. MTS is waiting to hear from the Red Cross about the amount of donor funds and how many passes it needed.

Ms. Atkins requested docketing this issue for the next meeting to discuss reimbursement so we can determine our contribution.

Mr. Rindone stated that the Executive Committee unanimously provided direction to participate in the relief efforts as much as possible, provide assistance, and seek reimbursements when appropriate.

Ms. Lorenzen clarified that the item would be placed on the October 13, 2005, Board meeting agenda. Mr. Young added that he felt the problem is that we have to wait.

5. Closed Session Items (ADM 122)

Ms. Lorenzen informed the Board that on Tuesday, September 20, 2005, she became aware that there was a dramatic change in circumstances that requires immediate action by the Board regarding the matter of the real property negotiations involving the Grossmont Center Station parking lot (California Government Code Section 54956.8). The negotiating party was previously Fairfield Residential LLC and will now also be the City of La Mesa. Ms. Lorenzen asked the Board to vote to discuss this matter in Closed Session. Mr. Morrison moved to discuss this matter in Closed Session. Mr. Rindone seconded the motion, and the vote was 9-0. Mr. Ewin abstained from the vote.

The Board convened to Closed Session at 9:36 a.m.

- a. MTS: CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION  
Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code  
Section 54956.9 (One Potential Case)

The Board reconvened to Open Session at 10:44 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported the following:

On Item 5a, the Board received a report and gave direction to staff and General Counsel.

Item added during the meeting:

- b. MTS: Conference with Real Property Negotiators Pursuant to California Government Code Section 54956.8

PROPERTY: Grossmont Center Station Parking Lot Assessor Parcel Nos. 490-200-39, 490-200-40, and 490-270-23

AGENCY NEGOTIATORS: Tim Allison, R. Martin Bohl, Gerald Trimble, and Tiffany Lorenzen

NEGOTIATING PARTIES: Fairfield Residential, LLC, City of La Mesa

UNDER NEGOTIATION: Instruction to negotiators will include price and terms of payment

The Board received a report from General Counsel and gave direction to staff and General Counsel. As the Board's representative from the City of La Mesa, Mr. Ewin was excused from the discussion of Item 5b.

CONSENT ITEMS

6. MTS: San Ysidro Intermodal Transportation Center Project Phase 2 - Contract Change Order (CIP 10453)

Action would authorize the CEO to execute a contract change order supplement with Stacy & Witbeck, Inc. for additional trackway excavation and ratify the previously approved amount for CCO No. 65.

7. MTS: Transportation Development Act Claim Amendment (FIN 340)

Action would adopt Resolution No. 05-13 amending FY 04 Transportation Development Act (TDA) Article 4.0, Claim No. 253, for the City of Chula Vista.

8. MTS: Mission Valley East Light Rail Transit Project - Mitigation Monitoring and Reporting Program (CIP 10426)

Action would receive the final Mitigation Monitoring and Reporting Program status report for the Mission Valley East Light Rail Transit Project.

9. MTS: County of San Diego Request to Buy Back Mitigation Land Per Agreement (CIP 426.6, 50791)

Action would authorize the CEO to execute a purchase agreement and grant deed to the County of San Diego for a portion of MTS-owned property in Santee (Assessor Parcel No. 381-050-56).

10. MTS: Increased Authorization for Legal Services(LEG 491)

Action would authorize the CEO to enter into a contract amendment with R. Martin Bohl of the Law Offices of R. Martin Bohl for legal services for joint development projects and ratify prior amendments entered into under the CEO's authority.

Recommended Consent Items

It was moved and seconded to approve Consent Agenda Item Nos. 6, 7, 8, 9, and 10. The vote was 10-0 in favor.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. MTS: Comprehensive Operational Analysis - Draft Service Development Plan (ADM 121.10)

Conan Cheung introduced Russ Chisholm of Transportation Management and Design. Mr. Cheung gave a presentation of the Comprehensive Operational Analysis (COA) Draft Service Development Plan. The Board was previously asked to approve a service concept in line with comments and input from the three committees on this project. The three tiers of services were outlined (Urban Network Services, Commuter Services, and Community-Based Services).

Mr. Cheung stated that the system was developed using four building blocks, which include regional transit, corridor transit, local transit, and neighborhood transit. He described each type of route in detail. New express services would be offered that are not currently in operation today. Mr. Jablonski added that the express services would be in addition to potential bus rapid transit (BRT) service on the Interstate 15 (I-15) corridor into downtown. Mr. Cheung described proposed express services and transit-priority measures to enhance the speed. Route service and frequencies would be enhanced. The proposed routes constitute a regional corridor network of the system.

Mr. Cheung stated that high-frequency service would be provided so that patrons could utilize the system spontaneously. Currently there are not a lot of 15-minute frequencies; however, the proposed network has been enhanced to 15-minute frequencies throughout the urban area. He added that staff will work closely with the community and local jurisdictions to determine effective, efficient services. Transfers would also be reduced—in many instances, riders currently transfer one or more times during trips. The new proposal would eliminate some or all of those transfers.

Mr. Cheung summarized the significant changes, which include five new high-frequency commuter express routes, significant expanded 15-minute frequencies on the Urban Network, more direct services to regional centers and transfer hubs, and enhanced regional connections at key transfer locations. In addition, there would be circulator routes customized to community needs. However, service coverage would be reduced outside of the Urban Network area.

Currently, this plan utilizes approximately 90 percent of our resources and, therefore, 10 percent of the remaining resources would be identified including increased frequencies, increased span of services, or additional market-based services.

Mr. Monroe asked why resources would be committed for the express service in South Bay that follows the trolley to Kearny Mesa when there is already existing service. Mr. Cheung responded that there are riders getting on the trolley headed downtown to transfer to another local route, such as Fashion Valley or Kearny Mesa. This proposed service would provide an express trolley alternative taking people directly from South Bay into downtown and Kearny Mesa. In addition, it would help the trolleys during peak hours. Mr. Monroe expressed his concern that the standard seems to be the 15-minute frequencies. The Blue Ribbon Committee said that its standard for frequent service is 7 or 8 minutes. Mr. Cheung stated that the services proposed are at least 15 minutes and some corridors would be 7½ minutes. He cited some examples of services proposed at less than 15 minutes.

Peter Warner – Mr. Warner stated that the last Coaster train on Friday night missed the last Blue Line trolley by a few minutes. He suggested the last train be scheduled at 12:05 a.m. seven days a week (it currently arrives at 11:45 p.m.). Mr. Warner also suggested that Routes 30 and 50 run seven days a week if Route 5 is going to be taken from the University area.

Ms. Atkins moved to approve the Draft Service Development Plan for public review. Mr. Ewin seconded the motion, and the vote was 8-0 in favor (Mr. Maienschein was not present during the vote).

31. MTS: Rural Bus Service Adjustments (CIP 11076)

Brandon Farley gave a presentation regarding rural bus service adjustments. After following the Board's direction to conduct a route-by-route analysis and develop options to adjust rural bus services, staff conducted four community meetings in the rural areas, received feedback (from community meetings, phone calls, e-mails, comment cards, and drivers at a safety meeting), and is returning with a recommendation to adjust rural service and fares and schedule a public hearing on October 13, 2005, on these proposed services and adjustments.

Mr. Farley stated that Options 1 through 3 were discussed during the community meetings. Option 1 was based on productivity. Only Route 894 from Tecate to El Cajon would be retained, and the projected annual savings would be over \$1 million pending negotiations with the contractor who would provide the services. Option 2 is a lifeline policy. Routes 867, 888, and 894 would be retained. Routes 889, 891, and 892 would be discontinued and would save approximately \$635,000 per year. Option 3 is a coverage-based option and would discontinue Route 889 and trim the remaining routes saving approximately \$653,000 annually.

Mr. Farley stated that some rural services are wasteful, costly, and bring down performance statistics. Support for the options depended upon meeting locations and adjustments to the options. He reviewed route-specific feedback (identified on the PowerPoint handout). Mr. Farley reviewed Option 4, which was developed based on the feedback. He stated that this option is preferred as it reflects feedback from the community meetings. Option 4 would have a cost savings of approximately \$1,027,485.

Mr. Ewin asked if the present equipment is ample to assume the volumes anticipated as trips would be compacted. Mr. Farley responded that the current fleet could handle the volume. Routes coming from Borrego Springs are operated with 16-seat vans. If service was reduced

as suggested in Option 4, MTS estimates there would be approximately 11 daily riders. If there were more riders, a coach could be used on that service that could accommodate 28 passengers.

Mr. Farley stated that the method of creating a proposed fare was based on targeting a 15 percent fare box return ratio with anticipated ridership. A \$10 one-way fare is proposed for all routes except Route 894, which would be \$4 due to higher ridership. A two-zone system could be considered where MTS would charge \$10 for longer trips and \$5 for shorter trips. Gas-price comparisons assuming \$3 per gallon at about 20 miles per gallon show that it would cost about \$10 for gas from Borrego Springs to El Cajon. A performance standard of 10 percent fare box recovery within six months for each route is also proposed. Failure to achieve this standard would result in service discontinuation without further consideration by the Board of Directors. Mr. Farley noted that the figures in the Annualized Budget Implications table in the PowerPoint are preliminary and subject to negotiations with the operator.

Mr. Jablonski added that Transportation Development Act (TDA) funds require a 10 percent fare box recovery ratio on these services or we could lose the subsidy. Ms. Atkins stated that if these routes are currently below 6 percent, we are not meeting that requirement. Mr. Jablonski stated that we have folding all of the services into the full service for a full fare box recovery ratio, but there has been more scrutiny in recent years.

Mr. Cheung clarified that the recommendation under Option 4 would be for a two-zone system for fares dependent upon the distance traveled. Mr. Monroe thanked staff for the effort put into this issue.

Ms. Lorenzen clarified that the fares and adjustment of routes would need to be handled at the public hearing. Mr. Jablonski added that today staff is asking for acceptance to send this to the public hearing on October 13.

Leone McDonald – Ms. McDonald lives in Borrego Springs and is 88 years old. She depends upon rural bus service to get to and from Borrego Springs for medical care, pharmaceutical needs, shopping, transportation to the airport or train station, etc. She added that she is a taxpayer and voter. She stated she was very happy with the August 11 meeting in Borrego Springs where four-day service once a day was proposed with an increase in fare. The problem with Saturday operation is the lack of open medical facilities.

Kim McManama – Ms. McManama is from Ranchito and has lived in the North and East Counties for 41 years. She collected over 300 signatures in favor of continuing rural bus service. She stated that this issue is paid for with tax dollars, and MTS has a moral responsibility to provide service to all areas in the county.

Jackie Hine – Ms. Hine is from Borrego Springs and attended the meeting on August 11. She suggested changing the proposed service on Saturday to a weekday instead. Ms. Hines gave suggestions on service enhancements for the four days being proposed. She added that a rate increase is understandable, but a 300 percent increase is not reasonable.

Delores Royer – Ms. Royer lives in Borrego Springs and read an editorial from the Borrego Sun Editorial regarding successful rural bus service operations run by the County of San Diego. Ms. Royer stated that use of free passes should not be used to reduce revenue in order to not meet the 10 percent fare box return. She added that public transportation should not be based on profit—public needs should be the highest priority.

Pat Davis – Mr. Davis is a resident of Borrego Springs. He asked if MTS could help promote ridership in Borrego Springs to increase the amount of passengers. He suggested asking the Chamber of Commerce, Rotary Club, and other civic organizations to periodically interject reasons to take the bus into Ramona or Parkway Plaza. He added that the bus is great transportation.

Jim Hawkins – Mr. Hawkins is a disabled rider and appealed to the Board to help the rural area residents and other riders. He uses the rural bus as he cannot drive. If the proposed plan is enacted, Mr. Hawkins would lose his social contacts and the ability to present charitable contributions in Borrego Springs and Julian. Mr. Hawkins suggested \$10 fares for round-trips, which is an increase from \$6.

Gary Thyberg – Mr. Thyberg has been a rural bus rider for 14 years. Prior to July 2003, the rural bus system was operated by a nonprofit contractor. The rural bus boards were told they were no longer needed by MTS. The system was being operated with full service seven days a week for about \$.5 million. The rural system should have been kept a community-based operation. MTS has spent \$3.2 million in two years—the contracted service could have continued to operate the bus system for six years with that amount of money. He asked why the rural bus boards were told they were not needed. Mr. Thyberg added that the rural bus board's request for a ridership survey was ignored.

Susan Hafner responded that MTS took over rural bus services as part of the County Divestiture Program. There were service changes required as part of the agreement, including additional service in some of the rural areas. As part of that, there were additional regulatory functions put into place about the same time, which were requirements for employee issues, workers' compensation, and safety requirements that were challenging the rural bus boards at the time. The nature of work with additional hours and employees required became a challenge for a group of nonprofit volunteer boards. At that point, MTS worked with the communities to better understand their needs. It was a collaborative decision that the boards would be more of an advisory board than an operational function. A service provider was sought through an RFP process.

Nancy Shiverette – Ms. Shiverette lives in Boulevard. She stated that until 2003, Route 888 was keeping up its fare box ratio of over 10 percent. Six months after that, the routes were lengthened. In May 2004 a bus route was implemented making an 80-mile trip from Campo to Descano to pick up 12 passengers. If the 80-mile trip was discontinued, the 10 percent fare box ratio could be maintained. She added that she was not aware of Option 4 until now.

Peter Warner – Route 867 is run like an express bus rather than as a rural bus and should charge the \$2.50 express fare associated with the bus routes ending in a zero. On Wednesday and Thursday, the rural communities in the northeastern part of the county might get some better use if there was a bus going to the Pechanga Indian Reservation Casino.

Mr. Ewin stated concern that the options provided only look at the \$680,000 and \$1 million savings and nothing in between. Mr. Jablonski responded that a majority of costs (about 50 percent) are tied up in Route 894. Additional vehicles and manpower to provide this service doubles costs. The proposed cost savings on Route 894 are due to the reduced trips (from four trips to three trips).

Mr. Ewin asked if MTS were to charge staff with saving \$800,000 opposed to saving \$1 million, would that address some of the concerns. Ms. Hanson-Cox concurred with Mr. Ewin and said that Borrego Springs is an area that is up and coming; there is a lot of development, and the Board should further review this issue.

Mr. Williams added that the law requires a 10 percent fare box recovery rate. Some of these fare subsidies are in the \$40 to \$60 range per passenger in each direction. It is the Board's responsibility to use the public taxpayers' money wisely.

Mr. Farley reviewed the current subsidy per passenger trip each way: Route 867 is \$27.71; Route 888 is \$34.22; Route 889 is \$63.67; Route 891 is \$43.00; Route 892 is \$50.05; and Route 894 is \$10.18.

Mr. Jablonski clarified that the proposed days of service were matched based on community input. Mr. Farley added that MTS is flexible in regard to altering the days of rural bus service based on community input but suggested staying away from Sundays (there were no requests for Sunday service). Mr. Cheung stated that the most requests were for Fridays and Saturdays.

Mr. Rindone moved to: (1) receive feedback on rural bus service adjustments from community meetings, e-mail, phone calls, comment cards, operators, and rider surveys; (2) approve Option 4 as the preferred option to adjust rural bus service; (3) approve a 10 percent fare box return ratio as a required performance standard for each respective rural route; and (4) approve scheduling a public hearing at the October 13 Board of Directors meeting to receive comments on Option 4 to adjust rural services and adjust rural fares. Mr. Ewin seconded the motion, and the vote was 8-0 in favor.

32. MTS: Freeway Transit Lane Demonstration Project (CIP 11481)

Dave Schumacher of the San Diego Association of Governments (SANDAG) gave a PowerPoint presentation on the Freeway Transit Lane Demonstration Project. The project would convert freeway shoulder lanes into transit lanes to give buses low-speed bypass of the congestion on the freeways. The California Department Transportation (Caltrans) and the Highway Patrol have worked collaboratively with SANDAG and have agreed to a one-year demonstration program hopefully beginning in October or November.

Mr. Schumacher stated that the program would be piloted along State Route 52 and Interstate 805 between Kearny Mesa and University Town Center. MTS currently operates express Route 960 between these two points. SANDAG is pursuing an implementation program, funding a driver-training program, and conducting an extensive marketing campaign. The goal is a successful demonstration program so this concept could be applied to other corridors.

Mr. Rindone moved to receive the report on the Freeway Transit Lane Demonstration Project. The motion was seconded, and the vote was 8-0 in favor.

33. MTS: Appointment of New Board Chairperson (ADM 110)

Mr. Jablonski stated that Chairman Williams will be retiring from the Board of Directors. There is no process set forth in the bylaws or any legislation for electing a new Chairperson. Mr. Rindone added that Mr. Williams is the last original member of the Board, and his participation

has greatly added to the success and operation of this establishment. He wished Mr. Williams well and said that Mr. Williams would not be replaced—he would have a successor.

Mr. Rindone stated that he is not currently able to apply for the Chairperson position due to his current work obligations, but that he may be interested in the future if the position becomes available. He would like to continue in his position as Vice Chair and offered to assist in the process to elect a Chairperson. The Executive Committee directed Mr. Jablonski to begin a process to notify all former members of MTS and institute an application process. The Executive Committee is proposing to create a list of applicants for referral to the Board of Directors for consideration. Mr. Williams would like to retire in November, but he is willing to continue in his position until January, which would be the official end of his term. The term is four years and commences in January 2006.

Mr. Jablonski added that at the Board's request, a letter could be drafted describing the type of individual that the Board is seeking for the Chairperson position and the requirements of the job. The letter could be sent to a wide network of people, including legislators, to ask for referrals or to pass them onto other interested applicants. Mr. Rindone recommended that the Executive Committee be given a 45-day time line for the process.

Mr. Monroe asked if a decision was made by the Executive Committee not to have a Board member as Chairperson. Mr. Rindone clarified that current Board members are eligible to be considered for the position. Mr. Mathis stated his interest in the Chairperson position.

Mr. Monroe moved to have the Executive Committee create a nominating procedure and return to the next Board meeting with a recommendation. The motion was seconded, and the vote was 8-0 in favor.

Margo Tanguay – Ms. Tanguay has been around the City Council and Board of Supervisors since college. During the 1970s, Mr. Williams was a leader during the problems with the taxicab industry. She is impressed by Mr. Williams' commitment to provide the best public transportation and thanked him for his service.

## REPORT ITEMS

45. SDTI: Centralized Train Control Status Review (OPS 970.2)

Mr. Rindone moved to defer this item to the October 13, 2005, Board meeting. Ms. Rose seconded the motion, and the vote was 8-0 in favor.

46. MTS: July Monthly Performance Indicators (OPS 920.1, 960.5, 970.5)

Mr. Rindone moved to defer this item to the October 13, 2005, Board meeting. Ms. Rose seconded the motion, and the vote was 8-0 in favor.

47. SDTI: Semiannual MTS Security Report (January through June 2005) (OPS 970.11)

Mr. Rindone moved to defer this item to the October 13, 2005, Board meeting. Ms. Rose seconded the motion, and the vote was 8-0 in favor.

48. MTS: Preliminary Operations Budget Status Report for Fiscal Year 2005 (FIN 310)

Tom Lynch gave a PowerPoint presentation of the FY 05 preliminary financial results. The final results will be presented upon completion of the FY 05 audit. Mr. Lynch reviewed the variance summary, budget closure recap, and budget closure Options 1-3 (staff recommends Option 3).

Mr. Ewin commented that the audit will reveal the status. In his opinion, Option 3 provides the flexibility for addressing the closure in addition to moving into the next year and concurs with staff's recommendation; Mr. Williams, Mr. Clabby, and Mr. Rindone agreed. Mr. Young stated that he is not sure if he agrees with staff's recommendation.

Mr. Monroe asked about the 93.9 percent in the pension fund ratio as opposed to 100 percent, even though we were looking for 85 percent. Cliff Telfer responded that the goal is not to be 94 percent funded; our goal is to eventually be 100 percent funded. Setting aside the funds in internal reserves gives flexibility to either put the funds into the pension plan or pay off the bonds when they are due. Once the funds are in the plan, we lose that discretion.

No action was taken due to the lack of a quorum.

49. MTS: Operations Budget Status Report for July 2006

Mr. Rindone moved to defer this item to the October 13, 2005, Board meeting. Ms. Rose seconded the motion, and the vote was 8-0 in favor.

60. Chairman's Report

There was no Chairman's Report.

61. Chief Executive Officer's Report

There was no Chief Executive Officer's Report.

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.

64. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, October 13, 2005, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Williams adjourned the meeting at 12:39 p.m.

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Chairman  
San Diego Metropolitan Transit System  
Filed by:

Approved as to form:

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

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Office of the General Counsel  
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

JGarde/GWilliams/MINUTES - Board 09-22-05