

EXECUTIVE COMMITTEE MEETING FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS),
SAN DIEGO TRANSIT CORPORATION (SDTC),
AND SAN DIEGO TROLLEY, INC. (SDTI)

November 3, 2005

MINUTES

A. ROLL CALL

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

B. APPROVAL OF MINUTES

Mr. Emery moved approval of the minutes of the October 20, 2005, Executive Committee meeting. Ms. Atkins seconded the motion, and the vote was 4 to 0 in favor.

C. COMMITTEE DISCUSSION ITEMS

1. MTS: Ten-Year Capital Financial Analysis (FIN 310.1, PC 50902)

MTS Chief Executive Officer (CEO) Paul Jablonski reviewed the financial status of MTS's Capital Improvement Program (CIP) for FY 2006 and 2007. He reported that MTS will have unfunded needs of \$51 million for FY 2006 and \$67 million for 2007. He then reviewed the ages of buses in the fleet reporting that for every year that there are no bus replacements, MTS is deferring replacement of 50 to 60 buses. He also reported that U2 vehicles, which are 25 years old, are now older than any other rail cars in the country. Mr. Jablonski advised the Board that MTS has unfunded capital needs that currently total \$34 million without pursuing a low-floor system, and \$48 million with a low-floor system. He then reviewed specific capital needs for contracted bus operators, San Diego Transit bus operations, and San Diego Trolley rail operations for a ten-year period.

Mr. Jablonski presented the Executive Committee with five different scenarios for approaching the replacement of trolley cars and modification of the trolley system to accommodate low-floor cars. These scenarios ranged from Scenario 1 – Status Quo, requiring \$125.6 in funding over ten years, to Scenario 5 – System-Wide Low Floor, requiring \$535 million in funding over ten years. He pointed out that Scenario 5 would actually take 15 years to complete.

Mr. Jablonski then reviewed a chart showing the capital needs under each of these scenarios, including bus and other infrastructure needs, compared to the funding available. The total additional funding needed ranged from \$339.8 million for Scenario 1 to \$749.6 for Scenario 5. Mr. Jablonski then reviewed funding options, which included reducing service or tapping into Congestion Mitigation and Air Quality (CMAQ)/Surface Transportation Program (STP) funding. He added that funding could also be pursued through TransNet II, federal earmarks, and from the State.

Mr. Roberts stated the future presentations incorporate how TransNet effects the funding picture. Mr. Jablonski stated that TransNet funding could be bonded out over a 40-year period. Mr. Roberts didn't feel that option would be practical for purchasing vehicles that will need to be replaced before the 40-year period expires. He also stated that having an entire system of low-floor vehicles and stations may have to be a long-term goal.

Mr. Jablonski stated that a draft TransNet Plan for financing Early Action Projects (I-15 Bus Rapid Transit, Mid Coast, and Otay Mesa Bus Rapid Transit) is on the SANDAG Transportation Committee agenda for November 4. Mr. Jablonski stated that the plan being proposed allocates all of the financing toward these three projects in spite of the fact that both MTS and North County Transit submitted a number of projects to be funded through the proposed financing plan. He pointed out that the Transportation Committee and SANDAG Board have the authority to approve something other than what is being recommended. He stated that the Transportation Committee needs to be made aware of other capital needs and the ramifications of not addressing those needs, which includes a 25 percent reduction in MTS services. Mr. Rindone stated that it is important to stress the ramifications of not providing funding for these capital needs in order to get the appropriate level of consideration on the part of SANDAG for this matter. He stated that they need to understand that service cuts will affect the communities they represent. He added that they will all fail as elected officials if adequate funding and service is not provided for the system already in place. He stated that MTS needs to be proactive in ensuring that all key parties understand that infrastructure needs and modernization of the system needs to be funded or service cuts will result. Chairman Williams stated that there needs to be an improved understanding of the value of public transit and that needs to be part of the Transportation Committee agenda. Ms. Atkins stated that SANDAG needs to understand that it shares the responsibility for addressing these issues and for service cuts that result from failure to address this issue.

In response to a question from Mr. Roberts regarding Early Action Projects, Sharon Cooney, MTS Director of Governmental Affairs and Community Relations, stated that, under the Early Action Program, projects would be completed by 2015 instead of 2019. She distributed a synopsis of SANDAG's agenda item regarding financing for the Early Action Program. Mr. Jablonski pointed out that the Transportation Committee will be asked to identify funds to match TransNet II funding for Early Action Projects.

In response to a question from Mr. Emery, Mr. Peter Tereschuck, San Diego Trolley President-General Manager, stated that retrofit of the U2 trolley cars would involve installation of a different propulsion system, which would make the U2 cars more compatible with the S70 cars. He stated that the new propulsion system will have to be installed regardless of whether or not MTS is pursuing expansion of low-floor service because manufacturers are no longer supporting the current cam controller system.

Mr. Rindone stated that the SANDAG Transportation Committee agenda item should be postponed to provide staff with the opportunity to present the capital needs information to the Committee. Mr. Roberts stated that staff should ensure that North County Transit supports this action and suggested that Mr. Jablonski also discuss this matter with SANDAG Executive Director Gary Gallegos prior to the Transportation Committee meeting. He stated that he is not against the Early Action Projects but feels that the Transportation Committee should be fully aware of the need for capital funding for other projects as well. Ms. Atkins requested a list of the projects MTS submitted for funding under Early Action. Mr. Jablonski stated that Mr. Gallegos is aware of the need for funding of capital projects and has said that he is sensitive to that issue. Mr. Roberts stated that staff should provide SANDAG with a recommendation for a solution that includes the impact of deferring the currently identified Early Action Projects. Mr. Roberts added that staff should determine how to best merge and schedule capital needs into Early Action and to be flexible about things that are scheduled within that framework. Mr. Jablonski stated that SANDAG and the transit operators need to work collectively to address this issue. Mr. Rindone also suggested that Mr. Jablonski discuss this matter with Joe Kellejian, the Chairman of the SANDAG Transportation Committee. Mr. Emery suggested that a letter from Chairman Williams be sent to the Committee requesting deferral of the item in order to provide the opportunity for a fuller presentation regarding the allocation process and time period for Early Action Projects along with a concise explanation for the request. Ms. Atkins suggested that Mr. Jablonski first present a recommendation and then provide backup material to support the recommendation.

Mr. Roberts pointed out that most transit properties and cities across the country are facing the same types of funding shortfalls. He stated that MTS may need to decide that a low-floor system is not feasible in the near future. He pointed out that Boston has one of the best systems in the country and has no low-floor service.

Ms. Atkins requested that staff provide a report at some time in the future regarding state funding. She stated that meetings should be held with legislators to discuss the current funding shortfall. She stated that legislators want to be effective but they need information on what to support. She felt it was very important for MTS to focus on that relationship. Mr. Jablonski informed the Committee about Prism, a new bond initiative currently being formulated that, if passed, would provide funding for transit. Ms. Atkins stated that staff should review how MTS is prioritizing and using existing funding sources to ensure those funds are being used in the most effective manner. Mr. Roberts stated that the Executive Committee needs a recommendation regarding priorities for capital projects and the recommended cost.

Action Taken

Mr. Rindone moved to receive this report and direct staff to compose a letter for Chairman William's signature to be sent to SANDAG's Chairman of the SANDAG Transportation Committee and its Executive Director clarifying the Executive Committee's request regarding Early Action Projects. This letter is also to be sent

to the MTS Board and all Transportation Committee members. Ms. Atkins seconded the motion, and the vote was 5 to 0 in favor.

2. MTS: Appointment of New Board Chairperson (ADM 110, PC 50101)

Mr. Jablonski reviewed the process that was used to solicit interest in MTS's Board Chairperson position. He referred to the handout at each Committee members' place showing the people who had been nominated or had expressed an interest. He indicated that Mr. Clabby did not feel it was viable for him to serve as Chairperson. He added that the Honorable Lynn Schenk as well as Julianne Nygaard and Harry Mathis as interested in the position. He added that he had been told that others were not interested because the stipend of \$1,500 per month was too low.

Mr. Emery stated that Ms. Nygaard lives in Carlsbad and it would not be advisable to elect someone outside of the MTS service area to guide the MTS Board. He also spoke favorably about Mr. Mathis's qualifications and experience and expressed support for him as Board Chairperson. Mr. Roberts stated that, to some extent, all three individuals are qualified. He stated that he would like to see an interview process be initiated. He was not concerned about where Ms. Nygaard resides. He stated that he was more concerned about getting someone who could advocate for transit, could be effective, and has the time to devote to the position. Ms. Atkins agreed with Mr. Roberts and added that the Executive Committee should speak to each of the individuals to ascertain their style, their fit with the organization, their ability to make time commitment, etc. She also stated that the Committee and staff should convey their expectations to the three candidates. Mr. Williams pointed out that Ms. Nygaard is a former Chairperson for North County Transit. Mr. Rindone stated that he has worked with Ms. Nygaard on the Los Angeles – San Diego Rail Corridor Agency, and that both she and Mr. Mathis as highly qualified.

It was agreed that staff should prepare materials that present the duties of the Chairperson, time commitment, etc. Mr. Jablonski agreed to e-mail a set of interview questions to Executive Committee members.

Action Taken

Mr. Rindone moved to direct staff to set up interviews with Harry Mathis, Julianne Nygaard, and Lynn Shenck and provide pertinent information to the Executive Committee prior to those interviews. Mr. Roberts seconded the motion, and the vote was 5 to 0 in favor.

D. REVIEW OF DRAFT NOVEMBER 10, 2005 BOARD AGENDA

Recommended Consent Items

6. This number was not used

7. MTS: An Ordinance Amending Ordinance No. 4, An Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule (ADM 110.3, PC 50451)

Recommend that the Board of Directors (1) read the title of Ordinance No. 4, An Ordinance Establishing a Metropolitan Transit System Fare Pricing Schedule; (2) waive further readings of the ordinance; (3) introduce the ordinance for further consideration at the next Board meeting; and (4) direct publication of an ordinance summary.

8. MTS: Mission Valley East Light Rail Transit Project – General Construction Consultant Contract Amendments (CIP 10426.7)

Recommend that the Board of Directors authorize the CEO to (1) execute Contract Amendment No. 5 to Work Order No. 03.11 (MTS Document No. L0492.8.01), with PGH Wong Engineering, in substantially the same form as Attachment A of the agenda item, to continue to provide contract change order review, systems submittal review, and systems construction management support for the Mission Valley East Light Rail Transit Project until December 2005, in an amount not to exceed \$10,500; and (2) ratify the previous approval of the CEO for Contract Amendment Nos. 1, 2, and 4 (Attachments B, C, and D of the agenda item), in the total amount of \$180,180, for a contract work order total of \$440,680.

Recommended Consent Items

There was no discussion of Recommended Consent Items.

Recommended Board Discussion Items

There was no discussion of Recommended Board Discussion Items.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

There was no additional discussion of the SANDAG Transportation Committee agenda.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

San Diego Organizing Project (SDOP): Ms. Atkins thanked Ms. Cooney for her help with a recent SDOP meeting on public safety.

Leon Williams' Day: Ms. Atkins stated that the City will be celebrating Leon Williams' Day on November 14, 2005.

2006 Executive Committee and Board Meeting Schedule: Mr. Rindone requested that an Executive Committee and a Board meeting be tentatively added to the 2006 schedule in July. He stated that the COA may necessitate these meetings and reminded Committee members that the July 04 agenda was quite heavy. He said that the meetings could be cancelled if not needed.

Rotation of Executive Committee Members: Mr. Emery requested that the rotation of Executive Committee members be added to a future agenda.

G. PUBLIC COMMENTS

There were no Public Comments.

C. COMMITTEE DISCUSSION ITEMS (Continued) *(The following item was taken out of order.)*

The Committee convened to Closed Session at 10:49 a.m. to discuss the following item:

3. MTS: CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8. Property: Grossmont Center Station Parking Lot. Assessor Parcel Nos.: 490-22-39, 490-200-40, and 490-270-23. Agency Negotiators: Tim Allison, R. Martin Bohl, Gerry Trimble, and Tiffany Lorenzen. Negotiating Parties: Fairfield Residential, LLC, and City of La Mesa. Under Negotiation: Instructions to Negotiators will include Price and Terms of Payment. *(Taken Out of Order)*

The Board reconvened to Open Session at 11:23 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported the following action taken in Closed Session:

The Committee received a report from agency negotiators and general counsel and gave direction to agency negotiators and general counsel.

H. NEXT MEETING DATE:

The next meeting is scheduled for Thursday, December 1, 2005 in the Executive Conference Room.

I. ADJOURNMENT

Chairman Williams adjourned the meeting at 11:26 a.m.

Chairman

Attachment: A. Roll Call Sheet
gailwilliams/minutes