

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

January 12, 2006

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

MINUTES

1. Roll Call

Chairman Mathis called the meeting to order at 9:05 a.m. A roll call sheet listing Board member attendance is attached.

Mr. Mathis welcomed Ms. Jillian Hanson-Cox, who was recently appointed to the MTS Board as a primary member representing El Cajon. Former primary member, Mark Lewis, will now serve as the alternate member for El Cajon.

Passing of the Gavel

Mr. Mathis presented former Chairman, Mr. Leon Williams, with a plaque and gavel recognizing and thanking Mr. Williams for his outstanding public service and his dedication to transit. Mr. Mathis stated that Mr. Williams joined the Board in 1976 and became its chair in 1994. He added that Mr. Williams' experience and dedication were unmatched in the history of the organization. Mr. Williams thanked everyone and stated that MTS has done much good for the community. He thanked Board members and staff for all of their efforts and presented a new gavel to Chairman Mathis.

2. Approval of Minutes

Mr. Emery moved to approve the revised minutes of the December 8, 2005, Board of Directors meeting, which were faxed to Board members in advance of the Board meeting. Ms. Atkins seconded the motion, and the vote was 13-0 in favor.

3. Public Comments

*Don Stillwell:* Mr. Stillwell requested that connections between the Route No. 14 and the trolley and other buses be improved. He also requested that the bus stops at Rio Vista and Crawford be made designated time points. He suggested changes to Route No. 14 that would eliminate the dangerous pedestrian crossing at Mission Gorge Road and Rainier Avenue and would facilitate more timely connections to Route No. 13 serving Allied Gardens and beyond. He

requested that these changes be made as soon as possible rather than as part of the Comprehensive Operational Analysis (COA). He pointed out that MTS had received letters from Councilmember Jim Madaffer as well as the Allied Gardens Community Council in support of these changes.

4. MTS: Election of Vice Chair and Chair Pro Tem and Continuance of Appointments to Committees for 2006 (LEG 410, PC 50101)

Mr. Mathis requested motions from the floor for the positions of Vice Chair and Chair Pro Tem.

Mr. Roberts moved to nominate Jerry Rindone for the position of Vice Chair. Mr. Monroe seconded that motion.

Mr. Clabby moved to nominate Bob Emery for the position of Chair Pro Tem. Ms. Atkins seconded that motion.

Board members made various comments in support of each of the candidates.

Action Taken

The vote for the nomination of Jerry Rindone for the position of Vice Chair was 12 to 0 in favor with Mr. Rindone abstaining.

The vote for the nomination of Bob Emery for the position of Chair Pro Tem was 12 to 0 in favor with Mr. Emery abstaining.

Mr. Emery moved to continue the current appointment of representatives to the MTS Committees as listed on Attachment A of the agenda item through the end of January 2006 so the Ad Hoc Nominating Committee can make recommendations for committee appointments for the 2006 calendar year. Mr. Rindone seconded the motion, and the vote was 13 to 0 in favor.

5. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:23 a.m.

- a. SDTI: CONFERENCE WITH LABOR NEGOTIATORS California Government Code Section 54957.6. Agency Designated Representative - Jeff Stumbo. Employee Organization – International Brotherhood of Electrical Workers, Local 465.

The Board reconvened to Open Session at 9:41 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported the following:

On Item 5a, the Board received a report from staff and gave direction to the agency's designated representative.

## CONSENT ITEMS

6. MTS: FY 06/07 Take One Printing – Contract Amendment with AAA Printing  
(SRTP 830.4, PC 50451)

Recommend that the Board of Directors authorize the Chief Executive Officer (CEO) to exercise the second of two options years with AAA Printing to print Take One notices at a cost not to exceed \$43,048 (including tax and delivery), in substantially the same form as Attachment A of the agenda item. This cost represents a 3.3% increase over the previous year as allowed by the current contract.

7. MTS: FY 06/076 Daily-Dated Universal Transfer Slips – Contract Amendment with The Ticket Factory (FIN 330.3, PC 50451)

Recommend that the Board of Directors authorize the CEO to exercise a third option year with The Ticket Factory for printing of 12,953,600 Universal Daily-Dated Transfer Slips at a cost not to exceed \$63,084.03 (including tax and delivery), in substantially the same form as Attachment A of the agenda item. This price represents a cost of \$4.87 per 1,000 slips, a 2% increase per unit over the previous year as determined by the current contract.

8. SDTI: Light Rail Vehicle Pantograph Carbon Procurement – Contract Award (OPS 970.6)

That the Board of Directors authorize the President-General Manager to execute a Standard Procurement Agreement (Attachment A of the agenda item) with Schunk Graphite Technology, Inc. to supply light rail vehicle pantograph carbons for a five-year period contingent upon approval of a waiver from Buy America requirements from the Federal Transit Administration. The total cost, including California sales tax and freight for a five-year period, shall not exceed \$622,250.00.

## Recommended Consent Items

Mr. Emery moved to approve Consent Agenda Item Nos. 6, 7, and 8. Mr. Ewin seconded the motion, and the vote was 12 to 0 in favor.

## NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

## DISCUSSION ITEMS

30. MTS: Update on the Status of the Grossmont Trolley Station Joint Development Project  
(LEG 460, PC 50787)

Ms. Tiffany Lorenzen, MTS General Counsel, provided the Board with an update on the status of the Grossmont Trolley Station Joint Development Project. She reviewed the various facilities that would be constructed as part of the project as well as the basics of MTS's lease terms with Fairfield Residential LLC and the City of La Mesa. She also explained the purpose of the Disposition and Development Agreement (DDA), which will be in effect through the construction of the project, and the Ground Lease, which gives Fairfield a long-term lease for the

development after construction is completed. She advised the Board that it may take some time to reach agreement on the DDA and the Ground Lease. She stated that once agreement is reached on these documents, they must be reviewed by the lender, who will make changes based upon their financing restrictions. She anticipated the bank's review would take about two weeks and should be completed in late January or early February. She added that escrow should close sometime in March, and construction can start at that time. She reviewed the ancillary agreements on which MTS is also working.

Ms. Lorenzen clarified for Mr. Ewin that the \$635 million figure included in the Budget Impact section of the agenda item refers to the projects revenue under the terms of the 99-year lease. Mr. Ewin pointed out that the MTS Board authorized MTS to enter into an Exclusive Negotiating Agreement in July 2003, not July 2004 as indicated on page two of the agenda item. He requested that a time line be developed for this project with target dates for conclusion of the items that remain to be completed. He distributed a document outlining the items have been completed to date and listing the items that remain to be completed before construction can begin. He stated that he thought staff's projection for the start of construction may be overly optimistic. Ms. Lorenzen stated that considerable work has already been done on the items that remain to be completed, and she felt comfortable with the projection.

In response to a question from Mr. Monroe regarding the Purchase and Sales Agreement, Ms. Lorenzen stated that she thought there would be additional negotiations to resolve some differences of opinion related to that agreement. She stated that this document is currently being reviewed by legal counsel for the City of La Mesa.

In response to a question from Mr. Roberts, Ms. Lorenzen reported on the nature of the ancillary agreements that are being worked out with AAA, private entities who currently have parking agreements with MTS, the Automobile Club, and the City of La Mesa regarding maintenance of offsite drainage improvements. Mr. Monroe requested that the Board receive an update in two weeks and again in four weeks.

#### Action Taken

Mr. Ewin moved to receive an update from General Counsel regarding the status of the Grossmont Trolley Station Joint Development Project. Mr. Roberts seconded the motion, and the vote was 13 to 0 in favor.

31. MTS: Proposed Modifications of MTS Board Policy No. 22 for Appointment of Committee Members and Executive Committee Composition (ADM 110, PC 50101)

Mr. Paul Jablonski, MTS CEO, reviewed the changes being recommended by the Ad Hoc Policy Review Committee as outlined in the agenda item. Chairman Mathis stated that the Board would select an Ad Hoc Nominating Committee to make nominations for the various Committees of and representing the Board. He added that the Board would then recess in order to allow the cities to agree on the rotation of Executive Committee terms and which city group would serve the first one-year term so the terms would not expire at the same time. Ms. Lorenzen reported that the Ad Hoc Policy Review Committee will meet in February to develop recommendations for chairperson elections and will bring those recommendations back to the Board for approval.

In response to a comment by Mr. Monroe, Chairman Mathis stated that there will only be five voting members on the Executive Committee with a possible two extra nonvoting members. Mr. Emery stated that it was important to restart the rotation of the city representatives on the Executive Committee. He added that the rotation basically ceased through the period of consolidation and should now be resumed.

The Board recessed at 10:10 a.m. and reconvened at 10:27 a.m.

#### Action Taken

Mr. Emery moved to (1) approve the proposed modifications to MTS Board Policy No. 22 (Attachment A of the agenda item) to modify the composition of the Executive Committee and create a clearly defined Committee member appointment process; (2) have the East County member cities rotate terms on the Executive Committee as follows: El Cajon (first term for one year), La Mesa, Lemon Grove, Santee, and Poway, to be memorialized in Policy No. 22; (3) have the South Bay member cities rotate terms on the Executive Committee as follows: Chula Vista, Coronado, Imperial Beach, and National City, to be memorialized in Policy No. 22; further, if the representative of the city whose term is next has less than two years of tenure on the Board, the term would pass to the next city in the rotation. The city skipped in the rotation would be moved to the next slot; (4) create an Ad Hoc Nominating Committee comprised of Toni Atkins, Thomas Clabby, Bob Emery, Harry Mathis, Jerry Rindone, and Ron Roberts; and (5) direct the Ad Hoc Nominating Committee to convene the week of January 15, 2006, review a list of MTS Committees and appointments to non-MTS Committees, and forward a list of proposed appointments to the Board for approval at the January 26, 2006, meeting. Mr. Rindone seconded the motion, and the vote was 13 to 0 in favor.

#### 32. MTS: Comprehensive Operational Analysis (COA) – Status of Public Outreach and Service Development Plan (SRTP 800, PC 20290)

Mr. Conan Cheung, MTS Director of Planning and Performance Monitoring, reviewed Phase II of the COA – Public Outreach. He provided the Board with details on the project committees, community open houses, community meetings, and Operator “Drop Ins”. He advised the Board that the presentations given at community meetings were customized based on the audience’s interests. He also reported that a web site for the COA was set up to provide information and solicit input from the public. Comments were also received via e-mail and through the hot line that was established. Mr. Cheung reviewed the summary of concerns as outlined in the agenda item. He reported that some of these concerns have been addressed in the plan and others cannot be accommodated. Mr. Cheung reviewed the next steps in completing this study. He reported that a one- to two-month delay is being incorporated into the time line in order to provide additional time for public outreach.

#### Public Comment

*Susan Christie:* Ms. Christie stressed how important transit is to the residents of North Park. She stated that she has been riding transit and has discovered that more people are utilizing it than she originally thought. She also stated that everyone should be aware that MTS Access service is \$4.50 each way, which results in a \$9.00 round-trip fare for someone with physical impairments to make a trip to, for example, a grocery store. She stated that, as a community, everyone should work to identify creative solutions to deal with some of these issues. Mr.

Cheung stated that there will be improved frequencies on some bus routes in North Park. He added that SANDAG recently recommended that MTS cut the Route No. 965, a local circulator that serves North Park and City Heights, into two separate shuttles. He added that, given financial restraints, the City Heights portion of Route No. 965 is currently part of the COA while the North Park shuttle currently is not. It was pointed out that the North Park portion of Route No. 965 carries approximately 1.5 passengers per trip, and most of these riders are within one-half mile of 30<sup>th</sup> & University, where there is a substantial amount of service.

*Clive Richard:* Mr. Richard thanked Mr. Jablonski and Ms. Atkins for attending the recent outreach meeting at the Center for the Blind. He also expressed support for the COA. He stated that the plan basically chooses to provide frequent service to riders who are really using it as opposed to providing everyone in the region with infrequent service.

Ms. Atkins thanked Mr. Jablonski and staff for attending the outreach at the Center for the Blind and stated that there was a very good turnout. Ms. Atkins requested that staff provide the Board with a matrix of the service changes. Mr. Cheung stated that staff will soon have that item ready along with information on performance indicators, maps for the route, and details of the changes and deletions. Ms. Atkins also requested that staff continue to add to its Summary of Concerns without removing any of the items already on the list, and she specifically mentioned Route Nos. 3, 9, and 965. She thanked Susan Christie for her efforts and asked her to forward any comments that she receives from riders.

Ms. Atkins pointed out that a large number of people will probably attend the February 8 Board meeting when the final service plan is presented to the Board and on March 9 when the public hearing is held. She stated that she would be amenable to holding a public hearing in the late afternoon into the evening to maximize the number of people who are able to attend. She also stated that we have to do a better job of talking to MTS riders about the funding issue and that public hearings are a good forum for this topic. She felt that the public believed that a larger part of TransNet II would be allocated to transit. She stated that transit riders need to know how to contact key people within government in support of additional transit funding.

Mr. Morrison referred to the comment made by Susan Christie about the \$9 round-trip on MTS Access. He stated that he has talked to riders who think that even a \$1 fare is too high. He felt that it was important for the public to understand what it actually costs MTS to provide the service. He stressed that this could be an education tool for the public and elected officials. Mr. Morrison felt that MTS may need to hold more than one hearing. He felt MTS's Board room would not be large enough to accommodate the public.

Mr. Emery agreed that a larger space was needed, and stated that Golden Hall has been used for other large meetings. He stated that the Board will be hearing from people who are upset about losing service and need to be prepared with all the necessary statistics with which to show the public why these decisions have been made (subsidies, MTS's financial condition, etc.). He stated that he could also use this information to justify the COA to his city council. He agreed that the public may have a misperception about the allocation of TransNet II funds. He stated he would support one day and one evening meeting.

Mr. Roberts stated that he was impressed with the way staff has handled the COA. He stated that staff has listened to the public, has responded, and has accommodated some of the concerns expressed. He also stated that he was pleased with the way potential controversies,

misunderstandings, and perspectives have been resolved early in the process. He referred to the reference to Zion Hospital in staff's presentation and pointed out that it should read Kaiser Hospital on Zion.

Mr. Rindone added his congratulations to staff and stressed the importance of Board member attendance at the public hearings for the COA. He agreed that the Board Room would be too small. He also suggested that the meeting be held at a location easily accessed by transit services. Mr. Monroe agreed. Mr. Rindone directed staff to ensure that the evening public hearing does not conflict with city council meetings.

Mr. Maienschein stated that he was concerned about paratransit services in his district. He pointed out that transportation is more difficult for individuals with physical challenges. He also pointed out that his district is one of two with no trolley service at all and is the greatest distance from downtown. He stated that this service is more expensive so it is usually the first to be cut; therefore, even though citizens in his district pay for transit service, they do not receive it.

#### Action Taken

Mr. Emery moved to receive information on the status of the public outreach effort and refinement of the Service Development Plan. Mr. Rindone seconded the motion, and the vote was 12 to 1 in favor with Mr. Maienschein casting the dissenting vote.

#### 33. MTS: Status of the San Diego Association of Governments (SANDAG) Showcase Project (ADM 121.10, PC 20286)

Mr. Monroe briefly reviewed the history of this project and stated that, when the Board selected the Mid-City area for the Showcase Project, it was with the understanding that dedicated transit lanes would be part of the project. He stated that since the consolidation, the project has turned from a Bus Rapid Transit (BRT) project into a Rapid Bus project, and is therefore no longer a Showcase Project. He suggested that the Board consider revisiting the selection of the Mid-City area for this project given that BRT cannot be implemented as the Board intended. Mr. Mathis stated that the Board should first hear staff's presentation on this matter.

Ms. Miriam Kirschner, SANDAG Project Manager for this project, provided the Board with an overview of Transit First and provided an overview of how the Mid-City area was selected for the Showcase Project. She also reviewed the current status of the project and the priorities for transit service as identified by the Mid-City community. She showed some options for incorporating transit-only lanes on a limited basis along the route or modified transit-only lanes. She then showed Advisory Committee's priority rankings for the project. Ms. Kirschner also reviewed how different BRT elements could be incorporated into the project using a phased approach that would be based on the availability of funding.

#### Public Comment

*Wendy Hope, City Heights Community Development Corp:* Ms. Hope stated that Mid-City has thousands of current and potential choice riders who need the I-15 BRT and Mid-City Showcase Project to access the San Diego region.

*Clive Richard:* Mr. Richard stated that he strongly supports the BRT concept of a transit-only lane and stated that he hoped the phased approach would eventually lead to that. He stated that he supported the project based on that premise.

*Steve Russell, City Heights CDC:* Mr. Russell stated that Mid-City has advocated for these types of transit improvements for years. He stated that while there is substantial support for transit improvements, the community is concerned about having dedicated transit lanes. He stated that MTS will need to work with the community to overcome its concerns and move the project in the right direction.

*Gary Weber, El Cajon Boulevard Business Improvement Association:* Mr. Weber urged the Board to support this project. He stated that he appreciated Mr. Monroe's concern and went on to explain that the results of a recent survey of the Business Improvement Association's membership showed overwhelming opposition to transit-only lanes. He explained that many road-related projects are currently underway in Mid-City that are creating traffic and parking problems, and their membership may be reacting to that. He stated that access is a very important element to small businesses. He stated that the funding is not available for transit-only lanes anyway and suggested that priorities be developed on that basis. He stated that he didn't have a problem with moving forward with transit-only lanes but didn't want to do that at the expense of Mid-City's small business owners. He stated that taking the phased approach will yield increased community support.

Ms. Atkins supported taking a phased approach, especially since the funding is not available to take a more complete approach. She stated that MTS needs to be flexible and fluid based on community priorities and funding availability. She suggested that the Board continue to monitor this project as it proceeds.

Mr. Roberts stated that he never thought dedicated transit lanes would be approved as part of this project. He stated that there is a much higher level of public transit use in Mid-City than any other place within the region and added that MTS must look at how it meets its schedules and increases its ridership. He felt that this was still a showcase and demonstration project and takes MTS to the next level. He felt that this project still includes some very impressive improvements, and that there is major value in proceeding.

Mr. Monroe stated that he was disappointed that this project has been pushed out by at least three to five years. He said that should have been brought to the Board's attention during staff's presentation. Mr. Clabby stated that he was disappointed in the amount of progress made on this project. He stated that Mid-City is a major source of passengers for MTS and has significant traffic congestion problems. Mr. Emery thanked Mr. Monroe for bringing this matter to the attention of the Board. He stated that he had no problem with the phased approach to this project. He also expressed disappointment with the delay and suggested that MTS continue to urge SANDAG to move this project forward. Mr. Jablonski stated that El Cajon Boulevard/University Avenue is the most utilized corridor in the transit system and any improvement is needed and appreciated. He stated that he was more than happy to start out with something better than what MTS has now. He stressed that operating dollars are needed to carry out operations under this new plan. He stated that MTS could start limited-stop service now if it had the operating dollars to do so. Ms. Atkins suggested forming partnerships with the City of San Diego that might generate additional Transportation Development Act (TDA) dollars to help fund this project.



Action Taken

Mr. Emery moved to receive information on the SANDAG Showcase Project. Mr. Monroe seconded the motion, and the vote was 12 to 0 in favor.

34a. Finance Workshop – MTS: Operations Budget Status Report for November 2005  
(FIN 310.1, PC 50601)

Mr. Jablonski stated that this item was placed on the agenda in order to provide the Board with information on November results, which show MTS with a favorable variance of approximately \$288,000 year to date. He stated that results for the month of November itself showed an unfavorable variance of approximately \$500,000. He added that if fuel prices continue their upward trend, MTS could be approx \$3.7 million over budget for fuel alone by the end of the year. He stated that MTS may be able to save \$1 million by economizing in every other way. He stated that very shortly a Budget Development Committee will be formed and will meet to develop a more thorough financial picture for budgeting purposes.

Action Taken

Mr. Ewin moved to receive the MTS Operations Budget Status Report for November fiscal year 2006. Mr. Rindone seconded the motion, and the vote was 12 to 0 in favor.

34b. Finance Workshop – MTS: Combined FY 2007 Finance Workshop (FIN 310.1, PC 50601)

There was no discussion of this item.

Action Taken

Mr. Ewin moved to receive the combined MTS FY 2005 year-end initial projections and time line of budgetary process (subject to change by the Budget Development Committee). Mr. Rindone seconded the motion, and the vote was 12 to 0 in favor.

REPORT ITEMS

There were no Report Items

60. Chairman's Report

There was no Chairman's Report.

61. Chief Executive Officer's Report

There was no CEO's Report.

62. Board Member Communications

*Board Member and City Council Communications:* Mr. Ewin suggested that Board members make sure that they keep their respective city councils well informed regarding MTS issues. He

stated that this is needed to ensure that the SANDAG Board and its Transportation Committee have a clear picture of MTS's issues.

*Chairman Mathis:* Chairman Mathis thanked the Board for unanimously electing him as the Board's chair. He added that he welcomes each Board member's counsel and dedication to the cause.

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, January 26, 2006, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Mathis adjourned the meeting at 12:02 p.m.

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Chairperson  
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