

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

January 10, 2013

MINUTES

A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:09 a.m. A roll call sheet listing Executive Committee member attendance is attached.

B. APPROVAL OF MINUTES

Mr. Roberts moved for approval of the minutes of the December 6, 2012, MTS Executive Committee meeting. Mr. Ovrom seconded the motion, and the vote was 5 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. East County Bus Maintenance Facility Architectural Design

Claire Spielberg, Chief Operating Officer (Transit Services) introduced Elliot Hurwitz, Manager of Capital Projects who provided a PowerPoint presentation and reported on project status and the architectural renderings of the project. Mr. Hurwitz advised that the operations and design portions of the project were currently in process at the El Cajon location. Mr. Hurwitz discussed the layout and design phases of the facility. Mr. Hurwitz introduced Jim Neal, Vice President & Senior Engineering Manager of Parsons Brinckerhoff. Mr. Neal presented visuals and discussed themes and options with regard to the facility. Mr. Hurwitz presented descriptions of the building, discussed landscaping and provided the time line with regard to completion of the facility.

Paul Jablonski, Chief Executive Officer requested that Mr. Hurwitz present the various functions of the building.

Mr. Hurwitz discussed the 9 different areas of the building and specified the location of the various departments within the building. Ms. Spielberg advised that parts storage and everything required in order to run a bus operation is included in this new facility where previously these departments were housed in several different facilities.

Jim Cunningham questioned whether MTS had qualified for or had applied for the facility to obtain Leed Certification.

Mr. Hurwitz responded that Leed Certification had not been applied for; however the facility was near a Leed silver status. Mr. Neal commented the new facility is very efficient with regard to its various energy-saving features such as solar energy features and special attention given to design to capitalize on natural lighting within the building. Mr. Hurwitz advised that MTS was compliant with the CA Green Building Code which was reflected within the elements of the building design.

Ms. Spielberg questioned Ron. Roberts what he would like to see with regard to building design.

Mr. Roberts answered that he would like to see a more efficient design with regard to energy efficiency, lighting and temperature and requested that MTS be briefed on Leed Certification and advised of the importance of Leed Certification.

Ms. Spielberg stated that she and Mr. Hurwitz would revisit the Leed Certification requirements.

Mr. Hurwitz discussed the design process and progress and discussed the time line for completion of the facility with regard to design, construction, review by the City of El Cajon, bidding by SANDAG and the construction phases.

Mr. Jablonski advised that MTS reached an agreement with the City of El Cajon through a Memorandum of Understanding ("MOU") in terms of project approval, plan review and fees. Mr. Jablonski stated MTS was doing a fair amount of city street work which was the result of a previous NTDB agreement, therefore the City would pay for everything associated with plan review. Mr. Jablonski advised the MOU was close to being executed. Mr. Jablonski discussed the CNG facility and stated MTS is currently in discussions with SDG&E to create a plan to get the piping laid from where the gas access is located into the facility. Mr. Jablonski advised SDG&E quoted MTS a very high price of approximately \$700,000 although approximately half of this price is an assessment called a Special Facility Designation that has nothing to do with the \$385,000 cost to lay the pipe. Mr. Jablonski advised if SDG&E will not come down on this quote MTS would find an alternative way to lay the pipe. Mr. Jablonski stated that MTS built the CNG facility as a separate facility and MTS has prior experience and knowledge of the construction process with regard to CNG facilities. Mr. Jablonski further explained that due to this previous experience MTS is proceeding with a special procurement to construct the CNG facility and trying to complete this procurement at the present time so that construction can begin this spring. Mr. Jablonski advised this CNG facility will be primarily completed prior to construction of the main facility.

Ms. Spielberg indicated it was ideal to initially build the CNG facility so the diesel tank can be removed from the ground and CNG buses can start flowing in and out of this new facility.

Mr. Roberts questioned what would happen after the diesel tank removal.

Ms. Spielberg advised the underground diesel tank would be removed as it is the time to remove it during construction digging. Ms. Spielberg stated the underground tank would be removed and replaced with an above ground diesel tank.

Mr. Jablonski advised MTS investigated all avenues with regard to the fueling onsite and offsite and it is easiest to install an above-ground diesel tank.

Mr. Gloria questioned what the overall cost would be with regard to the construction of the facility.

Mr. Jablonski advised it would be approximately \$30M to construct the facility including the separate CNG facility and that the facility was appropriate for long term use. Mr. Jablonski advised due to the budget being an issue the project was bare bones and was built for functionality.

Action Taken

Mr. Gloria moved to receive a report for information on the East County Bus Maintenance Facility. Mr. Cunningham seconded the motion, and the vote was 5 to 0 in favor.

2. Trolley Renewal Project Update

Wayne Terry, Chief Operating Officer (Rail), introduced Jim Neal, Program Manager with Parsons Brinckerhoff. Mr. Neal gave the Executive Committee a PowerPoint presentation on the construction schedule for the Blue and Orange Line Improvement Corridor. Mr. Neal advised MTS was well into the substation procurement, installation and rail replacement. Mr. Neal discussed the budget, work in process and milestones of the project. Mr. Neal advised upon the construction status with regard to station improvements, expected completion dates and cost. Mr. Neal stated that with regard to the Blue Line station construction MTS is currently reviewing qualifications and bids with the engineer's estimate being \$81M.

Jim Cunningham asked if MTS had any unexpected expenses and if the project is on track with regard to budget.

Mr. Jablonski responded that he did not expect to go over budget and that the budget would likely be maintained. Mr. Jablonski stated that due to the Blue Line bids coming in under what was expected the remaining funds would likely go towards additional work needed, but that the budget should be maintained. Mr. Jablonski advised the major construction projects remaining were the construction on the Blue Line, the traction power sub-stations and the signaling and crossovers. Mr. Jablonski stated that the reason MTS is constructing a number of crossovers on the South Line is to provide the ability to reconstruct the stations, operate service, provide freight additional capacity with reverse running, etc. and to implement a brand new signaling system. Mr. Jablonski stated that when construction on the Orange Line, Fifth Avenue and the Green Line stations were complete, construction on the Blue Line station and traction car substations would remain and that MTS would begin construction in the spring with the majority of MTS's focus on the Blue Line.

Action Taken

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

3. San Diego Transit Corporation Employee Retirement Plan's Actuarial Valuation as of July 1, 2012

Cliff Telfer, Chief Financial Officer, introduced Bob McCrory, FSA of EFI Actuaries who presented a PowerPoint presentation on the actuarial valuation and outlook. Mr. McCrory stated that due to low returns the cost of the plan has been increasing with funding decreasing and this has necessitated pension plan review and reform. Mr. McCrory provided cost and funding projections with regard to current funding methods and proposed funding methods. Mr. McCrory reviewed the plan as it is today, plan history and funding recommendations.

Mr. Mathis requested clarification with regard to the time frame and the budget impact.

Mr. Telfer advised the rate adopted today affects next year's budget and that it would be a \$2 million dollar impact on the budget in the next fiscal year with \$500,000 to \$600,000 paid by employee contributions.

Mr. McCrory discussed employee contributions and how those contributions affect the plan including new hire contributions and guidelines implemented by the Public Employees Pension Reform Act ("PEPRA").

Mr. Roberts questioned how the plan and percentages provided by Mr. McCrory would impact MTS in the future.

Mr. McCrory stated the economy is the deciding factor.

Mr. Jablonski advised the good news is that this plan is finite and every year the cost will decrease.

Action Taken

Mr. Roberts moved to forward a recommendation to the Board of Directors to receive the San Diego Transit Corporation (SDTC) Employee Retirement Plan's actuarial valuation as of July 1, 2012, and adopt the pension contribution rate of 36.106 percent for SDTC's pension plans in FY 14. Mr. Cunningham seconded the motion, and the vote was 5 to 0 in favor.

4. LOSSAN Joint Powers Authority and Managing Agency

Sharon Cooney, Chief of Staff provided information on Senate Bill 1225 which is a regionally sponsored change to legislation that would allow LOSSAN to control Amtrak services in the Pacific Surfliner corridor. Ms. Cooney introduced Brent Boyd, Senior Transportation Planner who sits on the Technical Advisory Committee to LOSSAN. Mr. Boyd presented a series of PowerPoint slides. Mr. Boyd provided background on the LOSSAN rail corridor and discussed the Amended LOSSAN Joint Powers Authority Agreement ("JPA") and explained the two main issues with regard to the JPA; 1.) The JPA would allow LOSSAN to take over operation of the Pacific Surfliner and 2.) The JPA would provide the option for MTS to take over as Managing Agency of LOSSAN. Mr. Boyd advised that if MTS took over as Managing Agency MTS would house the staff who would be responsible for conducting LOSSAN business. Mr. Boyd reviewed the purposes of the JPA and the advantages and risks. Mr. Boyd discussed the Managing Agency responsibilities, funding, staffing estimates, key components, next steps and recommendations. Mr. Boyd pointed out that if any decisions are made on behalf of the JPA that are not favorable to MTS, MTS is able to pull out of the JPA with 90 days' notice.

Mr. Jablonski advised that on critical issues voting would be subject to a super-majority voting structure.

Mr. Roberts asked for clarification on the voting system.

Mr. Jablonski advised that there would be four different voting regions: South, Far North, Northern Eastern and Western region and the issue must pass by 80% and there must be at least one affirmative vote from each of the four regions.

Ms. Cooney stated that the San Diego region has two votes and the region splits the two

votes between MTS and NCTD with SANDAG being the tiebreaker in the event of a disagreement between the two agencies.

Mr. Mathis asked what the implications are should MTS wish to leave the JPA.

Mr. Jablonski said the JPA would continue to function but MTS would no longer have a voice in the JPA and other regions would have control possibly making decisions that are not in the best interest of MTS.

Ms. Cooney advised there is a provision in the JPA that stipulates no local agency loses the control or responsibilities it maintains at present time and locally speaking, MTS would still maintain a certain amount of control.

Mr. Mathis questioned what authority the Managing Agency would be given from an operational standpoint.

Mr. Jablonski advised the Managing Agency would still establish schedule, service, interaction with COASTER and Metrolink, joint marketing, etc. Mr. Jablonski stated there would be negotiations that would be entered into with regard to the risks.

Mr. Mathis stated he was concerned with MTS becoming Managing Agency as it would take up 25% of MTS's staff and the CEO's time.

Mr. Jablonski said it would be difficult to give up that amount of time however he does not believe it will actually consume 25% of MTS's time as asserted in the consultant study. Mr. Jablonski indicated if MTS is going to move forward with becoming the Managing Agency it would put MTS in a position to control more.

Mr. Jablonski commented that MTS will create a list of agreeable terms and will create a proposal based on these terms to present to the MTS Board of Directors.

Public Speakers:

Margo Tanguay – Ms. Tanguay stated that US Senator Pete Wilson, former San Diego Mayor and California Governor who made the suggestions to shut down Amtrak. Ms. Tanguay stated that Jim Mills did not agree with this closure and this is the reason MTS is the number two public transit agency in the country today and agencies should coordinate and work together to resolve issues.

Action Taken

Mr. Roberts moved to forward a staff recommendation to the Board to: (1) approve by MTS Resolution No. 13-2 the amended Joint Powers Authority for the LOSSAN Rail Corridor Agency; and (2) direct staff to submit a proposal to become the LOSSAN Managing Agency. Mr. Gloria seconded the motion, and the vote was 5 to 0 in favor.

7. Taxicab Administration Contract Renewal (TAKEN OUT OF ORDER)

Mr. Jablonski stated that the prior month the Executive Committee directed MTS to come up with a position MTS wanted to take with the City of San Diego with regard to the taxicab contract renewal. Mr. Jablonski advised the contract expires in July 2013 and MTS will recommend renewal of the contract.

Ms. Cooney advised of a Memorandum of Understanding ("MOU") between MTS and the City of San Diego. Ms. Cooney provided a handout of the suggested amendments of the MOU with the City of San Diego. Ms. Cooney explained MTS is initially entering into the MOU with the City of San Diego as it is the largest contractor and will subsequently enter into the MOU with additional cities. Ms. Cooney stated the MOU stipulates MTS will continue to carry out its current activities with regard to Taxicab Administration. Ms. Cooney said the suggested changes in the MOU will not materially change how MTS operates at present time but will clarify the actions MTS will not perform with regard to Taxicab Administration. Ms. Cooney discussed how the amendments include an explanation of the change to City Council Policy 500-02 as it is the City's document which states what Taxicab Administration encompasses. Ms. Cooney expressed that if the City's policy is in conflict with MTS's Ordinance 11, MTS would have to agree to amend Ordinance 11 to enforce it. Ms. Cooney further explained MTS will not extend its regulatory role with regard to the relationship between permit holders and their subcontractors (leased drivers). Ms. Cooney advised if the City so chooses it retains the right to set up a separate entity to involve the City of San Diego in these relationships but would have no authority over MTS or MTS's actions as the administrator and amending this aspect of the contract would require a vote of the MTS Board and all sitting members from the City of San Diego would agree to abstain.

Mr. Cunningham asked why this would not be vetted first by the Taxicab Administration Committee ("TAC") before being brought the Executive Committee and Board of Directors.

Mr. Jablonski advised Taxicab Administration is between MTS and the City of San Diego and the TAC is an advisory committee to the Board. Mr. Jablonski stated the issue at hand is with regard to the contract between MTS and the City of San Diego and the TAC is not a party to the contract.

Mr. Cunningham questioned whether the contract amendments remove the requirement from the contract stipulating leaseholders are responsible for providing copies of the leases to the lease drivers.

Karen Landers, General Counsel, answered that this stipulation is currently in MTS's ordinance that the Board previously approved it, but it would prevent the next step which would be MTS adjudicating disputes between the permit holders and lease drivers relating to their contract or other issues.

Mr. Cunningham asked if the ultimate goal for MTS is to terminate its role entirely with regard to Taxicab Administration.

Mr. Mathis responded that the ultimate goal of the contract negotiations is to clarify MTS's role in Taxicab Administration and clarify that MTS is part of the administrative process but not the policy process.

Mr. Jablonski advised the issue is the relationship between MTS and Taxicab Administration with the relationship being one of administration, vehicle inspections, enforcement of the rules, putting inspectors in the field and administration of the process of medallions with MTS taking the City's cue on how they want it done either by RFP or lottery. Mr. Jablonski stated MTS performs a mechanical function with the policy and significant issues would arise if MTS takes on additional responsibilities whether it is contract administration, adjudication, setting the work hours, etc. Mr. Jablonski stated it would be a huge undertaking and one that is going to increase costs dramatically with regard to additional fees for permits, a pressure on the leaseholders and lease drivers, since MTS has to cover its costs as there is no support to subsidize costs. Mr. Jablonski advised too much time has been given to the Taxicab Administration issue from a staff standpoint and Board standpoint and it impacts MTS's true role as a transit agency.

Public Speakers:

Sarah Saez – Ms. Saez of United Taxi Workers of San Diego ("UTWSD") advised UTWSD is opposed to contract renewal between MTS and the City of San Diego. Ms. Saez advised UTWSD is not asking MTS to investigate or resolve contract disputes but rather asking MTS to set fair regulations for fair business practices over the taxi industry regulated by MTS and that currently MTS does not do this well. Ms. Saez stated that working conditions, driver safety and passenger safety needs improvement. Ms. Saez stated that the hope is that the City of San Diego takes on administration. Ms. Saez said it is not understood why responsibilities are taken on piece meal by the City of San Diego and MTS whereby certain responsibilities fall through the cracks. Ms. Saez requests clarification of MTS's responsibilities. Ms. Saez requested MTS get out of the taxicab industry.

Mr. Mathis responded to Ms. Saez stating MTS should not be referred to as a regulation business. Mr. Mathis advised there have been efforts to get MTS involved in labor disputes and other issues MTS is not a legal party to. Mr. Mathis stated MTS is a transit agency; not a taxicab agency. Mr. Mathis explained MTS will do what it can to outline the limits as to their responsibilities and MTS is not a problem solver.

Mikhail Hussein – Mr. Hussein of United Taxi Workers of San Diego ("UTWSD") stated he agrees with Ms. Saez and opposes contract renewal.

Mr. Mathis responded MTS is performing Taxicab Administration as a service to the City such as providing inspections and training. MTS cannot expand its ability to do more than this because this is the way the current agreement is framed and MTS is a transit agency and cannot spend more time and resources in trying to solve issues to which MTS is not a party.

Ben Seifu – Mr. Seifu advised he represents a new company called Unified Taxi Operators, a company built by drivers who are opposed to recommendations for renewal of the contract. Mr. Seifu advised he has not seen any changes in the last 20 years and MTS has not looked at the problems in depth. Mr. Seifu's recommendation is that the City of San Diego takeover Taxicab Administration.

Abraham Tessema – Mr. Tessema of Unified Taxi Operators stated his drivers asked him to attend and speak on their behalf to explain their suffering. Mr. Tessema stated drivers are having trouble paying their leases and conditions are not safe. Mr. Tessema provided examples of drivers having problems in the taxicab industry.

Margo Tanguay – Ms. Tanguay discussed the poor safety of taxicabs and the dangers of being a taxicab driver. Ms. Tanguay stated the taxicab industry needs to be regulated and a taxicab commission should be implemented. Ms. Tanguay discussed the taxicab stands. Ms. Tanguay stated she is in favor of MTS renewing the contract with the City of San Diego.

Mr. Mathis discussed an alternative of MTS getting out of Taxicab Administration entirely. Mr. Mathis stated this idea is appealing if it can lead to action from the various cities with their authority being more appropriate than that of MTS a transit agency. Mr. Mathis stated he does not see MTS setting up a commission or authority where MTS would be given legislative authority in a form of an ordinance for MTS to act as an overseer, but it may be a matter for further discussion as MTS moves into the contract phase.

Action Taken

Mr. Ovrom moved to forward a recommendation to the Board of Directors to approve the draft "Eighth Amendment to Agreement for Administration of Taxicab and Other For-Hire Vehicle Regulations between San Diego Metropolitan Transit System and City of San Diego" and authorize the Chief Executive Officer to negotiate the final contract. Mr. Cunningham seconded the motion, and the vote was 3 to 0 in favor (with Messrs. Roberts absent and Gloria abstaining).

5. 2013 State and Federal Legislative Programs

Mr. Jablonski discussed state legislation that affected MTS, explained that MTS received an award for \$10M to build the East County facility and discussed the Federal grant process. Mr. Jablonski explained section 13C of federal labor law, a provision well known in the transit industry. Mr. Jablonski stated that a complaint has been filed with the Department of Labor saying that California AB340, Public Employees Pension Reform Act ("PEPRA") has violated the 13C labor protections because it revised the maximum pension amount, thereby creating an environment reducing the ability of labor unions to negotiate resulting in a violation of 13C. Mr. Jablonski advised the Department of Labor has been sensitive to the complaint but no decisions have been made. Mr. Jablonski stated that MTS has a grant that came out for referral approximately 5 days ago and on top of this grant (along with all others in the State of CA) there is a bold disclaimer stating that AB340 was passed and complaints have been lodged against it creating an issue for MTS. Mr. Jablonski explained there are 15 days allowed after the referral by Department of Labor to make comments and MTS will have to work with the Department of Labor on this issue. Mr. Jablonski advised that labor advocates are seeking legislation at the state level asking that the state amend AB340 to exclude transit agreements from PEPRA. Mr. Jablonski explained they are seeking a sponsor for this bill and the Governor has not made comments one way or another at this time, but this issue will hold up MTS's grants. Mr. Jablonski further explained that PEPRA does not impact MTS as MTS recently negotiated labor contracts with all bargaining units including mechanics and drivers and is currently looking to ratify its settlement with IBEW reached last month, but the issue is unsettled from the Department of Labor's standpoint. Mr. Jablonski stated he wanted to make the Board aware of this current issue as it could hold up MTS's grants.

Action Taken

Mr. Ovrom moved to forward a recommendation to the Board of Directors to approve staff recommendations for 2013 state and federal legislative programs. Mr. Gloria seconded the motion, and the vote was 3 to 0 in favor (with Messrs. Roberts and Cunningham absent).

6. Appointment of San Diego Association of Governments Transportation Committee Representative and Alternate

Action Taken

Action was waived until the February 14, 2013 Executive Committee meeting.

8. CLOSED SESSION – PUBLIC EMPLOYEE PERFORMANCE EVALUATION CHIEF EXECUTIVE OFFICER PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54957 (Due to time constraints the Executive Committee did not meet on this item)

D. REVIEW OF DRAFT JANUARY 17, 2013, BOARD AGENDA

Recommended Consent Items

6. Internal Revenue Service-Required CalPERS Pension Resolution

Action would adopt Resolution No. 13-1 to allow MTS employees to make pension contributions on a pretax basis.

7. Light Rail Vehicle Vandalism and Accident Repair - Ratification and Amendment

Action would authorize the CEO to execute MTS Doc. No. L0884.2-09 with Carlos Guzman, Inc. to increase the amount of the contract due to a higher-than-expected rate of body repair and paint work services and clarify the scope of work.

8. Semiannual Uniform Report of Disadvantaged Business Enterprise Awards or Commitments and Payments

Action would receive the Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards or Commitments and Payments.

9. Transfer of Ten Retired Paratransit Vehicles

Action would approve staff's recommendation to donate ten (10) retired 2006 El Dorado paratransit vehicles to Facilitating Access to Coordinated Transportation (FACT) to assist nonprofit service providers in the MTS Service Area. The recipients will be agencies that provide services to persons with disabilities who may qualify for Americans with Disabilities Act (ADA) paratransit services.

10. Audit Report - Carlos Guzman Contract Review (MTS Doc. No. L0844.0-09)

Action would receive a report for information.

11. California Sales Tax Increase (Impact on MTS Contracts)

Action would authorize the CEO to: (1) amend contracts, or to otherwise pay invoices on existing contracts, substituting the 8.00% sales tax rate for the sales tax rate included in the individual contract; and (2) make future amendments or payments in response to future sales tax rate changes, if any.

12. LiveScan Authorization

Action would approve a minor revision to previously approved MTS Resolution No. 12-13 as required by the California Department of Justice to become a contributing agency for LiveScan fingerprinting.

There was no discussion regarding the Consent Items.

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 February 14, 2013 at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

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



Chairman

Attachment: A. Roll Call Sheet

**EXECUTIVE COMMITTEE
METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) January 10, 2013

CALL TO ORDER (TIME) 9:09 a.m.

RECESS N/A

RECONVENE N/A

CLOSED SESSION N/A

RECONVENE N/A

ADJOURN 11:50 a.m.

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
GLORIA <input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:00 a.m.	11:50 a.m.
MATHIS <input checked="" type="checkbox"/>	9:00 a.m.	11:50 a.m.
OVROM <input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>	9:00 a.m.	11:50 a.m.
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:00 a.m.	11:17 a.m.
CUNNINGHAM <input checked="" type="checkbox"/> (McClellan) <input type="checkbox"/>	9:00 a.m.	11:42 a.m.
Transportation Committee Rep Slot (Mathis)		

SIGNED BY THE CLERK OF THE BOARD:



CONFIRMED BY THE GENERAL COUNSEL:

