

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

September 25, 2008

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:16 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Young moved to approve the minutes of the September 11, 2008, MTS Board of Directors meeting. Mr. Rindone seconded the motion, and the vote was 8 to 0 in favor.

3. Public Comment

R. Mitchel Beauchamp: Mr. Beauchamp stated that since leaving his years of service on the MTDB and SDTI Boards, he has been involved with restoring service to the San Diego-Tijuana region by two rail companies. He added that most large cities are served by two separate rail lines and requested that the Board move forward with selling the Desert Line to a responsible rail operator. He stated that doing so would remove the liability faced by MTS in operating that line and also relieve a portion of MTS's budgetary problems. He also stated that this action would provide the investment needed to upgrade the system to handle anticipated volumes and would remove the hazardous liquid petroleum cargo and empty gas tank cars from San Diego, and, more specifically, from in front of the Convention center and MTS headquarters. He added that if the Desert Line is sold, MTS would retain its easement and right of reversion.

Mr. Mathis requested that Mr. Beauchamp provide the Board with a copy of his written statement and stated that staff would review the proposal and subsequently advise the Board. Mr. Paul Jablonski, MTS CEO, stated that if someone offered to purchase the Desert Line, staff would evaluate their proposal and bring it to the Board.

Clive Richard: Mr. Richard made complimentary comments about the Route 15, which he uses, and that ties in very well with trolley service. He stated that San Diego needs a system that works well for as many people as possible. He stated that maybe property tax would be a better source of funding for public transportation than sales tax revenues. He stated that other funding options need to be explored so that a viable system can be sustained.

CONSENT ITEM:

6. SDTI: SD 100 Light Rail Vehicle Repairs Sole-Source Contract Award (OPS 970.6)

Recommend that the Board of Directors (1) find that there is only a single source of procurement for repairs to Siemens Transportation Systems, Inc. SD 100 Light Rail Vehicle

(LRV) No. 2052; (2) find that Siemens is the sole-source provider for the structural repair service for SDTI LRV No. 2052; and (3) under the provisions of MTS Board Policy No. 52 (4E), authorize the CEO to award a sole-source, fixed-price contract to Siemens to repair SDTI LRV No. 2052.

Action on Recommended Consent Item

Mr. Clabby moved to approve Consent Agenda Item No. 6. Mr. Ewin seconded the motion, and the vote was 10 to 0 in favor.

DISCUSSION ITEM:

30. MTS: New Flyer Buses for Chula Vista – Contract Amendment (CIP 11250)
(This item was taken out of order)

Mr. Elliot Hurwitz, Contract Services Administrator, reminded the Board that MTS awarded a contract for 50 buses in February to New Flyer with options for additional buses. He stated that the five buses that staff is proposing to order would be for Chula Vista service and would replace diesel buses that were purchased in 1991. He stated that the new buses would be fueled by compressed natural gas (CNG) and that Chula Vista has its own fueling station. He added that the cost of purchasing these buses is funded in the Capital Improvement Program.

Mr. Rindone was advised that there are 37 seats on these particular buses. Mr. Rindone stated that replacing the older diesel-powered buses with CNG will be beneficial to MTS and to the region.

Mr. Clabby stated that he fully supported this purchase but that he didn't feel that sales tax should be paid on purchases paid for with tax dollars. Mr. Jablonski stated that he has made that point a number of times in Sacramento and especially regarding Proposition 1B funds. He stated that legislators seem partially receptive to the idea, but he wasn't optimistic that anything would be accomplished in the short term given the state's current budgetary problems. He stated that he will continue to discuss this matter with legislators.

Mr. Jablonski advised the Board that over the last three years, MTS has lost \$102 million in funding. He stated that MTS could replace all of its buses with this level of funding, or replace 12 to 14 buses and pay for one-half of the rehabilitation of the Blue Line. He stated that this level of funding could pay for 30 to 40 new rail cars.

Action Taken

Mr. Rindone moved to authorize the CEO to execute MTS Doc. No. G1101.2-07 (in substantially the same format as Attachment A of the agenda item) with New Flyer of America, Inc. to purchase five 40-foot, low-floor, compressed natural gas transit buses. Mr. Ewin seconded the motion, and the vote was 10 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:32 a.m.

- a. MTS: CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): National Railroad Passenger Corporation (Amtrak) v. San Diego Trolley, Inc. Claim No. TL10339906
- b. MTS: CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION Pursuant to California Government Code section 54956.9 (b) (One Potential Case)

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

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTS General Counsel, reported the following:

- a. The Board received a report and gave direction to outside counsel.
- b. The Board received a report and gave direction to the CEO and the General Counsel.

NOTICED PUBLIC HEARINGS

25. There were no noticed public hearings.

REPORT ITEMS:

45. MTS: Liability Claims Analysis Report (LEG 491)

Mr. Jim Dow, Risk and Loss Prevention Manager, provided the Board with an analysis of liability and workers' compensation claims for fiscal year 2008. He reminded the Board that claims administration for liability claims was brought in-house in October 2007.

Mr. Dow reviewed the number of liability claims that had been submitted, how many had been closed, the percentage of claim types, and the total cost for liability claims. He stated that, taking into account the cost of administering these claims in-house, MTS experienced a 42 percent decrease in claims cost from the preceding fiscal year. He also reported that MTS is experiencing an annualized savings of \$275,066 as a result of bringing administration of these claims in-house. Ms. Carmen Naranjo, Risk and Claims Manager, reported that having security cameras on the buses and videotape of incidents has helped reduce the number of claims people follow-through with. She added that 80 out of 200 buses are equipped with cameras.

Mr. Dow also presented information on workers' compensation claims and cost. He reviewed time lost, information on the number of claims made, frequency of claims, and cost per claim. He reported that the average cost per claim has dropped \$593 over the last four years, which resulted in a savings for fiscal year 2008 of \$105,554.

Mr. Dow reviewed Risk Management's goals for FY 2009.

Mr. Monroe complimented staff on their efforts in this area and asked if recent changes in state workers' compensation law had helped. Ms. Naranjo stated that they had helped tremendously by giving the company more control over where and how employees receive medical treatment after being injured on the job. She stated that this change plus staff effort has yielded the

positive results. Mr. Monroe asked that staff provide him with the data points for the Formal Unique Liability Claims chart.

Action Taken

Mr. Clabby moved to receive the Liability Claims Analysis Report (Attachment A of the agenda item) for MTS, SDTC, and SDTI. Ms. Atkins seconded the motion, and the vote was 9 to 0 in favor.

60. Chairman's Report

The Chairman made no report.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin, Chairman of the Audit Oversight Committee, reported that the audit is ongoing.

62. Chief Executive Officer's Report

Jeff Cross, ARC Employee: Mr. Jablonski reported that Mr. Cross, who was a member of the ARC team that has cleaned MTS buses for the last two years, was killed in a hit-and-run pedestrian accident over the weekend. He stated that grief counseling is being provided

63. Board Member Communications

There were no Board member communications.

64. Additional Public Comments on Items Not on the Agenda

There were no additional Public Comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, October 16, 2008.

66. Adjournment

Chairman Mathis adjourned the meeting at 10:25 a.m.



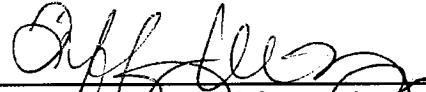
Chairperson
San Diego Metropolitan Transit System

Filed by:



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

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

[gail.williams/minutes](#)

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL**

MEETING OF (DATE): 9/25/08

CALL TO ORDER (TIME): 9:15 a.m.

RECESS: _____

RECONVENE: 10:10 a.m.

CLOSED SESSION: 9:32 a.m.

RECONVENE: _____

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 10:25 a.m.

BOARD MEMBER (Alternate)		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>	9:50 a.m. during AI 24	
CLABBY	<input checked="" type="checkbox"/> (Selby) <input type="checkbox"/>		
EMERY	<input type="checkbox"/> (Cafagna) <input type="checkbox"/>		<input checked="" type="checkbox"/>
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
MAIENSCHEIN	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input type="checkbox"/> (Hanson-Cox) <input checked="" type="checkbox"/>	9:20 a.m. during AI 3	
MCLEAN	<input type="checkbox"/> (Bragg) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MONROE	<input checked="" type="checkbox"/> (Downey) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (McCann) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		<input checked="" type="checkbox"/>
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
ZARATE	<input type="checkbox"/> (Parra) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL