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MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
 BUDGET DEVELOPMENT COMMITTEE

February 23, 2017
 2:00 PM

James R. Mills Building
 Executive Conference Room
 1255 Imperial Avenue, San Diego

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**ACTION
 RECOMMENDED**

1. ROLL CALL
2. APPROVAL OF MINUTES - January 31, 2017 Approve
3. PUBLIC COMMENTS
4. COMMITTEE DISCUSSION ITEMS
 - a. Fiscal Year 2017 Midyear Adjustment (Mike Thompson) Approve
 Action would forward a recommendation that the Board of Directors: Enact Resolution No. 17-4 (Attachment B) amending the fiscal year (FY) 2017 operating budget for the San Diego Metropolitan Transit System (MTS), San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, and the Coronado Ferry.
 - b. Fiscal Year 2018 Operating Budget Discussion (Mike Thompson) Receive
 Action would receive a report regarding fiscal year (FY) 2018 operating budget development and provide guidance on budgetary issues.

Please SILENCE electronics
 during the meeting

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., and San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations). MTS is the taxicab administrator for seven cities.

MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



4 COMMITTEE DISCUSSION ITEMS - Continued

- c. Fiscal Year 2018 Capital Improvement Program (Mike Thompson) Approve
Action would forward a recommendation that the Board of Directors:

1. Approve the fiscal year 2018 Capital Improvement Program (CIP) with the estimated federal and nonfederal funding levels (Attachments A and B). As the federal appropriation figures are finalized and/or other project funding sources become available, allow the Chief Executive Officer (CEO) to identify and adjust projects for the adjusted funding levels;

2. Recommend that the San Diego Association of Governments (SANDAG) Board of Directors approve the submittal of Federal Section 5307 and 5337 applications for the MTS fiscal year 2018 CIP (shown in Attachment A);

3. Recommend that the SANDAG Board of Directors approve amendment number 3 of the 2016 Regional Transportation Improvement Program (RTIP) in accordance with the fiscal year 2018 CIP recommendations.

- d. San Diego Transit Corporation Pension Plan (SDTC) Investment Portfolio Receive
(Jeremy Miller, Representative from RVK, and Larry Marinesi)
Action would receive a report regarding the San Diego Transit Corporation pension plan investment portfolio.

5. ADJOURNMENT

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BUDGET DEVELOPMENT COMMITTEE
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

January 31, 2017

MINUTES

1. ROLL CALL

Mr. Mathis called the Budget Development Committee (BDC) meeting to order at 9:02 a.m. A roll call sheet listing BDC member attendance is attached.

2. APPROVAL OF MINUTES

Mr. Minto moved to approve the minutes of the October 27, 2016 San Diego Metropolitan Transit System (MTS) BDC meeting. Mr. Mathis seconded the motion, and the vote was 3-0 in favor, with Chairman Roberts and Ms. Zapf absent.

3. PUBLIC COMMENTS

There were no public comments.

4.a. Appointment of Committee Chairman and Vice Chairman

Mr. Mathis moved to nominate Chairman Roberts as Committee Chairman and Mr. McClellan as Vice Chairman. Mr. Minto seconded the motion.

Action Taken

The vote for Chairman Roberts as Committee Chairman was 3-0 in favor with Chairman Roberts abstaining. The vote for Mr. McClellan as Vice Chairman was 3-0 in favor with Mr. McClellan abstaining and Ms. Zapf absent.

4.b. Security Services Agreement-Contract Amendment (Larry Marinesi and Manny Guaderrama)

Paul Jablonski, Chief Executive Officer, stated that work on the security services contract had been ongoing for almost six months. He explained the impact of minimum wage increases on the contract, and stated that MTS successfully negotiated about \$1 million in savings on the contract with Universal Protection Services (UPS).

Larry Marinesi, Chief Financial Officer, and Manny Guaderrama, Director of Transit Enforcement/Chief of Police, gave the Committee a presentation on the security services agreement and contract amendment status. Mr. Marinesi explained the upcoming changes in minimum wage rates, which required addressing and revising the original contract with UPS approved by the Board of Directors. Mr. Marinesi stated that the direction previously provided by the BDC and Board of Directors were taken

into consideration during the negotiations with UPS. He said that the result was a negotiated contract value of \$43.85 million, which is \$1.1 million below UPS's modified contract proposal.

Mr. Guaderrama gave an overview of the cost saving plan, which included a staffing proposal change, and adjustment of resources. He explained the new deployment plan, which divided the service area into different sections, called beats. Security teams would be responsible for their respective beats, with fixed post assignments at the busiest transit stations. Mr. Guaderrama concluded by summarizing the benefits of the plan, including increased visibility, increased enforcement of MTS ordinances, better personnel retention, and savings of over \$1 million.

Action Taken

Mr. Minto moved to forward the following recommendation to the MTS Board of Directors: receive the report on the security services agreement-contract amendment. Chairman Roberts seconded the motion, and the vote was 4-0 in favor, with Ms. Zapf absent.

4.c. Operating Budget Discussion (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis, gave an update on the operating budget. He stated that the fiscal year (FY) 2017 budget operating revenue was down 6%, with ridership as the primary cause. Mr. Thompson said that the second half of FY 2016 is when the decline in passenger fare revenues started, and there is a forecasted 3% drop year over year in passenger levels. A discussion ensued on reasons for the ridership decline.

Mr. Thompson discussed the FY 2017 operating expenses, which were favorable by 2.6%. He spoke about consistent early trends in the operating expenses, including favorable healthcare and pension costs and shifting away from diesel and gasoline. He noted that there were anticipated addition costs for storm water drainage assessments, monitoring, and remediation as well as other outside services.

Mr. Thompson explained the FY 2017 subsidy revenue figures, and stated that overall it was unfavorable by 0.8%. He said that the operating budget forecast for FY 2017 had a \$1.6 million deficit, before carryover funding. He emphasized the concerns over limited revenue growth as well as increasing expenses in FY 2018, forecasting a \$5 million to \$8 million deficit that will need to be addressed. Mr. Thompson suggested several options for FY 2018, including using the reserve, raising fares, and adjusting service to reduce expenses. He added that there will be further discussions of the operating budget at the February BDC meeting.

5. Adjournment

Chairman Roberts adjourned the meeting at 10:34 a.m.



Chairman of the Budget Development Committee

Chris Chen

Clerk of the Budget Development Committee

Attachment: A. Roll Call Sheet

**BUDGET DEVELOPMENT COMMITTEE
SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) 1/31/17

CALL TO ORDER (TIME) 9:02 AM

RECESS _____

RECONVENE _____

CLOSED SESSION _____

RECONVENE _____

ADJOURN 10:34 AM

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ZAPF ☐		
MATHIS ☒	9:02	10:34
McCLELLAN ☒	9:02	10:34
MINTO ☒	9:02	10:34
ROBERTS ☒	9:11	10:34

SIGNED BY THE CLERK OF THE BUDGET DEVELOPMENT COMMITTEE: 

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: 

c: Clerk of the Board
Accounts Payable
Attachment to Original and Draft Minutes



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Agenda Item No. 4a

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BUDGET DEVELOPMENT COMMITTEE

February 23, 2017

SUBJECT:

FISCAL YEAR 2017 MIDYEAR ADJUSTMENT (MIKE THOMPSON)

RECOMMENDATION:

That the Budget Development Committee forward a recommendation that the Board of Directors:

Enact Resolution No. 17-4 (Attachment B) amending the fiscal year (FY) 2017 operating budget for the San Diego Metropolitan Transit System (MTS), San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, and the Coronado Ferry.

Budget Impact

The action will amend the FY2017 operating budget.

DISCUSSION:

Combined MTS FY 2017 Midyear Adjustment

Revenues. Passenger fare revenues are unfavorable year over year by \$2,863,000 over the first six months of the fiscal year, and continue to trend behind the original budget. Passenger fare revenue is projected to be \$94,874,000, resulting in an unfavorable midyear adjustment of \$5,935,000.

Other revenue is projected to increase \$201,000. This is primarily due to higher than expected revenue from advertising.

Subsidy revenue, in total, produces an unfavorable midyear adjustment of \$1,593,000. TransNet revenue is expected to decrease by \$1,146,000 due to declining sales tax receipts and lower than expected reimbursement for TransNet funded operations. Federal subsidy revenue is expected to increase by \$193,000. Fastrak and other local funding are projected to decrease by \$640,000.



Reserve revenue contribution produces a favorable midyear adjustment of \$2,654,000. This is primarily due to \$2,000,000 of carryover funding from the FY 2016 operating budget. There are also increases due to the Taxicab Administration and SD&AE expenses exceeding revenues by \$679,000, which uses the reserves of these self-funded activities.

In total, consolidated revenues will yield a \$4,673,000 unfavorable midyear adjustment.

Expenses. Total consolidated operating expenses will produce a \$4,673,000 favorable midyear adjustment.

Personnel-related expenses will yield a \$3,690,000 favorable midyear adjustment. These adjustments include a decrease in labor expenses of \$1,921,000 and fringe expenses of \$1,768,000 due to favorable experience.

Total outside services will produce an unfavorable midyear adjustment of \$198,000.

Staff projects a favorable midyear adjustment of \$359,000 for materials and supplies.

The total favorable midyear adjustment in energy is \$1,314,000. This is primarily due to the expansion of East County CNG buses and the introduction of propane fueled buses, which produce cheaper per mile costs as well as shifting costs away from diesel and gasoline. Electricity expenses are expected to be favorable due to lower commodity costs. Natural gas prices have risen from the low prices experienced in FY 2016. However, the increase in commodity costs have been offset by decreases in transmission rates.

Risk management costs will produce an unfavorable midyear adjustment of \$74,000.

General and administrative costs will produce an unfavorable midyear adjustment of \$490,000.

Debt service will produce an unfavorable midyear adjustment of \$17,000.

Vehicle/facility leases will result in a favorable midyear adjustment of \$90,000.

Net income. The increase in revenues and expenses results in a balanced budget.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Mike Thompson, 619.557.4557, mike.thompson@sdmts.com

Attachments: A. Proposed Fiscal Year 2017 Amended Budget
B. Board Resolution No. 17-4



Fiscal Year 2017

Amended Budget

Metropolitan Transit System



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**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
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**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET SUMMARY
FISCAL YEAR 2017
SECTION 2.01**

	ACTUAL FY16	ORIGINAL BUDGET FY17	AMENDED BUDGET FY17	\$ CHANGE AMENDED/ ORIGINAL	% CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
PASSENGER REVENUE	97,913,890	100,808,623	94,873,838	(5,934,785)	-5.9%
OTHER OPERATING INCOME	16,400,533	14,259,419	14,460,000	200,581	1.4%
TOTAL OPERATING REVENUES	114,314,422	115,068,042	109,333,838	(5,734,204)	-5.0%
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	173,858,516	161,055,822	159,462,784	(1,593,038)	-1.0%
OTHER NON OPERATING REVENUE					
RESERVE REVENUE	(852,806)	25,011	2,679,105	2,654,094	10611.9%
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	(852,806)	25,011	2,679,105	2,654,094	10611.9%
TOTAL NON OPERATING REVENUE	173,005,709	161,080,833	162,141,889	1,061,056	0.7%
TOTAL COMBINED REVENUES	287,320,132	276,148,875	271,475,727	(4,673,148)	-1.7%
OPERATING EXPENSES					
LABOR EXPENSES	72,874,392	76,121,481	74,200,201	(1,921,280)	-2.5%
FRINGE EXPENSES	47,079,868	53,208,705	51,440,427	(1,768,278)	-3.3%
TOTAL PERSONNEL EXPENSES	119,954,260	129,330,186	125,640,628	(3,689,558)	-2.9%
SECURITY EXPENSES	7,249,549	7,747,777	7,652,527	(95,250)	-1.2%
REPAIR/MAINTENANCE SERVICES	5,409,822	5,965,953	5,052,148	(913,805)	-15.3%
ENGINE AND TRANSMISSION REBUILD	1,578,852	1,026,800	2,148,617	1,121,817	109.3%
OTHER OUTSIDE SERVICES	13,151,331	11,613,976	12,066,603	452,627	3.9%
PURCHASED TRANSPORTATION	66,811,838	70,066,350	69,699,447	(366,903)	-0.5%
TOTAL OUTSIDE SERVICES	94,201,392	96,420,856	96,619,342	198,486	0.2%
LUBRICANTS	554,465	473,000	573,700	100,700	21.3%
TIRES	1,126,102	1,055,868	1,323,268	267,400	25.3%
OTHER MATERIALS AND SUPPLIES	8,034,072	9,824,540	9,097,598	(726,942)	-7.4%
TOTAL MATERIALS AND SUPPLIES	9,714,639	11,353,408	10,994,566	(358,842)	-3.2%
DIESEL FUEL	5,021,972	5,495,893	4,255,707	(1,240,186)	-22.6%
CNG	8,067,599	8,550,924	9,159,294	608,370	7.1%
TRACTION POWER	7,944,818	9,600,000	9,500,000	(100,000)	-1.0%
UTILITIES	4,405,490	5,058,535	4,476,555	(581,980)	-11.5%
TOTAL ENERGY	25,439,879	28,705,352	27,391,556	(1,313,796)	-4.6%
RISK MANAGEMENT	5,371,298	4,039,713	4,113,591	73,878	1.8%
GENERAL AND ADMINISTRATIVE	2,744,911	3,336,895	3,826,637	489,742	14.7%
DEBT SERVICE	19,884,016	1,687,501	1,704,407	16,906	1.0%
VEHICLE / FACILITY LEASE	1,208,734	1,274,963	1,185,000	(89,963)	-7.1%
TOTAL OPERATING EXPENSES	278,519,128	276,148,874	271,475,727	(4,673,147)	-1.7%
NET OPERATING SUBSIDY	(164,204,706)	(161,080,832)	(162,141,889)	1,061,057	0.7%
OVERHEAD ALLOCATION	(0)	0	(0)	-	0.0%
ADJUSTED NET OPERATING SUBSIDY	(164,204,706)	(161,080,831)	(162,141,889)	1,061,058	0.7%
TOTAL REVENUES LESS TOTAL EXPENSES	8,801,003	2	(0)	2	0.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS BUDGET
FISCAL YEAR 2017
SECTION 2.02**

	ACTUAL FY16	ORIGINAL BUDGET FY17	AMENDED BUDGET FY17	\$ CHANGE AMENDED/ ORIGINAL	% CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
PASSENGER REVENUE	97,913,890	100,808,623	94,873,838	(5,934,785)	-5.9%
OTHER OPERATING INCOME	779,016	705,000	726,000	21,000	3.0%
TOTAL OPERATING REVENUES	98,692,906	101,513,623	95,599,838	(5,913,785)	-5.8%
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	150,056,108	160,915,822	159,322,784	(1,593,038)	-1.0%
OTHER NON OPERATING REVENUE					
RESERVE REVENUE	-	-	2,000,000	2,000,000	-
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	-	-	2,000,000	2,000,000	-
TOTAL NON OPERATING REVENUE	150,056,108	160,915,822	161,322,784	406,962	0.3%
TOTAL COMBINED REVENUES	248,749,014	262,429,445	256,922,622	(5,506,823)	-2.1%
OPERATING EXPENSES					
LABOR EXPENSES	59,949,371	62,254,778	60,904,440	(1,350,338)	-2.2%
FRINGE EXPENSES	41,066,342	46,754,053	45,274,112	(1,479,941)	-3.2%
TOTAL PERSONNEL EXPENSES	101,015,713	109,008,831	106,178,552	(2,830,279)	-2.6%
SECURITY EXPENSES	238,870	229,027	220,527	(8,500)	-3.7%
REPAIR/MAINTENANCE SERVICES	5,260,072	5,853,453	4,885,948	(967,505)	-16.5%
ENGINE AND TRANSMISSION REBUILD	1,578,559	1,026,800	2,148,617	1,121,817	109.3%
OTHER OUTSIDE SERVICES	4,257,706	3,093,060	3,092,126	(934)	0.0%
PURCHASED TRANSPORTATION	66,811,838	70,066,350	69,699,447	(366,903)	-0.5%
TOTAL OUTSIDE SERVICES	78,147,046	80,268,689	80,046,665	(222,024)	-0.3%
LUBRICANTS	543,338	473,000	573,700	100,700	21.3%
TIRES	1,114,964	1,047,868	1,317,868	270,000	25.8%
OTHER MATERIALS AND SUPPLIES	8,019,120	9,801,540	9,224,198	(577,342)	-5.9%
TOTAL MATERIALS AND SUPPLIES	9,677,422	11,322,408	11,115,766	(206,642)	-1.8%
DIESEL FUEL	4,912,408	5,361,193	4,157,207	(1,203,986)	-22.5%
CNG	8,066,195	8,550,924	9,159,294	608,370	7.1%
TRACTION POWER	7,944,818	9,600,000	9,500,000	(100,000)	-1.0%
UTILITIES	3,745,401	4,345,335	3,801,980	(543,355)	-12.5%
TOTAL ENERGY	24,668,821	27,857,452	26,618,481	(1,238,971)	-4.4%
RISK MANAGEMENT	5,001,387	3,573,057	3,673,702	100,645	2.8%
GENERAL AND ADMINISTRATIVE	647,054	498,627	747,284	248,657	49.9%
DEBT SERVICE	1,044,028	947,884	964,880	16,996	1.8%
VEHICLE / FACILITY LEASE	1,027,436	1,028,963	1,009,000	(19,963)	-1.9%
TOTAL OPERATING EXPENSES	221,228,907	234,505,911	230,354,330	(4,151,581)	-1.8%
NET OPERATING SUBSIDY	(122,536,001)	(132,992,288)	(134,754,492)	1,762,204	1.3%
OVERHEAD ALLOCATION	(29,566,982)	(27,923,532)	(26,568,292)	1,355,241	-4.9%
ADJUSTED NET OPERATING SUBSIDY	(152,102,983)	(160,915,821)	(161,322,784)	406,963	0.3%
TOTAL REVENUES LESS TOTAL EXPENSES	(2,046,875)	2	0	1	-73.2%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATIVE BUDGET
FISCAL YEAR 2017
SECTION 2.03**

	ACTUAL FY16	ORIGINAL BUDGET FY17	AMENDED BUDGET FY17	\$ CHANGE AMENDED/ ORIGINAL	% CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
PASSENGER REVENUE	-	-	-	-	-
OTHER OPERATING INCOME	13,399,111	12,029,419	12,754,000	724,581	6.0%
TOTAL OPERATING REVENUES	13,399,111	12,029,419	12,754,000	724,581	6.0%
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	23,802,408	140,000	140,000	-	0.0%
OTHER NON OPERATING REVENUE	-	-	-	-	-
RESERVE REVENUE	-	-	-	-	-
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	-	-	-	-	-
TOTAL NON OPERATING REVENUE	23,802,408	140,000	140,000	-	0.0%
TOTAL COMBINED REVENUES	37,201,518	12,169,419	12,894,000	724,581	6.0%
OPERATING EXPENSES					
LABOR EXPENSES	12,290,698	13,059,949	12,612,821	(447,128)	-3.4%
FRINGE EXPENSES	5,743,842	6,182,619	5,865,305	(317,314)	-5.1%
TOTAL PERSONNEL EXPENSES	18,034,540	19,242,569	18,478,126	(764,443)	-4.0%
SECURITY EXPENSES	7,010,679	7,518,750	7,432,000	(86,750)	-1.2%
REPAIR/MAINTENANCE SERVICES	143,125	106,500	160,200	53,700	50.4%
ENGINE AND TRANSMISSION REBUILD	293	-	-	-	-
OTHER OUTSIDE SERVICES	8,763,974	8,380,807	8,647,367	266,560	3.2%
PURCHASED TRANSPORTATION	-	-	-	-	-
TOTAL OUTSIDE SERVICES	15,918,071	16,006,057	16,239,567	233,510	1.5%
LUBRICANTS	11,128	-	-	-	-
TIRES	11,129	8,000	5,000	(3,000)	-37.5%
OTHER MATERIALS AND SUPPLIES	14,725	16,000	(133,200)	(149,200)	-932.5%
TOTAL MATERIALS AND SUPPLIES	36,982	24,000	(128,200)	(152,200)	-634.2%
DIESEL FUEL	105,554	127,700	93,500	(34,200)	-26.8%
CNG	1,404	-	-	-	-
TRACTION POWER	-	-	-	-	-
UTILITIES	653,023	703,200	666,575	(36,625)	-5.2%
TOTAL ENERGY	759,981	830,900	760,075	(70,825)	-8.5%
RISK MANAGEMENT	355,278	450,656	394,389	(56,267)	-12.5%
GENERAL AND ADMINISTRATIVE	1,965,468	2,722,848	2,955,933	233,085	8.6%
DEBT SERVICE	18,839,988	739,617	739,527	(90)	0.0%
VEHICLE / FACILITY LEASE	165,025	220,000	150,000	(70,000)	-31.8%
TOTAL OPERATING EXPENSES	56,075,333	40,236,646	39,589,417	(647,229)	-1.6%
NET OPERATING SUBSIDY	(42,676,222)	(28,207,227)	(26,835,417)	(1,371,810)	-4.9%
OVERHEAD ALLOCATION	29,721,693	28,067,227	26,695,417	(1,371,810)	-4.9%
ADJUSTED NET OPERATING SUBSIDY	(12,954,529)	(140,000)	(140,000)	(0)	0.0%
TOTAL REVENUES LESS TOTAL EXPENSES	10,847,878	(0)	-	(0)	-100.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OTHER ACTIVITIES BUDGET
FISCAL YEAR 2017
SECTION 2.04**

	<u>ACTUAL FY16</u>	<u>ORIGINAL BUDGET FY17</u>	<u>AMENDED BUDGET FY17</u>	<u>\$ CHANGE AMENDED/ ORIGINAL</u>	<u>% CHANGE AMENDED/ ORIGINAL</u>
OPERATING REVENUE					
PASSENGER REVENUE	-	-	-	-	-
OTHER OPERATING INCOME	2,222,406	1,525,000	980,000	(545,000)	-35.7%
TOTAL OPERATING REVENUES	2,222,406	1,525,000	980,000	(545,000)	-35.7%
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	-	-	-	-	-
OTHER NON OPERATING REVENUE					
RESERVE REVENUE	(852,806)	25,011	679,105	654,094	2615.3%
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	(852,806)	25,011	679,105	654,094	2615.3%
TOTAL NON OPERATING REVENUE	(852,806)	25,011	679,105	654,094	2615.3%
TOTAL COMBINED REVENUES	1,369,599	1,550,011	1,659,105	109,094	7.0%
OPERATING EXPENSES					
LABOR EXPENSES	634,323	806,755	682,940	(123,815)	-15.3%
FRINGE EXPENSES	269,684	272,032	301,010	28,978	10.7%
TOTAL PERSONNEL EXPENSES	904,007	1,078,786	983,950	(94,836)	-8.8%
SECURITY EXPENSES	-	-	-	-	-
REPAIR/MAINTENANCE SERVICES	6,624	6,000	6,000	-	0.0%
ENGINE AND TRANSMISSION REBUILD	-	-	-	-	-
OTHER OUTSIDE SERVICES	129,651	140,110	327,110	187,000	133.5%
PURCHASED TRANSPORTATION	-	-	-	-	-
TOTAL OUTSIDE SERVICES	136,275	146,110	333,110	187,000	128.0%
LUBRICANTS	-	-	-	-	-
TIRES	9	-	400	400	-
OTHER MATERIALS AND SUPPLIES	227	7,000	6,600	(400)	-5.7%
TOTAL MATERIALS AND SUPPLIES	236	7,000	7,000	-	0.0%
DIESEL FUEL	4,010	7,000	5,000	(2,000)	-28.6%
CNG	-	-	-	-	-
TRACTION POWER	-	-	-	-	-
UTILITIES	7,066	10,000	8,000	(2,000)	-20.0%
TOTAL ENERGY	11,076	17,000	13,000	(4,000)	-23.5%
RISK MANAGEMENT	14,632	16,000	45,500	29,500	184.4%
GENERAL AND ADMINISTRATIVE	132,389	115,420	123,420	8,000	6.9%
DEBT SERVICE	-	-	-	-	-
VEHICLE / FACILITY LEASE	16,273	26,000	26,000	-	0.0%
TOTAL OPERATING EXPENSES	1,214,888	1,406,316	1,531,980	125,664	8.9%
NET OPERATING SUBSIDY	1,007,517	118,684	(551,980)	670,664	-565.1%
OVERHEAD ALLOCATION	(154,711)	(143,694)	(127,125)	-	-11.5%
ADJUSTED NET OPERATING SUBSIDY	852,806	(25,011)	(679,105)	654,095	2615.3%
TOTAL REVENUES LESS TOTAL EXPENSES	(0)	0	(0)	0	0.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BUS OPERATIONS BUDGET SUMMARY
FISCAL YEAR 2017
SECTION 4.02**

	ACTUAL FY16	ORIGINAL BUDGET FY17	AMENDED BUDGET FY17	\$ CHANGE AMENDED/ ORIGINAL	% CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
PASSENGER REVENUE	26,169,280	26,742,066	24,052,400	(2,689,666)	-10.1%
OTHER OPERATING INCOME	23,982	5,000	5,000	-	0.0%
TOTAL OPERATING REVENUES	26,193,262	26,747,066	24,057,400	(2,689,666)	-10.1%
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	67,550,743	72,079,099	69,622,492	(2,456,607)	-3.4%
OTHER NON OPERATING REVENUE					
RESERVE REVENUE	-	-	2,000,000	2,000,000	-
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	-	-	2,000,000	2,000,000	-
TOTAL NON OPERATING REVENUE	67,550,743	72,079,099	71,622,492	(456,607)	-0.6%
TOTAL COMBINED REVENUES	93,744,004	98,826,165	95,679,892	(3,146,273)	-3.2%
OPERATING EXPENSES					
LABOR EXPENSES	35,630,111	36,791,439	36,170,903	(620,536)	-1.7%
FRINGE EXPENSES	31,825,039	36,541,103	34,578,114	(1,962,989)	-5.4%
TOTAL PERSONNEL EXPENSES	67,455,150	73,332,542	70,749,017	(2,583,525)	-3.5%
SECURITY EXPENSES	-	-	-	-	-
REPAIR/MAINTENANCE SERVICES	1,022,572	908,594	858,400	(50,194)	-5.5%
ENGINE AND TRANSMISSION REBUILD	816,645	534,800	1,203,000	668,200	124.9%
OTHER OUTSIDE SERVICES	459,060	258,056	406,529	148,473	57.5%
PURCHASED TRANSPORTATION	-	-	-	-	-
TOTAL OUTSIDE SERVICES	2,298,277	1,701,450	2,467,929	766,479	45.0%
LUBRICANTS	285,270	213,000	301,150	88,150	41.4%
TIRES	972,391	1,043,868	1,047,868	4,000	0.4%
OTHER MATERIALS AND SUPPLIES	3,026,571	3,105,239	3,110,300	5,061	0.2%
TOTAL MATERIALS AND SUPPLIES	4,284,232	4,362,107	4,459,318	97,211	2.2%
DIESEL FUEL	627,122	594,222	422,000	(172,222)	-29.0%
CNG	4,479,373	5,046,182	5,000,000	(46,182)	-0.9%
TRACTION POWER	-	-	-	-	-
UTILITIES	505,962	650,350	629,350	(21,000)	-3.2%
TOTAL ENERGY	5,612,457	6,290,753	6,051,350	(239,403)	-3.8%
RISK MANAGEMENT	3,632,312	1,751,738	1,830,027	78,289	4.5%
GENERAL AND ADMINISTRATIVE	285,799	233,875	397,954	164,079	70.2%
DEBT SERVICE	1,044,028	947,884	964,880	16,996	1.8%
VEHICLE / FACILITY LEASE	428,545	391,040	368,000	(23,040)	-5.9%
TOTAL OPERATING EXPENSES	85,040,800	89,011,388	87,288,475	(1,722,913)	-1.9%
NET OPERATING SUBSIDY	(58,847,538)	(62,264,322)	(63,231,075)	966,753	1.6%
OVERHEAD ALLOCATION	(10,803,209)	(9,814,776)	(8,391,417)	1,423,359	-14.5%
ADJUSTED NET OPERATING SUBSIDY	(69,650,748)	(72,079,098)	(71,622,492)	(456,606)	-0.6%
TOTAL REVENUES LESS TOTAL EXPENSES	(2,100,005)	2	0	1	0.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
RAIL OPERATIONS BUDGET SUMMARY
FISCAL YEAR 2017
SECTION 4.03**

	ACTUAL FY16	ORIGINAL BUDGET FY17	AMENDED BUDGET FY17	\$ CHANGE AMENDED/ ORIGINAL	% CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
PASSENGER REVENUE	41,113,382	42,072,048	40,666,438	(1,405,610)	-3.3%
OTHER OPERATING INCOME	756,951	700,000	720,000	20,000	2.9%
TOTAL OPERATING REVENUES	41,870,333	42,772,048	41,386,438	(1,385,610)	-3.2%
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	32,080,004	36,332,704	36,340,731	8,027	0.0%
OTHER NON OPERATING REVENUE	-	-	-	-	-
RESERVE REVENUE	-	-	-	-	-
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	-	-	-	-	-
TOTAL NON OPERATING REVENUE	32,080,004	36,332,704	36,340,731	8,027	0.0%
TOTAL COMBINED REVENUES	73,950,337	79,104,752	77,727,169	(1,377,583)	-1.7%
OPERATING EXPENSES					
LABOR EXPENSES	23,858,876	24,761,780	24,240,152	(521,628)	-2.1%
FRINGE EXPENSES	9,216,977	10,024,271	10,499,744	475,473	4.7%
TOTAL PERSONNEL EXPENSES	33,075,852	34,786,051	34,739,896	(46,155)	-0.1%
SECURITY EXPENSES	119,052	110,000	101,500	(8,500)	-7.7%
REPAIR/MAINTENANCE SERVICES	4,073,446	4,656,790	3,874,824	(781,966)	-16.8%
ENGINE AND TRANSMISSION REBUILD	-	-	-	-	-
OTHER OUTSIDE SERVICES	2,421,005	1,107,932	1,023,652	(84,280)	-7.6%
PURCHASED TRANSPORTATION	-	-	-	-	-
TOTAL OUTSIDE SERVICES	6,613,503	5,874,722	4,999,976	(874,746)	-14.9%
LUBRICANTS	258,067	260,000	272,550	12,550	4.8%
TIRES	140,710	4,000	270,000	266,000	6650.0%
OTHER MATERIALS AND SUPPLIES	4,963,134	6,647,101	6,083,398	(563,703)	-8.5%
TOTAL MATERIALS AND SUPPLIES	5,361,911	6,911,101	6,625,948	(285,153)	-4.1%
DIESEL FUEL	256,844	316,900	233,000	(83,900)	-26.5%
CNG	-	-	-	-	-
TRACTION POWER	7,944,818	9,600,000	9,500,000	(100,000)	-1.0%
UTILITIES	2,806,346	3,272,000	2,709,650	(562,350)	-17.2%
TOTAL ENERGY	11,008,008	13,188,900	12,442,650	(746,250)	-5.7%
RISK MANAGEMENT	1,353,775	1,806,019	1,828,375	22,356	1.2%
GENERAL AND ADMINISTRATIVE	173,542	247,552	340,599	93,047	37.6%
DEBT SERVICE	-	-	-	-	-
VEHICLE / FACILITY LEASE	309,970	325,900	341,000	15,100	4.6%
TOTAL OPERATING EXPENSES	57,896,561	63,140,245	61,318,444	(1,821,801)	-2.9%
NET OPERATING SUBSIDY	(16,026,227)	(20,368,197)	(19,932,006)	(436,191)	-2.1%
OVERHEAD ALLOCATION	(16,053,778)	(15,964,507)	(16,408,725)	(444,218)	2.8%
ADJUSTED NET OPERATING SUBSIDY	(32,080,005)	(36,332,704)	(36,340,731)	8,027	0.0%
TOTAL REVENUES LESS TOTAL EXPENSES	(2)	0	(0)	0	0.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CONTRACTED BUS OPERATIONS - FIXED ROUTE BUDGET SUMMARY
FISCAL YEAR 2017
SECTION 4.04**

	ACTUAL FY16	ORIGINAL BUDGET FY17	AMENDED BUDGET FY17	\$ CHANGE AMENDED/ ORIGINAL	% CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
PASSENGER REVENUE	28,138,169	29,292,854	26,920,000	(2,372,854)	-8.1%
OTHER OPERATING INCOME	(1,917)	-	1,000	1,000	-
TOTAL OPERATING REVENUES	28,136,253	29,292,854	26,921,000	(2,371,854)	-8.1%
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	33,331,135	33,732,637	35,261,249	1,528,612	4.5%
OTHER NON OPERATING REVENUE	-	-	-	-	-
RESERVE REVENUE	-	-	-	-	-
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	-	-	-	-	-
TOTAL NON OPERATING REVENUE	33,331,135	33,732,637	35,261,249	1,528,612	4.5%
TOTAL COMBINED REVENUES	61,467,387	63,025,491	62,182,249	(843,242)	-1.3%
OPERATING EXPENSES					
LABOR EXPENSES	354,280	538,100	331,385	(206,715)	-38.4%
FRINGE EXPENSES	24,327	-	-	-	-
TOTAL PERSONNEL EXPENSES	378,607	538,100	331,385	(206,715)	-38.4%
SECURITY EXPENSES	119,818	119,027	119,027	0	0.0%
REPAIR/MAINTENANCE SERVICES	164,055	288,069	152,724	(135,345)	-47.0%
ENGINE AND TRANSMISSION REBUILD	761,914	492,000	945,617	453,617	92.2%
OTHER OUTSIDE SERVICES	725,834	1,078,142	764,001	(314,141)	-29.1%
PURCHASED TRANSPORTATION	51,377,177	53,223,831	52,914,222	(309,609)	-0.6%
TOTAL OUTSIDE SERVICES	53,148,798	55,201,069	54,895,591	(305,478)	-0.6%
LUBRICANTS	-	-	-	-	-
TIRES	1,862	-	-	-	-
OTHER MATERIALS AND SUPPLIES	29,416	49,200	30,500	(18,700)	-38.0%
TOTAL MATERIALS AND SUPPLIES	31,278	49,200	30,500	(18,700)	-38.0%
DIESEL FUEL	1,878,303	1,660,712	1,135,614	(525,098)	-31.6%
CNG	3,586,821	3,504,743	4,159,294	654,551	18.7%
TRACTION POWER	-	-	-	-	-
UTILITIES	433,093	421,545	462,980	41,435	9.8%
TOTAL ENERGY	5,898,218	5,587,000	5,757,888	170,888	3.1%
RISK MANAGEMENT	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	3,120	6,000	3,395	(2,605)	-43.4%
DEBT SERVICE	-	-	-	-	-
VEHICLE / FACILITY LEASE	8,919	32,023	20,000	(12,023)	-37.5%
TOTAL OPERATING EXPENSES	59,468,940	61,413,392	61,038,759	(374,633)	-0.6%
NET OPERATING SUBSIDY	(31,332,688)	(32,120,538)	(34,117,759)	1,997,221	6.2%
OVERHEAD ALLOCATION	(1,998,447)	(1,612,099)	(1,143,490)	468,610	-29.1%
ADJUSTED NET OPERATING SUBSIDY	(33,331,135)	(33,732,637)	(35,261,249)	1,528,612	4.5%
TOTAL REVENUES LESS TOTAL EXPENSES	(0)	0	0	(0)	0.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CONTRACTED BUS OPERATIONS - PARA TRANSIT BUDGET SUMMARY
FISCAL YEAR 2017
SECTION 4.05**

	ACTUAL FY16	ORIGINAL BUDGET FY17	AMENDED BUDGET FY17	\$ CHANGE AMENDED/ ORIGINAL	% CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
PASSENGER REVENUE	2,493,058	2,701,655	3,235,000	533,345	19.7%
OTHER OPERATING INCOME	-	-	-	-	-
TOTAL OPERATING REVENUES	2,493,058	2,701,655	3,235,000	533,345	19.7%
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	16,550,213	18,220,374	17,540,420	(679,954)	-3.7%
OTHER NON OPERATING REVENUE					
RESERVE REVENUE	-	-	-	-	-
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	-	-	-	-	-
TOTAL NON OPERATING REVENUE	16,550,213	18,220,374	17,540,420	(679,954)	-3.7%
TOTAL COMBINED REVENUES	19,043,271	20,922,029	20,775,420	(146,609)	-0.7%
OPERATING EXPENSES					
LABOR EXPENSES	106,104	163,459	162,000	(1,459)	-0.9%
FRINGE EXPENSES	-	-	3,800	3,800	-
TOTAL PERSONNEL EXPENSES	106,104	163,459	165,800	2,341	1.4%
SECURITY EXPENSES	-	-	-	-	-
REPAIR/MAINTENANCE SERVICES	-	-	-	-	-
ENGINE AND TRANSMISSION REBUILD	-	-	-	-	-
OTHER OUTSIDE SERVICES	360,759	493,430	739,334	245,904	49.8%
PURCHASED TRANSPORTATION	15,234,827	16,635,691	16,578,397	(57,294)	-0.3%
TOTAL OUTSIDE SERVICES	15,595,586	17,129,121	17,317,731	188,610	1.1%
LUBRICANTS	-	-	-	-	-
TIRES	-	-	-	-	-
OTHER MATERIALS AND SUPPLIES	-	-	-	-	-
TOTAL MATERIALS AND SUPPLIES	-	-	-	-	-
DIESEL FUEL	2,150,140	2,789,359	2,366,593	(422,766)	-15.2%
CNG	-	-	-	-	-
TRACTION POWER	-	-	-	-	-
UTILITIES	-	1,440	-	(1,440)	-100.0%
TOTAL ENERGY	2,150,140	2,790,799	2,366,593	(424,206)	-15.2%
RISK MANAGEMENT	15,300	15,300	15,300	-	0.0%
GENERAL AND ADMINISTRATIVE	184,592	11,200	5,336	(5,864)	-52.4%
DEBT SERVICE	-	-	-	-	-
VEHICLE / FACILITY LEASE	280,002	280,000	280,000	0	0.0%
TOTAL OPERATING EXPENSES	18,331,724	20,389,879	20,150,760	(239,119)	-1.2%
NET OPERATING SUBSIDY	(15,838,666)	(17,688,224)	(16,915,760)	(772,464)	-4.4%
OVERHEAD ALLOCATION	(711,547)	(532,150)	(624,660)	(92,510)	17.4%
ADJUSTED NET OPERATING SUBSIDY	(16,550,213)	(18,220,374)	(17,540,420)	(679,954)	-3.7%
TOTAL REVENUES LESS TOTAL EXPENSES	-	(0)	0	(0)	0.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CORONADO FERRY BUDGET SUMMARY
FISCAL YEAR 2017
SECTION 4.06**

	<u>ACTUAL FY16</u>	<u>ORIGINAL BUDGET FY17</u>	<u>AMENDED BUDGET FY17</u>	<u>\$ CHANGE AMENDED/ ORIGINAL</u>	<u>% CHANGE AMENDED/ ORIGINAL</u>
OPERATING REVENUE					
PASSENGER REVENUE	-	-	-	-	-
OTHER OPERATING INCOME	-	-	-	-	-
TOTAL OPERATING REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	199,834	206,828	206,828	-	0.0%
OTHER NON OPERATING REVENUE	-	-	-	-	-
RESERVE REVENUE	-	-	-	-	-
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL NON OPERATING REVENUE	<u>199,834</u>	<u>206,828</u>	<u>206,828</u>	<u>-</u>	<u>0.0%</u>
TOTAL COMBINED REVENUES	<u>199,834</u>	<u>206,828</u>	<u>206,828</u>	<u>-</u>	<u>0.0%</u>
OPERATING EXPENSES					
LABOR EXPENSES	-	-	-	-	-
FRINGE EXPENSES	-	-	-	-	-
TOTAL PERSONNEL EXPENSES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SECURITY EXPENSES	-	-	-	-	-
REPAIR/MAINTENANCE SERVICES	-	-	-	-	-
ENGINE AND TRANSMISSION REBUILD	-	-	-	-	-
OTHER OUTSIDE SERVICES	-	-	-	-	-
PURCHASED TRANSPORTATION	199,834	206,828	206,828	-	0.0%
TOTAL OUTSIDE SERVICES	<u>199,834</u>	<u>206,828</u>	<u>206,828</u>	<u>-</u>	<u>0.0%</u>
LUBRICANTS	-	-	-	-	-
TIRES	-	-	-	-	-
OTHER MATERIALS AND SUPPLIES	-	-	-	-	-
TOTAL MATERIALS AND SUPPLIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DIESEL FUEL	-	-	-	-	-
CNG	-	-	-	-	-
TRACTION POWER	-	-	-	-	-
UTILITIES	-	-	-	-	-
TOTAL ENERGY	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
RISK MANAGEMENT	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GENERAL AND ADMINISTRATIVE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEBT SERVICE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
VEHICLE / FACILITY LEASE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>199,834</u>	<u>206,828</u>	<u>206,828</u>	<u>-</u>	<u>0.0%</u>
NET OPERATING SUBSIDY	<u>(199,834)</u>	<u>(206,828)</u>	<u>(206,828)</u>	<u>-</u>	<u>0.0%</u>
OVERHEAD ALLOCATION	-	-	-	-	-
ADJUSTED NET OPERATING SUBSIDY	<u>(199,834)</u>	<u>(206,828)</u>	<u>(206,828)</u>	<u>-</u>	<u>0.0%</u>
TOTAL REVENUES LESS TOTAL EXPENSES	<u>0</u>	<u>(0)</u>	<u>(0)</u>	<u>-</u>	<u>0.0%</u>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATIVE PASS THROUGH BUDGET SUMMARY
FISCAL YEAR 2017
SECTION 4.07**

	ACTUAL FY16	ORIGINAL BUDGET FY17	AMENDED BUDGET FY17	\$ CHANGE AMENDED/ ORIGINAL	% CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
PASSENGER REVENUE	-	-	-	-	-
OTHER OPERATING INCOME	-	-	-	-	-
TOTAL OPERATING REVENUES	-	-	-	-	-
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	344,180	344,180	351,064	6,884	2.0%
OTHER NON OPERATING REVENUE	-	-	-	-	-
RESERVE REVENUE	-	-	-	-	-
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	-	-	-	-	-
TOTAL NON OPERATING REVENUE	344,180	344,180	351,064	6,884	2.0%
TOTAL COMBINED REVENUES	344,180	344,180	351,064	6,884	2.0%
OPERATING EXPENSES					
LABOR EXPENSES	-	-	-	-	-
FRINGE EXPENSES	-	188,680	192,454	3,774	2.0%
TOTAL PERSONNEL EXPENSES	-	188,680	192,454	3,774	2.0%
SECURITY EXPENSES	-	-	-	-	-
REPAIR/MAINTENANCE SERVICES	-	-	-	-	-
ENGINE AND TRANSMISSION REBUILD	-	-	-	-	-
OTHER OUTSIDE SERVICES	291,048	155,500	158,610	3,110	2.0%
PURCHASED TRANSPORTATION	-	-	-	-	-
TOTAL OUTSIDE SERVICES	291,048	155,500	158,610	3,110	2.0%
LUBRICANTS	-	-	-	-	-
TIRES	-	-	-	-	-
OTHER MATERIALS AND SUPPLIES	-	-	-	-	-
TOTAL MATERIALS AND SUPPLIES	-	-	-	-	-
DIESEL FUEL	-	-	-	-	-
CNG	-	-	-	-	-
TRACTION POWER	-	-	-	-	-
UTILITIES	-	-	-	-	-
TOTAL ENERGY	-	-	-	-	-
RISK MANAGEMENT	-	-	-	-	-
GENERAL AND ADMINISTRATIVE	-	-	-	-	-
DEBT SERVICE	-	-	-	-	-
VEHICLE / FACILITY LEASE	-	-	-	-	-
TOTAL OPERATING EXPENSES	291,048	344,180	351,064	6,884	2.0%
NET OPERATING SUBSIDY	(291,048)	(344,180)	(351,064)	6,884	2.0%
OVERHEAD ALLOCATION	-	-	-	-	-
ADJUSTED NET OPERATING SUBSIDY	(291,048)	(344,180)	(351,064)	6,884	2.0%
TOTAL REVENUES LESS TOTAL EXPENSES	53,132	-	-	-	0.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
REVENUE BUDGET SUMMARY
FISCAL YEAR 2017
SECTION 3.02**

	ACTUAL FY16	ORIGINAL BUDGET FY17	AMENDED BUDGET FY17	\$ CHANGE AMENDED/ ORIGINAL	% CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
PASSENGER REVENUE	97,913,890	100,808,623	94,873,838	(5,934,785)	-5.9%
ADVERTISING REVENUE	0	0	0	0	-
CONTRACT SERVICE REVENUE	0	0	0	0	-
OTHER INCOME	16,400,533	14,259,419	14,460,000	200,581	1.4%
TOTAL OPERATING REVENUE	114,314,422	115,068,042	109,333,838	(5,734,204)	-5.0%
NON OPERATING REVENUE					
SUBSIDY REVENUE					
FEDERAL REVENUE	53,039,156	56,870,600	57,063,600	193,000	0.3%
TRANSPORTATION DEVELOPMENT ACT (TDA)	59,501,012	60,030,082	60,030,082	0	0.0%
STATE TRANSIT ASSISTANCE (STA)	107,698	3,600,000	3,600,000	0	0.0%
STATE REVENUE - OTHER	1,685,328	1,400,000	1,400,000	0	0.0%
TRANSNET	35,898,669	37,481,038	36,335,000	(1,146,038)	-3.1%
OTHER LOCAL SUBSIDIES	5,598,651	1,674,102	1,034,102	(640,000)	-38.2%
TOTAL SUBSIDY REVENUE	155,830,514	161,055,822	159,462,784	(1,593,038)	-1.0%
OTHER REVENUE					
OTHER FUNDS	18,108,323	-	-	0	-
RESERVES REVENUE	(852,806)	25,011	2,679,105	2,654,094	10611.9%
TOTAL OTHER REVENUE	17,255,517	25,011	2,679,105	2,654,094	10611.9%
TOTAL NON OPERATING REVENUE	173,086,031	161,080,833	162,141,889	1,061,056	0.7%
GRAND TOTAL REVENUES	287,400,453	276,148,875	271,475,727	(4,673,148)	-1.7%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
NON OPERATING FUNDING SOURCES BY ACTIVITY
FISCAL YEAR 2017
SECTION 9.01**

	<u>Federal</u>	<u>TDA</u>	<u>STA</u>	<u>State - Other</u>	<u>TransNet</u>	<u>Other Local</u>	<u>Other Non Operating</u>	<u>Reserves/ Carryovers</u>	<u>Total</u>
SDTC	20,000,000	15,939,493	3,600,000	-	29,768,000	315,000	-	2,000,000	71,622,493
SDTI	23,000,000	8,340,731	-	-	5,000,000	-	-	-	36,340,731
MCS 801 - South Central	9,000,000	12,631,408	-	-	-	-	-	-	21,631,408
MCS 802 - JARC Otay	-	1,276,885	-	-	-	-	-	-	1,276,885
MCS 820 - East County	-	6,064,729	-	-	-	-	-	-	6,064,729
MCS 825 - Rural	540,000	258,888	-	-	-	-	-	-	798,888
MCS 830 - Commuter Express	-	613,055	-	-	-	463,000	-	-	1,076,055
MCS 835 - Central Routes 961-965	-	3,284,706	-	-	-	-	-	-	3,284,706
MCS 840 - Regional Transit Center Maintenance	-	365,577	-	-	763,000	-	-	-	1,128,577
MCS 845 - BRT Superloop	-	-	-	-	-	-	-	-	-
MCS 846 - I15 Transit Center Maintenance	-	-	-	-	-	-	-	-	-
MCS 847 - Mid City Transit Center Maintenance	-	-	-	-	-	-	-	-	-
MCS 850 - ADA Access	4,383,600	10,063,272	-	1,400,000	804,000	181,102	-	-	16,831,974
MCS 856 - ADA Certification	-	507,076	-	-	-	-	-	-	507,076
MCS 875 - Coaster Connection	-	126,370	-	-	-	75,000	-	-	201,370
Coronado Ferry	-	206,828	-	-	-	-	-	-	206,828
Administrative Pass Thru	-	351,064	-	-	-	-	-	-	351,064
Subtotal Operations	56,923,600	60,030,082	3,600,000	1,400,000	36,335,000	1,034,102	-	2,000,000	161,322,784
Taxicab	-	-	-	-	-	-	-	488,105	488,105
SD&AE	-	-	-	-	-	-	-	191,000	191,000
Subtotal Other Activities	-	-	-	-	-	-	-	679,105	679,105
Administrative	140,000	-	-	-	-	-	-	-	140,000
Grand Total	<u>57,063,600</u>	<u>60,030,082</u>	<u>3,600,000</u>	<u>1,400,000</u>	<u>36,335,000</u>	<u>1,034,102</u>	<u>0</u>	<u>2,679,105</u>	<u>162,141,889</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
NON OPERATING FUNDING SOURCES BY ACTIVITY
FISCAL YEAR 2017
SECTION 9.02

	FTA 5307 Planning	FTA 5307 Preventative Maintenance	Federal Other	FTA 5311/ 5311(f) Rural	TDA Article 4.0	TDA Article 4.5 ADA	TDA Article 8.0	STA Formula
SDTC	-	20,000,000	-	-	15,939,493	-	-	3,600,000
SDTI	-	23,000,000	-	-	8,340,731	-	-	-
MCS 801 - South Central	-	9,000,000	-	-	12,631,408	-	-	-
MCS 802 - JARC Otay	-	-	-	-	1,276,885	-	-	-
MCS 820 - East County	-	-	-	-	6,064,729	-	-	-
MCS 825 - Rural	-	-	-	540,000	258,888	-	-	-
MCS 830 - Commuter Express	-	-	-	-	64,964	-	548,091	-
MCS 835 - Central Routes 961-965	-	-	-	-	3,284,706	-	-	-
MCS 840 - Regional Transit Center Maintenance	-	-	-	-	365,577	-	-	-
MCS 845 - BRT Superloop	-	-	-	-	-	-	-	-
MCS 846 - I15 Transit Center Maintenance	-	-	-	-	-	-	-	-
MCS 847 - Mid City Transit Center Maintenance	-	-	-	-	-	-	-	-
MCS 850 - ADA Access	-	4,383,600	-	-	5,787,588	4,275,684	-	-
MCS 856 - ADA Certification	-	-	-	-	-	507,076	-	-
MCS 875 - Coaster Connection	-	-	-	-	126,370	-	-	-
Coronado Ferry	-	-	-	-	-	-	206,828	- ¹³
Administrative Pass Thru	-	-	-	-	351,064	-	-	-
Subtotal Operations	-	56,383,600	-	540,000	54,492,403	4,782,760	754,919	3,600,000
Taxicab	-	-	-	-	-	-	-	-
SD&AE	-	-	-	-	-	-	-	-
Subtotal Other Activities	-	-	-	-	-	-	-	-
Administrative	-	-	140,000	-	-	-	-	-
Grand Total	0	56,383,600	140,000	540,000	54,492,403	4,782,760	754,919	3,600,000

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
NON OPERATING FUNDING SOURCES BY ACTIVITY
FISCAL YEAR 2017
SECTION 9.02**

	<u>Medical</u>	<u>TransNet Operating 40%</u>	<u>TransNet Access ADA</u>	<u>TransNet Other</u>	<u>City of San Diego</u>	<u>SANDAG Inland Breeze</u>	<u>Other 4S Ranch</u>
SDTC	-	19,568,000	-	10,200,000	278,000	37,000	-
SDTI	-	5,000,000	-	-	-	-	-
MCS 801 - South Central	-	-	-	-	-	-	-
MCS 802 - JARC Otay	-	-	-	-	-	-	-
MCS 820 - East County	-	-	-	-	-	-	-
MCS 825 - Rural	-	-	-	-	-	-	-
MCS 830 - Commuter Express	-	-	-	-	-	463,000	-
MCS 835 - Central Routes 961-965	-	-	-	-	-	-	-
MCS 840 - Regional Transit Center Maintenance	-	-	-	763,000	-	-	-
MCS 845 - BRT Superloop	-	-	-	-	-	-	-
MCS 846 - I15 Transit Center Maintenance	-	-	-	-	-	-	-
MCS 847 - Mid City Transit Center Maintenance	-	-	-	-	-	-	-
MCS 850 - ADA Access	1,400,000	-	804,000	-	181,102	-	-
MCS 856 - ADA Certification	-	-	-	-	-	-	-
MCS 875 - Coaster Connection	-	-	-	-	-	-	-
Coronado Ferry	-	-	-	-	-	-	-
Administrative Pass Thru	-	-	-	-	-	-	-
Subtotal Operations	1,400,000	24,568,000	804,000	10,963,000	459,102	500,000	-
Taxicab	-	-	-	-	-	-	-
SD&AE	-	-	-	-	-	-	-
Subtotal Other Activities	-	-	-	-	-	-	-
Administrative	-	-	-	-	-	-	-
Grand Total	<u>1,400,000</u>	<u>24,568,000</u>	<u>804,000</u>	<u>10,963,000</u>	<u>459,102</u>	<u>500,000</u>	<u>0</u>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
NON OPERATING FUNDING SOURCES BY ACTIVITY
FISCAL YEAR 2017
SECTION 9.02**

	Other Local	CNG Credits	Other Non Operating	Reserves/ Carryovers	Total
SDTC	-	-	-	2,000,000	71,622,493
SDTI	-	-	-	-	36,340,731
MCS 801 - South Central	-	-	-	-	21,631,408
MCS 802 - JARC Otay	-	-	-	-	1,276,885
MCS 820 - East County	-	-	-	-	6,064,729
MCS 825 - Rural	-	-	-	-	798,888
MCS 830 - Commuter Express	-	-	-	-	1,076,055
MCS 835 - Central Routes 961-965	-	-	-	-	3,284,706
MCS 840 - Regional Transit Center Maintenance	-	-	-	-	1,128,577
MCS 845 - BRT Superloop	-	-	-	-	-
MCS 846 - I15 Transit Center Maintenance	-	-	-	-	-
MCS 847 - Mid City Transit Center Maintenance	-	-	-	-	-
MCS 850 - ADA Access	-	-	-	-	16,831,974
MCS 856 - ADA Certification	-	-	-	-	507,076
MCS 875 - Coaster Connection	75,000	-	-	-	201,370
Coronado Ferry	-	-	-	-	206,828
Administrative Pass Thru	-	-	-	-	351,064
Subtotal Operations	75,000	-	-	2,000,000	161,322,784
Taxicab	-	-	-	488,105	488,105
SD&AE	-	-	-	191,000	191,000
Subtotal Other Activities	-	-	-	679,105	679,105
Administrative	-	-	-	-	140,000
Grand Total	<u>75,000</u>	<u>0</u>	<u>0</u>	<u>2,679,105</u>	<u>162,141,889</u>

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**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (SUMMARY FORMAT)
FISCAL YEAR 2017 AMENDED BUDGET
SECTION 10.03**

	Adopted Budget	Position	Net Positions Requiring	Amended	Frozen
	FY 2017	Shifts	Funding Adjs	FY 2017	Positions
	FTE's	FTE's	FTE's	FTE's	FTE's
<u>MTS Administration</u>					
BOD ADMINISTRATION	3.0	0.0	0.0	3.0	0.0
COMPASS CARD	12.0	0.0	0.0	12.0	0.0
EXECUTIVE	3.0	0.0	0.0	3.0	0.0
FINANCE	21.0	0.0	0.0	21.0	0.0
HUMAN RESOURCES	16.0	0.0	1.0	17.0	0.0
INFORMATION TECHNOLOGY	27.0	0.0	0.0	27.0	0.0
LEGAL	2.0	0.0	0.0	2.0	0.0
MARKETING	9.5	0.0	0.0	9.5	0.0
PLANNING	10.5	-1.0	0.0	9.5	-1.0
PROCUREMENT	14.0	0.0	0.0	14.0	0.0
RIGHT OF WAY	3.0	0.0	0.0	3.0	0.0
RISK	4.0	0.0	0.0	4.0	0.0
SECURITY	43.0	0.0	0.0	43.0	0.0
STORES (ADMIN)	2.0	0.0	0.0	2.0	0.0
STORES (BUS)	14.0	0.0	0.0	14.0	0.0
STORES (RAIL)	8.0	0.0	0.0	8.0	0.0
TELEPHONE INFORMATION SERVICES	19.0	0.0	0.0	19.0	0.0
TRANSIT STORES	7.0	0.0	0.0	7.0	0.0
Subtotal MTS Administration	218.0	-1.0	1.0	218.0	-1.0
<u>Bus Operations</u>					
CONTRACT SERVICES	8.5	0.0	0.0	8.5	0.0
EXECUTIVE (BUS)	4.0	1.0	0.0	5.0	0.0
MAINTENANCE	186.0	0.0	0.0	186.0	0.0
MAINTENANCE-FACILITY	5.0	0.0	0.0	5.0	0.0
PASSENGER SERVICES	7.0	0.0	0.0	7.0	0.0
REVENUE (BUS)	12.0	0.0	0.0	12.0	0.0
SAFETY	2.0	-1.0	0.0	1.0	0.0
TRAINING	7.5	0.0	0.0	7.5	0.0
TRANSPORTATION (BUS)	596.0	0.0	0.0	596.0	0.0
Subtotal Bus Operations	828.0	0.0	0.0	828.0	0.0
<u>Rail Operations</u>					
EXECUTIVE (RAIL)	7.5	-1.0	0.0	6.5	0.0
FACILITIES	68.0	0.0	0.0	68.0	-1.0
LIGHT RAIL VEHICLES	85.0	1.0	0.0	86.0	0.0
MAINTENANCE OF WAYSIDE	38.0	0.0	0.0	38.0	0.0
REVENUE (RAIL)	39.7	0.0	0.0	39.7	0.0
TRACK	18.0	0.0	0.0	18.0	-1.0
TRANSPORTATION (RAIL)	212.3	1.0	0.0	213.3	0.0
Subtotal Rail Operations	468.5	1.0	0.0	469.5	-2.0
<u>Other MTS Operations</u>					
TAXICAB	16.0	0.0	0.0	16.0	0.0
Subtotal Other MTS Operations	16.0	0.0	0.0	16.0	0.0
<u>Grand Total</u>	1,530.5	0.0	1.0	1,531.5	-3.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
FISCAL YEAR 2017 AMENDED BUDGET
SECTION 10.04**

		Adopted Budget	Position	Net Positions Requiring	Amended	Frozen
	Salary	FY 2017	Shifts	Funding Adjs	FY 2017	Positions
	Grade	(FTE's)	(FTE's)	(FTE's)	(FTE's)	(FTE's)
<u>MTS Administration</u>						
<u>BOD ADMINISTRATION</u>						
Administrative Assistant I	03	1.0	0.0	0.0	1.0	0.0
Exec Asst GC/Asst Board Clrk	07	1.0	0.0	0.0	1.0	0.0
Internal Auditor	10	1.0	0.0	0.0	1.0	0.0
BOD ADMINISTRATION TOTAL		3.0	0.0	0.0	3.0	0.0
<u>COMPASS CARD</u>						
Business Systems Analyst	10	1.0	-1.0	0.0	0.0	0.0
Call Center Manager	08	1.0	-1.0	0.0	0.0	0.0
Compass Card Supervisor	07	0.0	1.0	0.0	1.0	0.0
Customer Serv Asst (Part-Time)	02	4.0	0.0	0.0	4.0	0.0
Customer Service Lead	06	1.0	-1.0	0.0	0.0	0.0
Customer Service Rep	03	2.0	0.0	0.0	2.0	0.0
Fare System Support Analyst	06	0.0	1.0	0.0	1.0	0.0
Fare Technology Program Manager	11	1.0	0.0	0.0	1.0	0.0
Lead Customer Service Rep	04	0.0	1.0	0.0	1.0	0.0
Regional Revenue Administrator	05	1.0	0.0	0.0	1.0	0.0
Systems Administrator	08	0.0	1.0	0.0	1.0	0.0
Systems Administrator - Compass	08	1.0	-1.0	0.0	0.0	0.0
COMPASS CARD TOTAL		12.0	0.0	0.0	12.0	0.0
<u>EXECUTIVE</u>						
Chief Executive Officer	16	1.0	0.0	0.0	1.0	0.0
Chief of Staff	14	1.0	0.0	0.0	1.0	0.0
Exec Asst CEO / Board Clerk	08	1.0	0.0	0.0	1.0	0.0
EXECUTIVE TOTAL		3.0	0.0	0.0	3.0	0.0
<u>FINANCE</u>						
Chief Financial Officer	15	1.0	0.0	0.0	1.0	0.0
Accounting Assistant	04	2.0	1.0	0.0	3.0	0.0
Accounts Payable Clerk	3	1.0	-1.0	0.0	0.0	0.0
Admin Assistant II - Finance	05	1.0	-1.0	0.0	0.0	0.0
Budget Manager	10	1.0	-1.0	0.0	0.0	0.0
Capital Grants Analyst	05	1.0	0.0	0.0	1.0	0.0
Capital Grants Supervisor	08	1.0	0.0	0.0	1.0	0.0
Controller	12	1.0	0.0	0.0	1.0	0.0
Dir Fin Planning & Analysis	12	1.0	0.0	0.0	1.0	0.0
Finance Assistant	05	0.0	1.0	0.0	1.0	0.0
Financial Analyst	07	1.0	0.0	0.0	1.0	0.0
Operating Budget Supervisor	08	0.0	1.0	0.0	1.0	0.0
Payroll Coordinator	05	4.0	0.0	0.0	4.0	0.0
Payroll Manager	09	1.0	0.0	0.0	1.0	0.0
Senior Accountant	09	2.0	0.0	0.0	2.0	0.0
Staff Accountant	06	3.0	0.0	0.0	3.0	0.0
FINANCE TOTAL		21.0	0.0	0.0	21.0	0.0

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
FISCAL YEAR 2017 AMENDED BUDGET
SECTION 10.04

		Adopted Budget	Position	Net Positions Requiring	Amended	Frozen
	Salary	FY 2017	Shifts	Funding Adjs	FY 2017	Positions
	Grade	(FTE's)	(FTE's)	(FTE's)	(FTE's)	(FTE's)
<u>HUMAN RESOURCES</u>						
Dir of HR & Labor Relations	14	1.0	0.0	0.0	1.0	0.0
Admin Assistant (Copy Center)	03	1.0	0.0	0.0	1.0	0.0
Admin Assistant II - HR	05	1.0	0.0	0.0	1.0	0.0
Benefits & Comp Analyst	06	2.0	0.0	0.0	2.0	0.0
HR Supervisor-Benefits & Comp	08	1.0	0.0	0.0	1.0	0.0
HR Supervisor-Recruitment	08	1.0	0.0	0.0	1.0	0.0
Human Resources Analyst	07	1.0	0.0	0.0	1.0	0.0
Human Resources Assistant	03	1.0	0.0	0.0	1.0	0.0
Human Resources Assistant II	05	1.0	0.0	0.0	1.0	0.0
Manager of Human Resources	11	1.0	0.0	0.0	1.0	0.0
Mgr of Organizational Dev.	09	1.0	0.0	0.0	1.0	0.0
Receptionist- MTS	02	1.0	0.0	0.0	1.0	0.0
Talent Acquisition Specialist	07	3.0	0.0	0.0	3.0	0.0
Trust Fund Administrator	07	0.0	0.0	1.0	1.0	0.0
HUMAN RESOURCES TOTAL		16.0	0.0	1.0	17.0	0.0
<u>INFORMATION TECHNOLOGY</u>						
Application Dev & Support Mgr	11	1.0	0.0	0.0	1.0	0.0
Application Developer	08	1.0	0.0	0.0	1.0	0.0
Business Systems Analyst (ERP)	10	1.0	0.0	0.0	1.0	0.0
Business Systems Analyst (IT)	10	2.0	-1.0	0.0	1.0	0.0
Business Systems Analyst (SAP)	10	2.0	0.0	0.0	2.0	0.0
Chief Information Officer	14	1.0	0.0	0.0	1.0	0.0
Computer Support Specialist	05	4.0	0.0	0.0	4.0	0.0
Database Administrator	10	1.0	0.0	0.0	1.0	0.0
Datacenter Operations Manager	11	1.0	0.0	0.0	1.0	0.0
Enterprise Bus Solutions Mgr	11	1.0	0.0	0.0	1.0	0.0
ERP Project Manager	10	1.0	-1.0	0.0	0.0	0.0
Network Administrator	09	2.0	0.0	0.0	2.0	0.0
Network Operations Manager	11	1.0	0.0	0.0	1.0	0.0
Programmer Analyst	09	1.0	-1.0	0.0	0.0	0.0
Report Development Analyst	09	1.0	1.0	0.0	2.0	0.0
SAP System Admin (Basis)	10	1.0	0.0	0.0	1.0	0.0
Senior Application Developer	09	0.0	1.0	0.0	1.0	0.0
Systems Administrator	08	4.0	1.0	0.0	5.0	0.0
Transit Asset Administrator	06	1.0	0.0	0.0	1.0	0.0
INFORMATION TECHNOLOGY TOTAL		27.0	0.0	0.0	27.0	0.0
<u>LEGAL</u>						
General Counsel	15	1.0	0.0	0.0	1.0	0.0
Staff Attorney-Reg Compliance	08	1.0	0.0	0.0	1.0	0.0
LEGAL TOTAL		2.0	0.0	0.0	2.0	0.0
<u>MARKETING</u>						
Dir Marketing & Communications	13	1.0	0.0	0.0	1.0	0.0
Advertising Specialist	07	1.0	0.0	0.0	1.0	0.0
Communications Design Manager	09	1.0	0.0	0.0	1.0	0.0
Communications Designer III	07	2.0	-2.0	0.0	0.0	0.0
Digital Design & Content Spec.	07	1.0	0.0	0.0	1.0	0.0
Graphic Designer III	07	0.0	2.0	0.0	2.0	0.0
Manager of Marketing	10	1.0	0.0	0.0	1.0	0.0
Marketing Coordinator	05	1.0	0.0	0.0	1.0	0.0
Marketing Intern	01	0.5	0.0	0.0	0.5	0.0
Public Relations Specialist	07	1.0	0.0	0.0	1.0	0.0
MARKETING TOTAL		9.5	0.0	0.0	9.5	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
FISCAL YEAR 2017 AMENDED BUDGET
SECTION 10.04**

		Adopted Budget	Position	Net Positions Requiring	Amended	Frozen
	Salary	FY 2017	Shifts	Funding Adjs	FY 2017	Positions
	Grade	(FTE's)	(FTE's)	(FTE's)	(FTE's)	(FTE's)
<u>PLANNING</u>						
Director of Planning	12	1.0	0.0	0.0	1.0	-1.0
Assoc Transportation Planner	06	3.0	0.0	0.0	3.0	0.0
Associate Scheduler	06	2.0	0.0	0.0	2.0	0.0
Manager of Planning	10	1.0	0.0	0.0	1.0	0.0
Manager of Scheduling	10	1.0	0.0	0.0	1.0	0.0
Planning Intern	01	0.5	0.0	0.0	0.5	0.0
Sen Transp Plnr/Rail Ops An	09	1.0	-1.0	0.0	0.0	0.0
Senior Transportation Planner	09	1.0	0.0	0.0	1.0	0.0
PLANNING TOTAL		10.5	-1.0	0.0	9.5	-1.0
<u>PROCUREMENT</u>						
Manager of Procurement	12	1.0	0.0	0.0	1.0	0.0
Buyer	07	1.0	0.0	0.0	1.0	0.0
Contract Specialist	06	1.0	0.0	0.0	1.0	0.0
Contracts Administrator	08	1.0	0.0	0.0	1.0	0.0
Director of Procurement	12	1.0	-1.0	0.0	0.0	0.0
Director of Supply Chain & Ops	12	0.0	1.0	0.0	1.0	0.0
Principal Contract Admin	09	1.0	0.0	0.0	1.0	0.0
Procurement Assistant	05	2.0	-1.0	0.0	1.0	0.0
Procurement Specialist	08	5.0	1.0	0.0	6.0	0.0
Senior Procurement Specialist	09	1.0	0.0	0.0	1.0	0.0
PROCUREMENT TOTAL		14.0	0.0	0.0	14.0	0.0
<u>RIGHT OF WAY</u>						
Manager of Real Estate Assets	12	1.0	0.0	0.0	1.0	0.0
Right of Way Engineer	10	2.0	-2.0	0.0	0.0	0.0
Right of Way Engineer-Land Mgt	10	0.0	1.0	0.0	1.0	0.0
Right of Way Engineer-Permits	10	0.0	1.0	0.0	1.0	0.0
RIGHT OF WAY TOTAL		3.0	0.0	0.0	3.0	0.0
<u>RISK</u>						
Liability Claims Supervisor	08	1.0	0.0	0.0	1.0	0.0
Manager of Risk and Claims	10	1.0	0.0	0.0	1.0	0.0
Risk Management Specialist	05	1.0	0.0	0.0	1.0	0.0
Workers' Compensation Analyst	07	1.0	0.0	0.0	1.0	0.0
RISK TOTAL		4.0	0.0	0.0	4.0	0.0
<u>SECURITY</u>						
Dir of Transit System Security	12	0.0	1.0	0.0	1.0	0.0
Aux Code Compl Supvr-Canine	BU	0.0	1.0	0.0	1.0	0.0
Clerk Typist/Data Entry TSS	BU	4.0	0.0	0.0	4.0	0.0
Code Compliance Inspector	BU	29.0	-1.0	0.0	28.0	0.0
Code Compliance Supervisor	06	5.0	0.0	0.0	5.0	0.0
Deputy Dir of Transit Enf	10	1.0	0.0	0.0	1.0	0.0
Dir of Transit Enforcement	12	1.0	-1.0	0.0	0.0	0.0
Mgr of Operations - Transit Enf	09	1.0	-1.0	0.0	0.0	0.0
Mgr of Operations-Transit Enf	09	0.0	1.0	0.0	1.0	0.0
Records Manager	08	1.0	0.0	0.0	1.0	0.0
Security Systems Administrator	06	1.0	0.0	0.0	1.0	0.0
SECURITY TOTAL		43.0	0.0	0.0	43.0	0.0
<u>STORES (ADMIN)</u>						
Materials Analyst	05	1.0	0.0	0.0	1.0	0.0
Materials Manager	10	1.0	0.0	0.0	1.0	0.0
STORES (ADMIN) TOTAL		2.0	0.0	0.0	2.0	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
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		Adopted Budget	Position	Net Positions Requiring	Amended	Frozen
	Salary	FY 2017	Shifts	Funding Adjs	FY 2017	Positions
	Grade	(FTE's)	(FTE's)	(FTE's)	(FTE's)	(FTE's)
<u>STORES (BUS)</u>						
Asst Manager of Stores (Bus)	08	1.0	-1.0	0.0	0.0	0.0
Storeroom Clerks - IAD	BU	6.0	0.0	0.0	6.0	0.0
Storeroom Clerks - KMD	BU	6.0	0.0	0.0	6.0	0.0
Storeroom Supervisor - IAD	07	0.0	1.0	0.0	1.0	0.0
Storeroom Supervisor - KMD	07	1.0	0.0	0.0	1.0	0.0
STORES (BUS) TOTAL		14.0	0.0	0.0	14.0	0.0
<u>STORES (RAIL)</u>						
Asst Manager of Stores (Rail)	08	1.0	0.0	0.0	1.0	0.0
Aux Store Supervisor	BU	2.0	0.0	0.0	2.0	0.0
Storekeeper	BU	5.0	0.0	0.0	5.0	0.0
STORES (RAIL) TOTAL		8.0	0.0	0.0	8.0	0.0
<u>TELEPHONE INFORMATION SERVICES</u>						
Asst Supvr of Info & Trip Plan	06	1.0	0.0	0.0	1.0	0.0
Info and Trip Planning Clerk	BU	17.0	0.0	0.0	17.0	0.0
Tele Info Supervisor	07	1.0	0.0	0.0	1.0	0.0
TELEPHONE INFORMATION SERVICES TO		19.0	0.0	0.0	19.0	0.0
<u>TRANSIT STORES</u>						
Transit Store Supervisor	07	1.0	0.0	0.0	1.0	0.0
Asst Transit Store Supervisor	06	1.0	0.0	0.0	1.0	0.0
Senior Transit Store Clerk	BU	1.0	0.0	0.0	1.0	0.0
Transit Store Clerk	BU	4.0	0.0	0.0	4.0	0.0
TRANSIT STORES TOTAL		7.0	0.0	0.0	7.0	0.0
Subtotal MTS Administration		218.0	-1.0	1.0	218.0	-1.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
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SECTION 10.04**

		Adopted Budget	Position	Net Positions Requiring	Amended	Frozen
	Salary	FY 2017	Shifts	Funding Adjs	FY 2017	Positions
	Grade	(FTE's)	(FTE's)	(FTE's)	(FTE's)	(FTE's)
<u>Bus Operations</u>						
<u>CONTRACT SERVICES</u>						
Asst Trans Ops Specialist	06	2.0	-1.0	0.0	1.0	0.0
Intern - Transit Services	01	0.5	0.0	0.0	0.5	0.0
Manager of Paratransit Ops	10	1.0	-1.0	0.0	0.0	0.0
Mgr of BRT & East County Ops	11	1.0	-1.0	0.0	0.0	0.0
Mgr of Paratransit & Mini Bus	10	0.0	1.0	0.0	1.0	0.0
Mgr of S Bay & Paratransit Ops	11	1.0	-1.0	0.0	0.0	0.0
Mgr of South Bay & E County Op	11	0.0	1.0	0.0	1.0	0.0
Passenger Facilities Tech.	04	1.0	0.0	0.0	1.0	0.0
Supvr of Passenger Facilities	07	1.0	0.0	0.0	1.0	0.0
Transit Operations Specialist	06	1.0	1.0	0.0	2.0	0.0
Transit Ops Specialist - Para	06	0.0	1.0	0.0	1.0	0.0
CONTRACT SERVICES TOTAL		8.5	0.0	0.0	8.5	0.0
<u>EXECUTIVE (BUS)</u>						
Chief Op Officer-Transit Servs	15	1.0	0.0	0.0	1.0	0.0
Enviro Health & Safety Spec II	09	0.0	1.0	0.0	1.0	0.0
Executive Assistant (COO Bus)	06	1.0	0.0	0.0	1.0	0.0
Mgr of Capital Projects (Bus)	12	1.0	0.0	0.0	1.0	0.0
Project Mgr-Capital Projects	10	1.0	0.0	0.0	1.0	0.0
EXECUTIVE (BUS) TOTAL		4.0	1.0	0.0	5.0	0.0
<u>MAINTENANCE</u>						
Admin Asst II - Maintenance	05	1.0	0.0	0.0	1.0	0.0
Asst Mgr of Maintenance - IAD	10	1.0	0.0	0.0	1.0	0.0
Body Shop Apprentice II - KMD	BU	1.0	-1.0	0.0	0.0	0.0
Communications Tech - IAD	BU	2.0	0.0	0.0	2.0	0.0
Communications Tech - KMD	BU	1.0	0.0	0.0	1.0	0.0
Dir of Fleet & Facility Maint	13	1.0	0.0	0.0	1.0	0.0
Foreman - IAD	08	9.0	1.0	0.0	10.0	0.0
Foreman - KMD	08	9.0	0.0	0.0	9.0	0.0
Maintenance Analyst	06	1.0	0.0	0.0	1.0	0.0
Maintenance Clerk - KMD	02	1.0	0.0	0.0	1.0	0.0
Manager Of Maintenance KMD	11	1.0	0.0	0.0	1.0	0.0
Mechanic A - IAD	BU	25.0	-4.0	0.0	21.0	0.0
Mechanic A - KMD	BU	27.0	-1.0	0.0	26.0	0.0
Mechanic Apprentice I - IAD	BU	8.0	-1.0	0.0	7.0	0.0
Mechanic Apprentice I - KMD	BU	1.0	3.0	0.0	4.0	0.0
Mechanic Apprentice II - IAD	BU	3.0	2.0	0.0	5.0	0.0
Mechanic Apprentice II - KMD	BU	0.0	6.0	0.0	6.0	0.0
Mechanic B - IAD	BU	2.0	-2.0	0.0	0.0	0.0
Mechanic C - IAD	BU	19.0	-2.0	0.0	17.0	0.0
Mechanic C - KMD	BU	14.0	-1.0	0.0	13.0	0.0
Mgr of Fleet & Facility Maint	11	1.0	0.0	0.0	1.0	0.0
Mgr of Maintenance Training	09	1.0	0.0	0.0	1.0	0.0
Quality Assurance Inspector	07	1.0	0.0	0.0	1.0	0.0
Quality Assurance Supervisor	09	1.0	0.0	0.0	1.0	0.0
Serviceman A - IAD	BU	34.0	-2.0	0.0	32.0	0.0
Serviceman A - KMD	BU	20.0	2.0	0.0	22.0	0.0
Sign Truck Operator	BU	1.0	0.0	0.0	1.0	0.0
MAINTENANCE TOTAL		186.0	0.0	0.0	186.0	0.0
<u>MAINTENANCE-FACILITY</u>						
Foreman - IAD	08	1.0	0.0	0.0	1.0	0.0
Mechanic A - Facilities - IAD	BU	2.0	0.0	0.0	2.0	0.0
Mechanic A - Facilities - KMD	BU	2.0	0.0	0.0	2.0	0.0
MAINTENANCE-FACILITY TOTAL		5.0	0.0	0.0	5.0	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
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SECTION 10.04**

		Adopted Budget	Position	Net Positions Requiring	Amended	Frozen
	Salary	FY 2017	Shifts	Funding Adjs	FY 2017	Positions
	Grade	(FTE's)	(FTE's)	(FTE's)	(FTE's)	(FTE's)
<u>PASSENGER SERVICES</u>						
Customer Service Supervisor	06	3.0	0.0	0.0	3.0	0.0
Manager of Support Services	10	1.0	0.0	0.0	1.0	0.0
Operations Asst - Ride Checker	01	1.0	0.0	0.0	1.0	0.0
Receptionist	02	1.0	0.0	0.0	1.0	0.0
Support Services Coordinator	04	1.0	0.0	0.0	1.0	0.0
PASSENGER SERVICES TOTAL		7.0	0.0	0.0	7.0	0.0
<u>REVENUE (BUS)</u>						
Asst Rev Technicians - IAD	BU	2.0	0.0	0.0	2.0	0.0
Asst Rev Technicians - KMD	BU	1.0	0.0	0.0	1.0	0.0
Revenue Administrator	08	1.0	0.0	0.0	1.0	0.0
Revenue Processors - IAD	BU	3.0	0.0	0.0	3.0	0.0
Revenue Processors - KMD	BU	2.0	0.0	0.0	2.0	0.0
Revenue Technicians - IAD	BU	1.0	0.0	0.0	1.0	0.0
Revenue Technicians - KMD	BU	2.0	0.0	0.0	2.0	0.0
REVENUE (BUS) TOTAL		12.0	0.0	0.0	12.0	0.0
<u>SAFETY</u>						
Manager of Safety (Bus)	09	1.0	0.0	0.0	1.0	0.0
Enviro Health & Safety Spec II	09	1.0	-1.0	0.0	0.0	0.0
SAFETY TOTAL		2.0	-1.0	0.0	1.0	0.0
<u>TRAINING</u>						
Bus Op Training Instructor	06	6.0	0.0	0.0	6.0	0.0
Manager of Training (Transp)	09	0.0	1.0	0.0	1.0	0.0
P/T Bus Op Training Admin Asst	03	0.5	0.0	0.0	0.5	0.0
Sr Bus Operations Instructor	07	1.0	-1.0	0.0	0.0	0.0
TRAINING TOTAL		7.5	0.0	0.0	7.5	0.0
<u>TRANSPORTATION (BUS)</u>						
Director of Transportation	13	1.0	0.0	0.0	1.0	0.0
Admin Asst II - Operations	05	1.0	0.0	0.0	1.0	0.0
Bus Operators - F/T	BU	550.0	0.0	0.0	550.0	0.0
Bus Operators - P/T	BU	1.0	0.0	0.0	1.0	0.0
Comm/Ops Supv-Dispatch IAD	08	2.0	5.0	0.0	7.0	0.0
Comm/Ops Supv-Dispatch KMD	08	2.0	-1.0	0.0	1.0	0.0
Comm/Ops Supv-Radio	08	8.0	0.0	0.0	8.0	0.0
Comm/Ops Supv-Radio-IAD/KMD	08	5.0	-5.0	0.0	0.0	0.0
Comm/Ops Supv-Radio-KMD	08	0.0	1.0	0.0	1.0	0.0
Dispatch Clerk	BU	6.0	0.0	0.0	6.0	0.0
Manager of Service Operations	10	1.0	0.0	0.0	1.0	0.0
Manager of Transp Comm & Tech	10	0.0	1.0	0.0	1.0	0.0
Mgr of Trans Comm & Technology	10	1.0	-1.0	0.0	0.0	0.0
Service Operations Supervisor	08	14.0	0.0	0.0	14.0	0.0
Trans Div Manager - IAD	10	1.0	0.0	0.0	1.0	0.0
Trans Div Manager - KMD	10	1.0	0.0	0.0	1.0	0.0
Transp Comm & Technology Supvr	10	0.0	1.0	0.0	1.0	0.0
Transp Comm/Tech Supervisor	09	1.0	-1.0	0.0	0.0	0.0
Transp Service Quality Spec	06	1.0	0.0	0.0	1.0	0.0
TRANSPORTATION (BUS) TOTAL		596.0	0.0	0.0	596.0	0.0
Subtotal Bus Operations		828.0	0.0	0.0	828.0	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
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SECTION 10.04**

		Adopted Budget	Position	Net Positions Requiring	Amended	Frozen
Salary		FY 2017	Shifts	Funding Adjs	FY 2017	Positions
Grade		(FTE's)	(FTE's)	(FTE's)	(FTE's)	(FTE's)
<u>Rail Operations</u>						
<u>EXECUTIVE (RAIL)</u>						
Chief Operating Officer (Rail)	15	1.0	0.0	0.0	1.0	0.0
Engineering Intern	01	0.5	0.0	0.0	0.5	0.0
Executive Assistant (COO Rail)	06	1.0	-1.0	0.0	0.0	0.0
Mgr of Capital Projects (Rail)	12	1.0	0.0	0.0	1.0	0.0
Project Engineer (Rail)	10	1.0	0.0	0.0	1.0	0.0
Special Events Coordinator	09	1.0	0.0	0.0	1.0	0.0
System Safety Manager (Rail)	09	1.0	0.0	0.0	1.0	0.0
Systems Engineer (Rail)	11	1.0	0.0	0.0	1.0	0.0
EXECUTIVE (RAIL) TOTAL		7.5	-1.0	0.0	6.5	0.0
<u>FACILITIES</u>						
Facilities Manager	10	1.0	0.0	0.0	1.0	0.0
Admin Asst II - Facilities	05	1.0	0.0	0.0	1.0	0.0
Facilities Supervisor	06	6.0	0.0	0.0	6.0	0.0
Serviceperson	BU	60.0	0.0	0.0	60.0	-1.0
FACILITIES TOTAL		68.0	0.0	0.0	68.0	-1.0
<u>LIGHT RAIL VEHICLES</u>						
Superintendent of LRV Maint	12	0.0	1.0	0.0	1.0	0.0
Superintendent of LRV Maint	12	1.0	-1.0	0.0	0.0	0.0
Asst Superintendent LRV	10	1.0	0.0	0.0	1.0	0.0
Clerk Typist/Data Entry LRV	BU	2.0	0.0	0.0	2.0	0.0
LRV Asst Lineman	BU	3.0	12.0	0.0	15.0	0.0
LRV Electromechanic	BU	61.0	-8.0	0.0	53.0	0.0
LRV Lineman	BU	9.0	-4.0	0.0	5.0	0.0
LRV Maint Supervisor	09	6.0	0.0	0.0	6.0	0.0
LRV Project Coordinator/Analyst	09	1.0	0.0	0.0	1.0	0.0
Maintenance Analyst (LRV)	05	0.0	1.0	0.0	1.0	0.0
Training Supervisor - LRV	08	1.0	0.0	0.0	1.0	0.0
LIGHT RAIL VEHICLES TOTAL		85.0	1.0	0.0	86.0	0.0
<u>MAINTENANCE OF WAYSIDE</u>						
Superintendent Wayside Maint	12	1.0	-1.0	0.0	0.0	0.0
Asst Superintendent Wayside	10	1.0	0.0	0.0	1.0	0.0
Maintenance Analyst (Rail)	05	1.0	0.0	0.0	1.0	0.0
Superintendent Wayside Maint	12	0.0	1.0	0.0	1.0	0.0
Training Supervisor - MOW	08	1.0	0.0	0.0	1.0	0.0
Wayside Assistant Lineman	BU	8.0	1.0	0.0	9.0	0.0
Wayside Electromechanic	BU	19.0	-2.0	0.0	17.0	0.0
Wayside Lineman	BU	3.0	1.0	0.0	4.0	0.0
Wayside Maintenance Supervisor	09	4.0	0.0	0.0	4.0	0.0
MAINTENANCE OF WAYSIDE TOTAL		38.0	0.0	0.0	38.0	0.0
<u>REVENUE (RAIL)</u>						
Revenue Manager (Rail)	10	1.0	0.0	0.0	1.0	0.0
Clerk Typist/Data Entry REV	BU	2.0	0.0	0.0	2.0	0.0
Collector / Processor	BU	8.0	0.0	0.0	8.0	0.0
Lead Special Events Assistant	01	0.2	0.0	0.0	0.2	0.0
Revenue Maintainer I	BU	0.0	2.0	0.0	2.0	0.0
Revenue Maintainer II	BU	2.0	-2.0	0.0	0.0	0.0
Revenue Maintainer III	BU	12.0	0.0	0.0	12.0	0.0
Revenue Maintenance Supervisor	09	2.0	0.0	0.0	2.0	0.0
Revenue Supervisor	07	2.0	0.0	0.0	2.0	0.0
Ridership Surveyor	BU	3.0	0.0	0.0	3.0	0.0
Special Events Assistant	01	7.5	0.0	0.0	7.5	0.0
REVENUE (RAIL) TOTAL		39.7	0.0	0.0	39.7	0.0

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		Adopted Budget	Position	Net Positons Requiring	Amended	Frozen
	Salary	FY 2017	Shifts	Funding Adjs	FY 2017	Positions
	Grade	(FTE's)	(FTE's)	(FTE's)	(FTE's)	(FTE's)
<u>TRACK</u>						
Manager of Track and Structure	09	1.0	0.0	0.0	1.0	0.0
Track Supervisor	09	1.0	0.0	0.0	1.0	0.0
Trackperson	BU	16.0	0.0	0.0	16.0	-1.0
TRACK TOTAL		18.0	0.0	0.0	18.0	-1.0
<u>TRANSPORTATION (RAIL)</u>						
Superintendent Transportation	12	1.0	-1.0	0.0	0.0	0.0
Asst Superintendent Trans	10	1.0	0.0	0.0	1.0	0.0
Assignments Supervisor	07	5.0	0.0	0.0	5.0	0.0
Central Control Info Rep	05	1.0	0.0	0.0	1.0	0.0
Central Control Supervisor	09	2.0	0.0	0.0	2.0	0.0
Flagpersons	BU	30.0	0.0	0.0	30.0	0.0
Manager of Service Quality	10	0.0	1.0	0.0	1.0	0.0
Superintendent Transportation	12	0.0	1.0	0.0	1.0	0.0
Train Operator	BU	95.0	4.3	0.0	99.3	0.0
Train Operator - PT	BU	49.3	-4.3	0.0	45.1	0.0
Training Supervisor - Trans	08	2.0	0.0	0.0	2.0	0.0
Transportation Controller	08	13.0	0.0	0.0	13.0	0.0
Transportation Supervisor	08	13.0	0.0	0.0	13.0	0.0
TRANSPORTATION (RAIL) TOTAL		212.3	1.0	0.0	213.3	0.0
Subtotal Rail Operations		468.5	1.0	0.0	469.5	-2.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
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SECTION 10.04**

		Adopted Budget	Position	Net Positons Requiring	Amended	Frozen
	Salary	FY 2017	Shifts	Funding Adjs	FY 2017	Positions
	Grade	(FTE's)	(FTE's)	(FTE's)	(FTE's)	(FTE's)
<u>Other MTS Operations</u>						
<u>TAXICAB</u>						
Taxicab Administration Manager	10	1.0	0.0	0.0	1.0	0.0
Admin Asst II - Taxi	05	2.0	0.0	0.0	2.0	0.0
Office Clerk II	03	1.0	0.0	0.0	1.0	0.0
Regulatory Analyst	06	5.0	0.0	0.0	5.0	0.0
Regulatory Enforcement Supvr	07	1.0	0.0	0.0	1.0	0.0
Regulatory Inspector	05	6.0	0.0	0.0	6.0	0.0
TAXICAB TOTAL		16.0	0.0	0.0	16.0	0.0
Subtotal Other MTS Operations		16.0	0.0	0.0	16.0	0.0
Grand Total		1,530.5	0.0	1.0	1,531.5	-3.0

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 17-4

Resolution Approving Amendments to FY 2017 Budget

WHEREAS, the San Diego Metropolitan Transit System (MTS) Board of Directors adopted Resolution No. 16-12 on May 12, 2016, approving the fiscal year (FY) 2017 budgets for MTS, San Diego Transit Corporation, San Diego Trolley, Inc., MTS Contract Services, and Coronado Ferry;

NOW THEREFORE, BE IT RESOLVED, by the MTS Board of Directors, hereinafter "Board," as follows:

1. That the changes to the FY2017 Operating Budget, per the proposed attached Budget Amendments are approved.

PASSED AND ADOPTED, by the MTS Board of Directors this 9th day of March 2017, by the following vote:

AYES:

NAYES:

ABSENT:

ABSTAINING:

Chairman
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

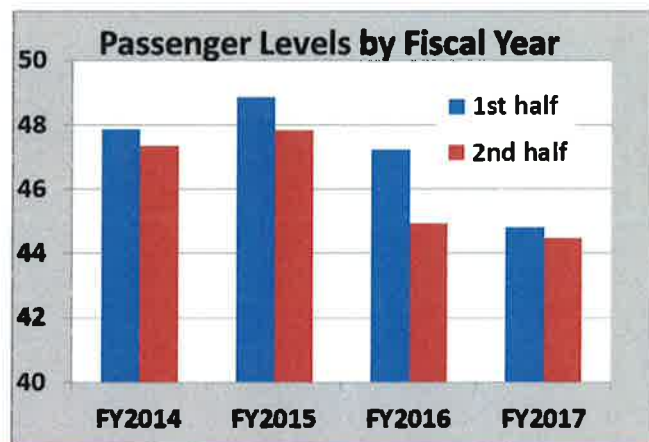
Metropolitan Transit System FY 2017 Midyear Adjustment

**MTS Board of Directors
Budget Development Committee
February 23, 2017**



Fiscal Year 2017 Midyear Revenue Assumptions Summary

- Passenger Fare Revenues
 - 2nd half of FY16 is when the decline started
 - Using these levels as the new baseline
 - Forecasted passenger levels of 89.3M (3.1% drop Y/Y)
 - Results in revenue forecast of \$94.9M
 - \$5.9M unfavorable to budget
 - \$2.9M unfavorable Y/Y (-3.0%)
 - If slide continues, potentially another \$1-2M drop Y/Y



Fiscal Year 2017 Midyear Revenue Assumptions Summary

- **Non-Operating Revenue**
 - Sales tax (TDA/TransNet formula) receipts
 - 3.5% growth forecasted, but total receipts revised down after FY16 came in lower than projected
 - TDA will remain at budget utilizing reserve held by the County
 - TransNet unfavorable by \$1.1M in total (including BRT operating reimbursement)
 - Fastrak revenue decreasing by \$500K
 - Reserve revenue
 - \$2.0M carryover from FY16
 - \$650K from Taxicab Administration reserves, to offset lower revenue projections for permits and associated fees



Fiscal Year 2017 Midyear Revenue Summary (\$000s)

	FY 2017 Approved	FY 2017 Amended	Var.	Var. %
Passenger Revenue	\$ 100,809	\$ 94,874	\$ (5,935)	-5.9%
Other Operating Income	14,259	14,460	201	1.4%
Total Operating Income	\$ 115,068	\$ 109,334	\$ (5,734)	-5.0%
Federal	56,871	57,064	193	0.3%
TDA	60,030	60,030	-	0.0%
Transnet	37,481	36,335	(1,146)	-3.1%
STA	3,600	3,600	-	0.0%
Other	3,074	2,434	(640)	-20.8%
Total Subsidy	\$ 161,056	\$ 159,463	\$ (1,593)	-1.0%
Carryovers	-	2,000	2,000	-
Reserves	25	679	654	-
Total Revenue	\$ 276,149	\$ 269,476	\$ (4,673)	-1.7%

- Reserves relate to SD&AE and Taxicab Admin self funded activities.



Fiscal Year 2017 Midyear Expenses Assumption Summary

- **Personnel costs favorable by \$3.7M (2.9%)**
 - **\$1.9M favorable in Wages**
 - Favorable experience in Bus and Rail operating wages
 - One position adjustment at midyear
 - Trust Fund Administrator approved by the Board in November
 - **\$1.8M favorable in Fringe Benefits**
 - Favorable experience with Pension costs, Healthcare rates, Workers Compensation costs



Fiscal Year 2017 Midyear Expenses Assumption Summary - Continued

- **Outside Services unfavorable \$198K in total (-0.2%)**
 - **Engines & Transmissions**
 - \$1.1M unfavorable, high rates of failure in the first half
 - **Repairs & Maintenance Services**
 - \$913K favorable primarily within Rail Operations
 - **Other Outside Services: \$453K unfavorable**
 - Savings across agency being offset by \$864K added to the budget for Storm Water related expenses
 - **Purchased Transportation**
 - \$367K favorable due to reduced performance bonuses and standby service



Fiscal Year 2017 Midyear Expenses Assumption Summary - Continued

- Energy favorable \$1.3M in total (4.6%)
 - Rates for fuel close to original budget
 - Diesel/Gas/Propane:
 - \$1.2M favorable
 - Shift from Diesel to CNG in East County
 - Shift from Gas to Propane for Minibuses
 - CNG:
 - \$609K unfavorable
 - Increased usage
 - Traction power/Electricity:
 - \$682K favorable



Fiscal Year 2017 Midyear Expenses Assumption Summary - Continued

- **Materials and Supplies**
 - Favorable by \$359K
 - Certain types of non-maintenance supplies now being charged to G&A within SAP
 - 1/1/16 go live of SAP
 - Budgets built primarily on data from old financial systems
 - SAP automates where expenses are charged based on Material Groups
 - Reviewing these Material Groups, reallocating the budgets where necessary
- **General & Administrative**
 - Unfavorable by \$490K



Fiscal Year 2017 Midyear Expenses Summary (\$000s)

	FY 2017 Approved	FY 2017 Amended	Var.	Var. %
Personnel Expenses	\$ 129,330	\$ 125,641	\$ 3,690	2.9%
Outside Services	96,421	96,619	(198)	-0.2%
Materials and Supplies	11,353	10,995	359	3.2%
Energy	28,705	27,392	1,314	4.6%
Risk Management	4,040	4,114	(74)	-1.8%
Other	6,299	6,716	(417)	-6.6%
Total Expenses	\$ 276,149	\$ 271,476	\$ 4,673	1.7%



Fiscal Year 2017 Midyear Revenues less Expenses (\$000s)

	FY 2017 Approved	FY 2017 Amended	Var.	Var. %
Operating Revenues	\$ 115,068	\$ 109,334	\$ (5,734)	-5.0%
Subsidy Revenues	161,056	159,463	(1,593)	-1.0%
Carryover Revenues	-	2,000	2,000	-
Reserve Revenues	25	679	654	-
Total Revenues	\$ 276,149	\$ 271,476	\$ (4,673)	-1.7%
Total Expenses	276,149	271,476	4,673	1.7%
Revenues Less Expenses	\$ 0	\$ -	\$ (0)	-

- \$2M of FY16 Carryover being used to balance the budget



Fiscal Year 2017 Midyear Staff Recommendation

- That the Budget Development Committee forward a recommendation to the MTS Board of Directors to approve the Combined MTS FY 2017 Midyear Budget Amendment





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Agenda Item No. 4b

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BUDGET DEVELOPMENT COMMITTEE

February 23, 2017

SUBJECT:

FISCAL YEAR 2018 OPERATING BUDGET DISCUSSION (MIKE THOMPSON)

RECOMMENDATION:

That the Budget Development Committee receive a report regarding fiscal year (FY) 2018 operating budget development and provide guidance on budgetary issues.

Budget Impact

None at this time.

DISCUSSION:

Staff will review key assumptions and decision points for the development of the FY 2018 operating budget.

Time Line/Calendar of Budgetary Process

Attachment A provides a recommended budgetary process time line.

A handwritten signature in black ink, appearing to read 'Paul C. Jablonski', is written over a horizontal line.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Mike Thompson, 619.557.4557, mike.thompson@sdmts.com

Attachment: A. Calendar of Budgetary Process



**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FY 2018 BOARD MEETING CALENDAR**

Date	Meeting	Review Points
2/23/2017	Budget Development Committee	FY17 Midyear Amendment, FY18 CIP
3/9/2017	Finance Workshop	FY17 Midyear Amendment, FY18 CIP
3/16/2017 (Tentative)	Budget Development Committee	Initial FY18 Forecast: Revenues, Expenses, Policy Issues, Operational Issues
4/13/2017	Finance Workshop	Initial FY18 Forecast: Revenues, Expenses, Policy Issues, Operational Issues
4/20/2017 (Tentative)	Budget Development Committee	FY 2018 Draft Budget: Revenues, Expenses, Five Year Forecast, Budget Closure
5/11/2017	Public Hearing	Public Hearing, Board Adoption

Metropolitan Transit System FY 2018 Operating Budget High Level Assumptions

MTS Board of Directors
Budget Development Committee
February 23, 2017



1



Fiscal Year 2018 Revenue Assumptions

- Slowing growth in sales tax receipts revenue (TDA/TransNet)
 - Projected by SANDAG, 2.5% for TDA, 3.3% for TransNet
- TDA revenue allocation included reserves in FY17
 - Reserve projected to be close to 5% target, no more supplements
 - TDA allocation in FY18 will be down, \$1M drop in the Operating Budget
- Federal revenue in operating budget will increase by \$2.0M
 - Tied to preventive maintenance costs
 - Results in TDA being shifted into CIP
- \$2M Carryover reserves in FY17, no reserves included at this point
- Passenger levels
 - Down in FY16 and FY17
 - Optimistic outlook that this is the bottom, projecting 1% growth
- Other Operating Revenues consistent with FY17



Fiscal Year 2018 Expense Assumptions

- **Service level assumptions**
 - Fixed Route service levels stable
 - ADA Paratransit service levels same as FY17
- **Personnel Costs**
 - 30 additional CCI approved by the Board
 - No other anticipated headcount changes at this point
 - Management merit increases assumed at 2.5% (down from 3.5%)
 - Performance Improvement Plan reduced from 1.5% to 0.75%
 - Union wage inflation of 4.5% year over year
 - Pension costs will increase 2-3% in total
- **Purchased Transportation**
 - Fixed Route - Transdev rate increases by 1.3%
 - ADA - First Transit rate increases by 4.9%
 - Minibus - First Transit rate increases by 3.2%



Fiscal Year 2018 Expense Assumptions

- **Energy**
 - Diesel/Gasoline
 - Usage will continue to decline with continued shift to propane
 - Commodity costs projected to increase by 3-5% year over year
 - CNG commodity prices up 4-5% year over year
 - Electricity also assumed at 5% year over year
 - Currently no plan to hedge CNG and/or Electricity commodity prices
 - Premium price to lock in budget certainty
- **Risk - Expect \$2M settlement within FY18**
- **All other expense categories increasing by general inflation**
 - Assuming 3% in this projection



Fiscal Year 2018 Preliminary Projection

	FY 2017 Projection	FY 2018 Projection	Var.	Var. %
Operating Revenues	\$ 109,333	\$ 110,426	\$ 1,093	1.0%
Subsidy Revenues	159,456	161,256	1,800	1.1%
Carryover Revenues	2,000	-	(2,000)	-
Reserve Revenues	675	675	-	-
Total Revenues	\$ 271,464	\$ 272,357	\$ 893	0.3%
Total Expenses	271,464	279,633	(8,169)	-3.0%
Revenues Less Expenses	\$ (0)	\$ (7,276)	\$ (7,276)	-

- Excluding the \$2M Risk Settlement, expense growth of 2.3%



Fiscal Year 2018 Options

- One time options
 - Reserve utilization
 - Anticipate additional revenues for sales tax or new programs at the state level
 - Adjust the revenue sharing between Capital and Operations
- Options to recurring revenue or expenses
 - Raise fares to generate revenue (Fare Study)
 - Additional operating revenues
 - Passenger growth above 1%?
 - Other revenue opportunities
 - Transit Optimization Plan (TOP)
 - Adjust service to reduce expenses
 - Adjust service to reduce poor performing routes and augment higher performing routes, which could generate additional revenue



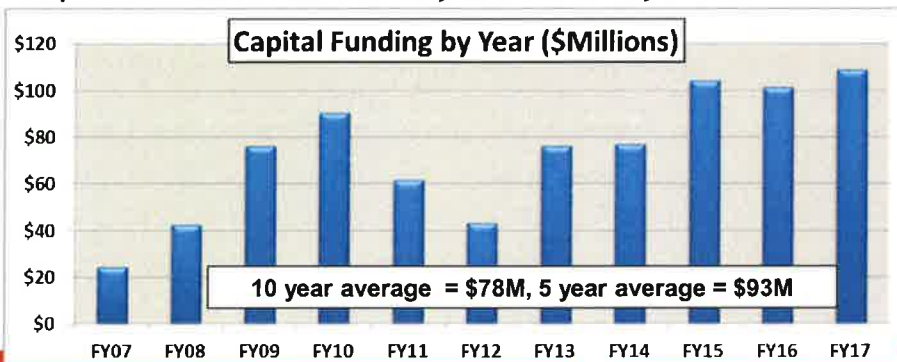
Fiscal Year 2018 Options

- One-time funding: Contingency Reserves
 - Balance at June 30, 2016 of \$34.4M
 - 12.7% of FY17 Midyear Operating expenses
 - A reduction of \$5M would take that percentage down to 10.8%
- Potential new revenue sources at the State level
 - Cap-and-Trade - Governor proposes additional pools of money for Capital, but dependent on new legislation and auction proceeds
 - LCTOP (formula) - \$363M increase in pool, which could be \$17M for MTS
 - TIRCP (discretionary) - \$400M increase in pool
 - These projects primarily focus on rail and must reduce GHGs, expand ridership, increase safety
 - Senate Bill 1 and Assembly Bill 1 - potential to double STA pool
 - \$13M for MTS
 - Not supported by the Governor, tied to other programs



Fiscal Year 2018 Options

- One-time funding: Shift from Capital
 - Over the last decade, MTS has made funding Capital a priority to bring the system up to a state of good repair
 - Bus fleet replacement plan shifted to manageable year by year
 - U2 fleet replaced, \$48M saved towards SD100s
 - Complete rehabilitation of the Blue Line, Orange Line rehab is underway
 - Replaced both the East County and South Bay Bus facilities



Fiscal Year 2018 Options

- One-time funding: Shift from Capital continued

- 15 year projection
- Agency wide exercise
- State of Good repair capital needs
- Other administrative/operation needs
- No anticipated expansion
- Forecasted need of \$80M per year

Projects (\$ millions)	15 Year Total	Yearly Average
<u>Fleet Replacement</u>		
Bus Fleet	\$ 553	\$ 37
LRV Fleet	308	21
Subtotal	\$ 861	\$ 57
<u>Non-Fleet Projects</u>		
Rail	\$ 221	\$ 15
Bus	42	3
Admin	81	5
Subtotal	\$ 343	\$ 23
Total	\$ 1,204	\$ 80



Fiscal Year 2018 Options

- One-time funding: Shift from Capital continued
 - 15 year projection of Capital revenue
 - Start with FY18 recurring revenue as baseline
 - \$65M per year is 81% of the projected \$80M per year need
 - Non-recurring funding over FY07-17 was \$360M
 - Prop 1B and ARRA was \$204M
 - All other sources totaled \$156M

Revenue (\$ millions)	Current Year	15 Year Total	Yearly Average
<u>Recurring</u>			
Federal	\$ 17	296	\$ 20
TDA	31	543	36
STA	9	134	9
Total	\$ 57	\$ 972	\$ 65



Fiscal Year 2018 Options

- Recurring revenue - Fare increases
 - Last fare increase was in July 2009
 - Possible scenarios:
 - \$4 Adult pass increase, \$2 Youth, \$1 SDM results in \$1.9M increase in revenue
 - \$0.50 increase in Day Pass cost would generate \$3.1M
 - Increase Disabled/Medicare to \$24, leave Seniors at \$18, estimated \$1.5-2M
 - (Revenue changes are based on annual passes sold in the last year, without trying to factor in fare erosion or shifting buying patterns)

Pass Type	Annual Passes Sold	Current Price	Proposed Price	Change	% Change	Revenue Increase
Adult	245,200	\$ 72	\$ 76	\$ 4	5.6%	\$ 980,800
Youth	206,900	36	38	2	5.6%	413,800
SDM	411,800	18	19	1	5.6%	411,800
Premium	15,600	100	105	5	5.0%	78,000
Total						\$ 1,884,400

Day Passes	6,200,000	5.00	5.50	0.50	10.0%	3,100,000
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Fiscal Year 2018 Options

- Recurring expense reduction - Service changes
 - Transit Optimization Plan currently underway
 - Analysis of existing service
 - Presenting options to the EC in April
 - Public outreach in May
 - Targeting September/January implementation
 - Service cuts could be recommended to poor performing routes
 - At this point, the plan would be to reinvest any savings back into areas where additional service is recommended
 - The potential to grow passenger levels and fare revenue



Fiscal Year 2018 Action Plan

- Deficit of \$7-8M
 1. Shift \$5M from Capital for FY18
 2. Zero based budgeting process to review all revenues and expenses
 3. Wait before making drastic service cuts
 - Continue to monitor passenger levels and sales tax trends
 - Keep service levels stable
 - Realigned based on TOP and route performance
 4. Project additional passenger revenue growth based on TOP
 5. Pursue fare increases



Fiscal Year 2018 Budget Development Calendar

<u>Date</u>	<u>Meeting</u>
2/23/2017	Budget Development Committee
3/9/2017	Finance Workshop
Late March	Budget Development Committee
4/13/2017	Finance Workshop
Late April	Budget Development Committee
5/11/2017	Public Hearing





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Agenda Item No. 4C

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BUDGET DEVELOPMENT COMMITTEE

February 23, 2017

SUBJECT:

FISCAL YEAR 2018 CAPITAL IMPROVEMENT PROGRAM (MIKE THOMPSON)

RECOMMENDATION:

That the Budget Development Committee forward a recommendation that the Board of Directors:

1. Approve the fiscal year 2018 Capital Improvement Program (CIP) with the estimated federal and nonfederal funding levels (Attachments A and B). As the federal appropriation figures are finalized and/or other project funding sources become available, allow the Chief Executive Officer (CEO) to identify and adjust projects for the adjusted funding levels;
2. Recommend that the San Diego Association of Governments (SANDAG) Board of Directors approve the submittal of Federal Section 5307 and 5337 applications for the MTS fiscal year 2018 CIP (shown in Attachment A);
3. Recommend that the SANDAG Board of Directors approve amendment number 3 of the 2016 Regional Transportation Improvement Program (RTIP) in accordance with the fiscal year 2018 CIP recommendations.

Budget Impact

The total estimated funding for fiscal year 2018 is \$125.6 million (Attachment A). After the utilization of \$52.0 million in preventative maintenance, \$4.3 million for Americans with Disabilities Act (ADA) Operation (funding the fiscal year 2017 operating budget), and funding for SANDAG planning studies totaling \$199,000, \$69.1 million is available for capital projects.



DISCUSSION:

Federal Funding

On December 4, 2015, President Obama signed the Fixing America's Surface Transportation (FAST) Act, reauthorizing surface transportation programs through Federal fiscal year 2020. FAST establishes the legal authority to commence and continue FTA programs. Each reauthorization amends the Federal Transit Laws codified in 49 USC Chapter 53.

FAST provides for the following funding streams MTS commonly receives:

- 5307 Urban Area Formula Grants for capital improvements and preventative maintenance
- 5311 Formula Grants for Rural Areas for capital improvements and to supplement operating costs
- 5337 State of Good Repair Funding for capital improvements and preventative maintenance
- 5339 Bus and Bus Facilities Funding for capital improvements

The fiscal year 2018 MTS CIP (Attachments A and B) will serve as the basis for the federal formula grant applications. The FTA requires submission of grant applications to obligate annual appropriations under Sections 5307, 5337, and 5339. The funding levels for each section (as indicated in Attachment A) this year are based on the actual apportionments published for the region.

As the region's Metropolitan Planning Organization (MPO), SANDAG apportions the 5307, 5337, and 5339 formula funds between MTS and the North County Transit District (NCTD) based on service area populations. Prior to the apportionments, SANDAG deducts funds from Section 5307 for funding the region's vanpool program. MTS receives approximately 70 percent while NCTD receives approximately 30 percent of these federal formula funds.

Section 5307 Urbanized Area Formula Program is a block grant program in which each urbanized area over 50,000 in population receives financial assistance to provide public transit. The formula for determining each metropolitan area's share of funds is based on an urbanized area's population, population density, levels of existing fixed-guideway service, and levels of existing bus service and ridership. The Section 5307 program is designed to meet routine capital needs and may not be used for operating assistance. However, the Transportation Equity Act for the 21st Century (TEA-21) expanded the definition of capital to include preventative maintenance, thereby, in effect, mitigating the relative lack of federal assistance for operations. In addition to the expanded definition of capital, the Section 5307 Urbanized Area Formula Program also allows for a maximum of 10 percent maximum of the allocation to support operations of ADA complementary paratransit service.

For federal fiscal year 2017, the estimated allocation for the MTS Section 5307 program is \$43.0 million, which would be matched with local funds of \$10.7 million. This program would provide an estimated \$53.7 million to fund MTS's fiscal year 2018 CIP.

Section 5337 is a new formula-based State of Good Repair program dedicated to repairing and upgrading the nation's rail transit systems along with high-intensity motor bus systems that use high-occupancy vehicle lanes, including bus rapid transit (BRT).

Section 5337 includes funding previously provided through section 5309 Fixed Guideway Rail Modernization Formula Program. Projects are limited to replacement and rehabilitation or capital projects required to maintain public transportation systems in a state of good repair.

Section 5337 SGR funds are allocated on a formula basis to rail systems that have been in operation for at least seven years. For federal fiscal year 2017, the Section 5337 funds MTS allocation estimate is \$26.9 million and will be matched with local funds of \$6.7 million. The program will provide an estimated \$33.6 million to fund MTS's fiscal year 2018 CIP.

Section 5339 funding provides capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. For federal fiscal year 2017, the Section 5339 funds MTS allocation estimate is \$3.5 million and will be matched with local funds of \$871,000. The program will provide an estimated \$4.4 million to fund MTS's fiscal year 2018 CIP.

The FTA funding is structured on a reimbursement basis (after expenses are incurred). Local funding (Transportation Development Act (TDA)/ State Transit Assistance (STA) /TransNet) is scheduled at the beginning of each fiscal year and received on a monthly basis. In many situations, local funds are received before expenses are incurred.

Local Match

The local match for CIP projects will come from the pooled transit finances for the MTS region. While it is likely that the actual funds used would be TDA funds, final decisions on the matching source would be made during the fiscal year 2018 CIP implementation process in order to maximize the availability and flexibility of funding.

Other Revenue

MTS receives State Transit Assistance (STA) funding from the Public Transportation Act, which derives its revenue from the state sales tax on diesel fuels. The estimated STA funding for fiscal year 2018 is \$12.5 million, of which \$8.9 million is planned in CIP with the remaining \$3.6 million planned for the operating budget.

MTS anticipates receiving its apportionment of \$2.2 million in Proposition 1B – Transit Security Grant Program (TSGP) for fiscal year 2018. This funding was authorized by the California Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006, which was approved by the voters as Proposition 1B at the November 7, 2006 general election. It authorized the issuance of general obligation bonds for specified purposes, including grants for transit system safety, security and disaster response projects.

The 2014-15 State of California Budget provides \$832 million to the Greenhouse Gas Reduction Fund (GHGRF) from Cap-and-Trade auction proceeds to support existing and pilot programs that will reduce GHG emissions and benefit disadvantaged communities. Transit operators are eligible recipients for several of the programs which will be funded from the GHGRF, most of which are competitive programs.

The Low Carbon Transit Operations Program (LCTOP) has \$34 million in total funding that will be distributed by the same formula as STA funding. MTS will receive \$1.7 million in fiscal year 2018. This funding will be used in conjunction with previously received Cap-and-Trade funding from the Transit and Intercity Rail Capital Program, and will be used to purchase nine Siemens SD8 light rail vehicles.

Development of the MTS Fiscal Year 2018 CIP

The CIP process began in October 2016 with the call for projects. The recommended CIP assumes funding \$52.0 million for preventative maintenance, \$4.3 million for ADA Operation, and \$199,000 in SANDAG planning studies. The remaining submitted projects compete for the balance of available funding. The list of projects is also subject to an analysis based on social equity principles. This process assures that the benefits and burdens of transit investment are shared equitably throughout the MTS service area. A series of maps are used to detail the results of this analysis.

A meeting of the Capital Projects Review Committee (CPRC) was held to review the project list and to develop a CIP recommendation for fiscal year 2018. In accordance with the Capital Projects Selection Process, the CPRC is comprised of representatives from MTS Bus, MTS Rail, MTS Administration, and SANDAG. Each CPRC member was responsible for submitting the capital requests for its division, agency, or city. The CPRC reviewed and approved the prioritization of those capital requests.

The capital project list (Attachment B) represents the five-year, unconstrained need for the MTS operators. Each MTS agency submitted its capital project requests in priority order, and the lists were consolidated for review by the CPRC. The CPRC reviewed the projects in the context of their impact on operations and determined the most critical projects to fund this year. The remaining projects were deferred; however, it is recognized that the continued deferral of some projects could have negative impacts on system infrastructure in future years.

Fiscal Year 2018 CIP Funded Projects

Of the \$69.1 million available after preventative maintenance and SANDAG planning studies, \$17.3 million (or 25 percent) has been dedicated to Rail Revenue Vehicles, \$17.0 million (or 25 percent) has been dedicated to Bus Revenue Vehicles and \$34.8 million (or 50 percent) has been dedicated to Facility & Construction Projects.

The table below is a summary of the CPRC recommendations, the major categories that are proposed to be funded, and the percentage of total available funding.

Capital Project Categories	Funding (000s)	% of Total
Rail Revenue Vehicles	\$ 17,336	25%
Bus Revenue Vehicles	17,041	25%
Facility & Construction Projects	5,073	7%
Rail Infrastructure	21,081	31%
Other Equipment & Installations	8,529	12%
Grand Total	\$ 69,059	100%

A full listing of projects with respective funding levels is available within Attachment B, and brief descriptions are included in Attachment D. A couple projects of note:

- SD100 Replacement – Funding of \$13.7 million will be added to the \$28.4 million previously funded for the replacement of the SD100 fleet. There will be 43 vehicles that will need to be replaced by 2025, with a total estimated cost of over \$200 million.
- Fare System Upgrade – Funding of \$5.0 million will be added to the \$8.7 million previously funded for the replacement of the existing fare system. This will include the replacement of trolley ticket vending machines.

Five-Year Capital Program Projections

Attachment C summarizes a high-level look at the five-year capital program. The federal 5307 and 5337 funding levels are projected by SANDAG to increase by 2 percent for fiscal year 2019 & 2020 then hold flat through 2022. Cumulative total capital needs for the five-year period exceed the available projected funding levels. Total project needs over the five-year term are projected to be \$407.6 million. Projected deficits from fiscal year 2018 to fiscal year 2022 total \$54.1 million. The ratio of total funding to total capital needs over the five-year term is projected at 86.7 percent.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Mike Thompson, 619.557.4557, mike.thompson@sdmts.com

- Attachments:
- A. Fiscal Year 2018 Funding Sources
 - B. Fiscal Year 2018 Capital Improvement Projects List
 - C. Funding Compared to Capital Needs for Fiscal Years 2018 – 2022
 - D. Fiscal Year 2018 Project Descriptions

San Diego Metropolitan Transit System FY 2018 Funding Sources (\$000s)

Funding Description	Total
Federal FFY17 - 5307 Funding Estimate	\$ 42,977
Federal FFY17 - 5337 Funding Estimate	26,893
Federal FFY17 - 5339 Funding Estimate	3,482
California Transportation Development Act (TDA)	33,561
California State Transit Assistance (STA)	8,900
California Proposition 1B - Security	2,224
California Cap and Trade (LCTOP)	1,700
SD&AE Desert Line	1,000
CNG Rebates	4,100
Other - Local Funds	720
Total Available Funding	\$ 125,557
Preventive Maintenance - Federal 5307	\$ (25,107)
Preventive Maintenance - Federal 5337	(26,893)
ADA Operation - Federal 5307	(4,298)
SANDAG Planning Study - FFY17 Local Match	(199)
Total Preventative Maintenance/SANDAG Planning	\$ (56,497)
Available Funding for Capital Program	\$ 69,060

**San Diego Metropolitan Transit System
Capital Improvement Program - B (\$000s)
Fiscal Year 2018**

ATTACHMENT B

Project Description	Funding Thru FY 2017	FY 2018 Funded	FY 2018 Unfunded	FY 2019	FY 2020	FY 2021	FY 2022	5 Year Total
								-
SD100 Replacement	28,386	13,736	5,000	15,589	14,000	14,000	29,000	91,325
FY18 Bus Procurement	26,800	12,697	-	17,600	31,186	35,426	37,090	133,999
Courthouse Station	5,927	5,073	-					5,073
Fare System Upgrades	8,700	5,000	-	12,500	10,000			27,500
FY18 ADA Bus Procurement	-	3,764	1	4,000	3,600	3,300	3,300	17,965
SD8 Procurement (9)	35,676	3,600	-	1,696				5,296
Catenary and Catch Cable Improvement Project	4,231	2,950	-	1,716	1,716	1,716		8,098
OL Tie Replacement	2,364	2,800	-	2,000	2,000	2,000	2,000	10,800
Substation DC Feeder Breaker - GL	2,200	2,270	-	3,300				5,570
System Wide CCTV	-	2,224		-	-	-	-	2,224
Substation SCADA	3,541	1,150	-					1,150
Railroad Worker Safety Equipment	-	1,100						1,100
OL Station Track Replacement - Amaya & Grossmont	-	1,050	-	1,000	1,000	1,000	1,000	5,050
Miscellaneous Capital	1,800	1,000	-	1,000	1,000	1,000	1,000	5,000
SD7 Wheelset Overhaul	1,750	1,000	-					1,000
Bus Bench	875	750	-	-	-	-	-	750
University Ave Bus Lane Pavement Rehabilitation	-	719	-					719
SDSU Smoke Control System Upgrade	-	700	-					700
Shelter Replacement - Amaya, Arnele, Gillespie	894	636	-					636
CTC System Technology Refresh	-	600	-	1,115	-	-	-	1,715
FY18 Mid-size Bus Procurement (Rural)	-	580	-	-	1,160	-	-	1,740
RTMS Expansion - Mini Bus Fleet	475	505	-					505
SDSU Fire Alarm - Ventilation System Upgrade	350	500	-					500
Building A Fall Protection	200	464	-					464
Transit Service Trucks	320	380	-					380
Server Refresh	265	320	-	270	210	210	265	1,275
25th & Commercial Crossover (Design)	-	300	-	1,660				1,960
Shelter Replacement - El Cajon Transit Center	730	255	-					255
Euclid and University Ave Crossing	805	251	-	1,000	1,000	1,000	1,000	4,251
Fashion Valley Stair Replacement	-	240	-					240
KMD Concrete Lot - Phase II	225	221	-					221
C Building AUX Power Supplies	-	221	-					221
Document Management Replacement & Expansion	-	200	-	-	-	-	-	200
Systemwide UPS & Batteries Upgrade	-	200	-					200
Interlocking E22-24, 26 (Design)	-	200	-	500				700
Emergency Return SDTI Elevators	-	195	-					195
IAD Asphalt Repair & Striping		180	-					180
Vintage Trolley Restoration	170	170	-					170
SDTI Facility HVAC	93	155	-	75	75	75	75	455
Replacement Elevator - Fashion Valley - Design	-	130	-	1,100				1,230
IAD Chassis Wash Lift Replacement	-	121	(1)					120
Green Line Bench Replacement	-	115	-					115
Application & Real-Time Feed	-	105	-	-	-	-	-	105
Station Cleaning Equipment	211	85	-	75	75	75	75	385
Digital Interactive Kiosks	-	80	-	80	80	-	-	240
Building C Fall Protection	410	68	-					68
Bus Shelters	2,943	-	-	1,000	1,400	1,400	-	3,800
SBBMF Netting Install	-	-	104					104
ECBMF Netting Install	-	-	104					104

**San Diego Metropolitan Transit System
Capital Improvement Program - B (\$000s)
Fiscal Year 2018**

ATTACHMENT B

Project Description	Funding Thru FY 2017	FY 2018 Funded	FY 2018 Unfunded	FY 2019	FY 2020	FY 2021	FY 2022	5 Year Total
Safety Video Monitors for Buses	-	-	96					96
IAD Annex AC Replacement	-	-	78					78
IAD Crew Room Restroom Rehabilitation	-	-	61					61
KMD Roof Replacements	-	-	-	450				450
SB Maintenance Floor Replacement	-	-	-	350				350
IAD & KMD Energy Saving Lights	-	-	-	185				185
Rapid Bus Safety Handrail Install	-	-	-	180				180
IAD RAM Maintenance Floor Finish	-	-	-	150				150
IAD Tire Storage Shelter	-	-	-	100				100
IAD Crew Room Vending Machine Enclosure	-	-	-	100				100
KMD HVAC Replacement	-	-	-	-	250			250
KMD Bus Wash Replacement	-	-	-	-	-	300		300
KMD Shop Hoists	-	-	-	-	2,750	-		2,750
Orbital Equipment & Radio	-	-	-	-	-	8,250	-	8,250
Motorola Equipment Upgrade	-	-	-	-	1,750	-	-	1,750
HASTUS Upgrade	-	-	-	-	2,000	-	-	2,000
Grade Crossing Replacement - GL	3,405	-	-	2,000	2,000	2,000	2,000	8,000
Substation Replacement	-	-	-		4,250	4,200	4,200	12,650
Beyer Track and Slope	-	-	5,192					5,192
Downtown Parallel Feeder Cable Replacement	-	-	2,625					2,625
Building C Roof Replacement	-	-	1,500					1,500
A Yard Track work (Design)	-	-	200					200
Building A, B, C Office Improvement	-	-	150					150
A Yard Portable Shop Replacement	-	-	150					150
Hegenscheidt Overhaul	-	-	-	500				500
BL Turnout S34 Replacement	-	-	310					310
Substations AC Main Disconnect Replacement	-	-	250	2,000	2,000			4,250
C Yard Expansion	-	-	250				4,443	4,693
Skidsteer Tractor	-	-	71					71
OL Parking Lots	-	-	-	535				535
Fencing Replacement on OL & BL	-	-	-	365				365
SD7 Battery Replacement	-	-	-	205				205
Building C Door Replacement	-	-	-	200				200
C1 East Fall Protection	-	-	-	200	464			664
SD7 Coupler Replacement	-	-	-		750	750		1,500
SD7 HVAC Overhaul	-	-	-		200			200
SD7 APS Overhaul	-	-	-		200			200
LRV 1001 Restoration	-	-	-		125			125
Qualcomm Station Stair Replacement	-	-	-			250		250
Total Funding Requirement	\$ 133,746	\$ 69,060	\$ 16,141	\$ 74,796	\$ 85,241	\$ 76,952	\$ 85,448	\$ 407,638

**San Diego Metropolitan Transit System
Funding Compared to Capital Needs (\$000s)
Fiscal Years 2018-2022**

	Proposed FY18	Projected FY19	Projected FY20	Projected FY21	Projected FY22	Total FY18 to FY22
Total Revenues						
Recurring Dedicated CIP Revenues	\$ 113,613	\$ 120,510	\$ 122,447	\$ 122,447	\$ 122,447	\$ 601,464
Other Non Recurring Revenues	11,944	5,800	5,800	5,800	5,800	35,144
Total Capital Revenues	\$ 125,556	\$ 126,310	\$ 128,247	\$ 128,247	\$ 128,247	\$ 636,608
Less: "Off the Top" Expenses						
SANDAG Planning Studies	\$ (199)	\$ (190)	\$ (190)	\$ (190)	\$ (190)	\$ (961)
ADA Operation	(4,298)	(4,384)	(4,471)	(4,471)	(4,471)	(22,095)
Preventative Maintenance	(52,000)	(52,000)	(52,000)	(52,000)	(52,000)	(260,000)
Total "Off The Top" Expenses	(56,497)	(56,574)	(56,662)	(56,662)	(56,662)	(283,056)
Adjusted Available CIP Revenues	\$ 69,059	\$ 69,736	\$ 71,586	\$ 71,586	\$ 71,586	\$ 353,552
Total Project Needs	85,200	74,796	85,241	76,952	85,448	407,637
Total Deficit	\$ (16,141)	\$ (5,060)	\$ (13,656)	\$ (5,367)	\$ (13,863)	\$ (54,085)
% of Funding / Needs	81.1%	93.2%	84.0%	93.0%	83.8%	86.7%
Accumulated Deficit	\$ (16,141)	\$ (21,201)	\$ (34,856)	\$ (40,223)	\$ (54,085)	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CAPITAL BUDGET - INDIVIDUAL PROJECT DESCRIPTION FOR FISCAL YEAR 2018 (in 000's)
ATTACHMENT D

The Capital Improvement Program includes improvements and replacement projects related to MTS, SDTC, and SDTI Capital Assets. The projects below are funded with Federal funds where indicated and are matched with the required amount of local funds. The projects listed are implemented by the project manager of the coinciding agency and monitored by MTS administration.

Project	Title	FY18 Budget	Federal	Local	Other	Project Manager
20020027	<u>SD100 Replacement</u> Replacement of SD100 light rail vehicle fleet.	13,736	-	13,736	-	Andy Goddard
New	<u>FY18 Bus Procurement</u> Procurement of 40' & 60' CNG buses.	12,697	10,292	2,405	-	Ray Thompson
20040075	<u>Courthouse Station</u> Construction of the Courthouse Station.	5,073	-	5,073	-	Michael Diana
10090049	<u>Fare System Upgrades</u> For future fare system upgrade.	5,000	-	5,000	-	Paul Jablonski
New	<u>FY18 ADA Bus Procurement</u> Procurement of ADA buses.	3,764	2,652	1,112	-	Jay Washburn
20021029	<u>SD8 Procurement (9)</u> Procurement of 9 SD8 light rail vehicles.	3,600	-	3,600	-	Andy Goddard
1129200	<u>Catenary and Catch Cable Improvement Project</u> To install catch cables and resets balance weight heights.	2,950	2,360	590	-	Dale Neuzil
20050072	<u>OL Tie Replacement</u> Replacement of railroad tie on Orange Line.	2,800	-	2,080	720	Gabriel McKee
20050028	<u>Substation DC Feeder Breaker - GL</u> Replacement of rectifier and DC breakers on TPS substations.	2,270	-	2,270	-	Thang Nguyen
New	<u>System Wide CCTV</u> For install, upgrade and maintenance CCTV equipment.	2,224	-	2,224	-	Thang Nguyen
1144000	<u>Substation SCADA</u> Substations upgrade to provide remote monitoring and control.	1,150	920	230	-	Andre Tayou
New	<u>Railroad Worker Safety Equipment</u> Procurement of railroad safety equipment.	1,100	-	1,100	-	Fred Byle
New	<u>OL Station Track Replacement - Amaya & Grossmont</u> Track replacement for Amaya and Grossmont Trolley Station	1,050	-	1,050	-	Gabriel McKee
10090042	<u>Miscellaneous Capital</u> This project provides funding any emergency/unanticipated projects.	1,000	-	1,000	-	Paul Jablonski
20031009	<u>SD7 Wheelset Overhaul</u> Complete overhaul of the S70 LRV truck and wheelset.	1,000	-	1,000	-	Andy Goddard
30060069	<u>Bus Bench</u> Replacement of existing bus benches.	750	-	750	-	Rob Schupp
New	<u>University Ave Bus Lane Pavement Rehabilitation</u> Rebab. asphalt paving along the bus lanes and bus stops.	719	-	719	-	Hamed Hashemia
New	<u>SDSU Smoke Control System Upgrade</u> Upgrade the SDSU Station LONWorks based control system.	700	-	700	-	Thang Nguyen
20060064	<u>Shelter Replacement - Amaya, Arnele, Gillespie</u> Replacement of existing bus shelters.	636	-	636	-	Michael Diana
New	<u>CTC System Technology Refresh</u> Centralized Train Control System Technology Refresh	600	-	600	-	Sandra Bobek
New	<u>FY18 Mid-size Bus Procurement (Rural)</u> Procurement of Mid-size buses.	580	450	130	-	Mike Daney
30090002	<u>RTMS Expansion - Mini Bus Fleet</u> RTMS equipment for mini bus fleet.	505	380	125	-	Jay Washburn
20060047	<u>SDSU Fire Alarm - Ventilation System Upgrade</u> Retrofitting Jet Fans, Fire Dampers, and Duct work at SDSU.	500	-	500	-	Thang Nguyen
20060033	<u>Building A Fall Protection</u> To Install catwalk in building A to provide fall protection.	464	-	464	-	Michael Diana
30080052	<u>Transit Service Trucks</u> Replacement of four service trucks for San Diego Transit.	380	-	380	-	Mike Daney
10071005	<u>Server Refresh</u> Replacement of computer servers.	320	-	320	-	Jon Saul

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CAPITAL BUDGET - INDIVIDUAL PROJECT DESCRIPTION FOR FISCAL YEAR 2018 (in 000's)
ATTACHMENT D

The Capital Improvement Program includes improvements and replacement projects related to MTS, SDTC, and SDTI Capital Assets. The projects below are funded with Federal funds where indicated and are matched with the required amount of local funds. The projects listed are implemented by the project manager of the coinciding agency and monitored by MTS administration.

Project	Title	FY18 Budget	Federal	Local	Other	Project Manager
New	<u>25th & Commercial Crossover (Design)</u> Design work for replacement of a new double crossover.	300	-	300	-	Gabriel McKee
20060065	<u>Shelter Replacement - El Cajon Transit Center</u> To replace shelter at El Cajon Transit Center.	255	-	255	-	Michael Diana
20050048	<u>Euclid and University Ave Crossing</u> Upgrade the crossings and be in compliance with CPUC.	251	-	251	-	Thang Nguyen
New	<u>Fashion Valley Stair Replacement</u> To replace stair at Fashion Valley.	240	-	240	-	Rolando Montes
30061019	<u>KMD Concrete Lot - Phase II</u> To complete KMD concrete lot resurfacing.	221	-	221	-	Eli Belknap
New	<u>C Building AUX Power Supplies</u> To provide DC electrical service to building C.	221	-	221	-	Andy Goddard
New	<u>Document Management Replacement & Expansion</u> Replacement of AppXtender Document Manager.	200	-	200	-	Gary Dexter
New	<u>Systemwide UPS & Batteries Upgrade</u> Replacement of uninterruptible power supply (UPS) and Batteries.	200	-	200	-	Thang Nguyen
New	<u>Interlocking E22-24, 26 (Design)</u> Design work for a fully interlocked train control system.	200	-	200	-	Thang Nguyen
New	<u>Emergency Return SDTI Elevators</u> Install Emergency Return System on SDTI Elevators.	195	-	195	-	Rolando Montes
New	<u>IAD Asphalt Repair & Striping</u> Repair of damaged asphalt in bus parking areas at IAD.	180	-	180	-	Eli Belknap
20031007	<u>Vintage Trolley Restoration</u> To restore PCC vintage trolley.	170	-	170	-	Andy Goddard
20060074	<u>SDTI Facility HVAC</u> To replace SDTI Facility HVAC system.	155	-	155	-	Rolando Montes
New	<u>Replacement Elevator - Fashion Valley (Design)</u> Design work for replacement elevator at Fashion Valley.	130	-	130	-	Michael Diana
New	<u>IAD Chassis Wash Lift Replacement</u> Replacement of in-ground platform lift.	121	-	121	-	Eli Belknap
New	<u>Green Line Bench Replacement</u> Replace benches on Green Line Trolley Stations.	115	-	115	-	Rolando Montes
New	<u>Application & Real-Time Feed</u> New application to provide real-time feed.	105	-	105	-	Gary Dexter
20080013	<u>Station Cleaning Equipment</u> Purchase of station cleaning equipment.	85	-	85	-	Rolando Montes
New	<u>Digital Interactive Kiosks</u> To install interactive customer information kiosks.	80	-	80	-	Rob Schupp
20060054	<u>Building C Fall Protection</u> To install catwalk in building C to provide fall protection.	68	-	68	-	Michael Diana
Totals		\$ 69,060	\$ 17,054	\$ 51,286	\$ 720	

Metropolitan Transit System FY18 Capital Improvement Program (CIP)

Budget Development Committee
February 23, 2017



Development of the FY18 CIP

- Began October 2016 with the request for projects
- Capital Projects Review Committee (CPRC) meeting was held to discuss the priority project list. The CPRC is comprised of:
 - Bus Operations
 - Rail Operations
 - Administration
 - SANDAG Engineering
- Each Committee member was responsible for submitting, prioritizing and discussing their capital requests for the agency and cities it serves.
 - Projects with operational, safety needs are priority 1
- The Committee reviewed and the CEO approved the prioritization of the capital requests
 - All priority 1 projects were approved
- The project list is also subject to an analysis based on social equity principles and there was no disproportionate impact on Low Income/Minority populations



CIP Project Highlights - Bus

- Bus Revenue Vehicles
 - Plan tries to normalize the funding and number replaced each year to avoid spikes
 - \$17.0M funding in FY18
 - Typically fund around \$30M per year
 - With funding from FY17, will be placing orders of \$40M

	40 ft.	60 ft. Artics	Commuter Express	Minibuses	ADA Minibuses
Buses in Fleet	472	86	25	40	183
Useful Life	12	15	12	7	5
Replacing	46	10	-	3	35
Cost per Bus	\$534K	\$974K	\$750K	\$187K	\$112K



CIP Project Highlights - Rail

- SD100 Replacement
 - Current cost of \$4.1M per LRV
 - 43 SD100s to replace by 2025
 - \$14M funding in FY18
 - \$48M in total funding to date
- Courthouse Station
 - \$5.1M of funding in FY18
 - \$11.0M total project cost, partially funded with CA Cap-and-Trade grant funding
 - Anticipated to be completed in FY18
 - 9 additional LRVs as part of this grant, \$3.6M funding in FY18



CIP Project Highlights - Admin

- Fare System Upgrades
 - Next generation software system
 - Concept of Operations (ConOps)
 - Review of current system components
 - Detailed requirements for new system
 - Infrastructure near end of useful life
 - Ticket Vending Machines in stations
 - Driver Control Units on buses
 - Replacement dependent on software system
 - Total project cost estimate still to be determined
 - \$5.0M funding in FY18
 - \$13.7M in total funding to date



CIP Project Highlights - Other projects

- 25 Rail projects
 - Focused on:
 - Orange Line rehabilitation
 - LRV projects
 - Facility and station improvements
 - Short descriptions of each project included in Attachment D
 - \$17.2M in total

Project	Funding
Catenary and Catch Cable Improvement Project	2,950
OL Tie Replacement	2,800
Substation DC Feeder Breaker - GL	2,270
Substation SCADA	1,150
Railroad Worker Safety Equipment	1,100
OL Station Track Replacement - Amaya & Grossmont	1,050
SD7 Wheelset Overhaul	1,000
SDSU Smoke Control System Upgrade	700
Shelter Replacement - Amaya, Arnele, Gillespie	636
SDSU Fire Alarm - Ventilation System Upgrade	500
Building A Fall Protection	464
25th & Commercial Crossover (Design)	300
Shelter Replacement - El Cajon Transit Center	255
Euclid and University Ave Crossing	251
Fashion Valley Stair Replacement	240
C Building AUX Power Supplies	221
Systemwide UPS & Batteries Upgrade	200
Interlocking E22-24, 26 (Design)	200
Emergency Return SDTI Elevators	195
Vintage Trolley Restoration	170
SDTI Facility HVAC	155
Replacement Elevator - Fashion Valley (Design)	130
Green Line Bench Replacement	115
Station Cleaning Equipment	85
Building C Fall Protection	68



CIP Project Highlights - Other projects

- 5 Bus projects
 - Focused on:
 - RTMS expansion
 - Service trucks
 - Facility repairs
 - Short descriptions of each project included in Attachment D
 - \$1.4M in total

Project	Funding
RTMS Expansion - Mini Bus Fleet	505
Transit Service Trucks	380
KMD Concrete Lot - Phase II	221
IAD Asphalt Repair & Striping	180
IAD Chassis Wash Lift Replacement	121



CIP Project Highlights - Other projects

- 9 Admin projects
 - Focused on:
 - IT infrastructure
 - Passenger amenities
 - Short descriptions of each project included in Attachment D
 - \$6.0M in total

Project	Funding
System Wide CCTV	2,224
Miscellaneous Capital	1,000
Bus Bench	750
University Ave Bus Lane Pavement Rehabilitation	719
CTC System Technology Refresh	600
Server Refresh	320
Document Management Replacement & Expansion	200
Application & Real-Time Feed	105
Digital Interactive Kiosks	80



Capital Project Highlights Proposed Fiscal Year 2018 (\$000's)

Capital Project Categories	Funding	% of Total
Rail Revenue Vehicles	\$ 17,336	25%
Bus Revenue Vehicles	17,041	25%
Facility & Construction Projects	5,073	7%
Rail Infrastructure	21,081	31%
Other Equipment & Installations	8,529	12%
Grand Total	\$ 69,060	

- 46 Projects funded in FY18 CIP as listed in Attachment B
- Short project descriptions also included in Attachment D



Capital Funding Levels Proposed Fiscal Year 2018

- **Recurring revenues**
 - Federal - Projecting \$73.4M in total, \$17.1M for CIP
 - Maximize Preventive Maintenance (PM) in the Operating Budget for cash flow purposes, backfilled with TDA
 - TDA - Projecting \$33.6M for CIP
 - Match of Federal capital funds and swap with PM
 - Holding back \$5M for Operations in FY18
 - STA - Projecting \$12.5M in total, \$8.9M for Capital
- **Non-recurring revenues**
 - Cap-and-Trade Low Carbon Transit Operations Program (LCTOP) funding of \$1.7M
 - Down from \$3.6M the first two years of the program
 - CNG Credits and other miscellaneous funding



Capital Funding Levels Proposed Fiscal Year 2018 (\$000's)

Funding Description	Amount
Federal Funding (Sections 5307, 5337, 5339)	\$ 73,352
Transportation Development Act (TDA)	33,561
California State Transit Assistance (STA)	8,900
* California Cap and Trade Formula (LCTOP)	1,700
* California Prop 1B	2,224
* Other	5,820
Total Preventive Maintenance	(56,298)
SANDAG Planning Studies	(199)
Available Funding for Capital Program	\$ 69,060
* Non-recurring funding totals:	\$ 9,744



Capital Improvement Program Fiscal Years 2018-2022 (\$000s)

	Proposed FY18	Projected FY19	Projected FY20	Projected FY21	Projected FY22	Total FY18-FY22
Total Capital Revenues	\$ 125,556	\$ 126,310	\$ 128,247	\$ 128,247	\$ 128,247	\$ 636,608
Less:						
PM/Planning Studies	\$ (56,497)	\$ (56,574)	\$ (56,662)	\$ (56,662)	\$ (56,662)	\$ (283,056)
Available CIP Revenues	\$ 69,059	\$ 69,736	\$ 71,586	\$ 71,586	\$ 71,586	\$ 353,552
Total Project Needs	85,200	74,796	85,241	76,952	85,448	407,637
Total Deficit	\$ (16,141)	\$ (5,060)	\$ (13,656)	\$ (5,367)	\$ (13,863)	\$ (54,085)
% of Funding / Needs	81.1%	93.2%	84.0%	93.0%	83.8%	86.7%
Accumulated Deficit	\$ (16,141)	\$ (21,201)	\$ (34,856)	\$ (40,223)	\$ (54,085)	



Fiscal Year 2018 CIP Recommendations

That the Budget Development Committee forward a recommendation to the MTS Board of Directors to:

1. Approve the fiscal year 2018 Capital Improvement Program (CIP) with the estimated federal and nonfederal funding levels (Attachments A and B). As the federal appropriation figures are finalized and/or other project funding sources become available, allow the Chief Executive Officer (CEO) to identify and adjust projects for the adjusted funding levels;
2. Recommend that the San Diego Association of Governments (SANDAG) Board of Directors approve the submittal of Federal Section 5307 and 5337 applications for the MTS fiscal year 2018 CIP (shown in Attachment A);
3. Recommend that the SANDAG Board of Directors approve amendment number 3 of the 2016 Regional Transportation Improvement Program (RTIP) in accordance with the fiscal year 2018 CIP recommendations.





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Agenda Item No. 4d

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BUDGET DEVELOPMENT COMMITTEE

February 23, 2017

SUBJECT:

SAN DIEGO TRANSIT CORPORATION (SDTC) PENSION PLAN INVESTMENT
PORTFOLIO (JEREMY MILLER, REPRESENTATIVE FROM RVK, AND LARRY
MARINESI)

RECOMMENDATION:

That the Budget Development Committee receive a report regarding the San Diego
Transit Corporation pension plan investment portfolio.

Budget Impact

None at this time.

DISCUSSION:

Representatives from RVK will provide the Budget Development Committee with an
overview of the investment strategy for the SDTC Employee Retirement Plan (Plan).
The Plan's investment advisor, Jeremy Miller, will be attending the meeting to provide an
overview of RVK and the Plan's Investment Committee. He will discuss the current
asset allocation, the changes to the plan structure over the past 10 years, and compare
the plan to other local plans.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Mike Thompson, 619.557.4557, mike.thompson@sdmts.com





Agenda

- RVK Overview
- Recent Historical Changes to the Plan Structure
- Asset Allocation
- SDTC Pension Plan Comparison to Local Plans
- Summary / Strategy



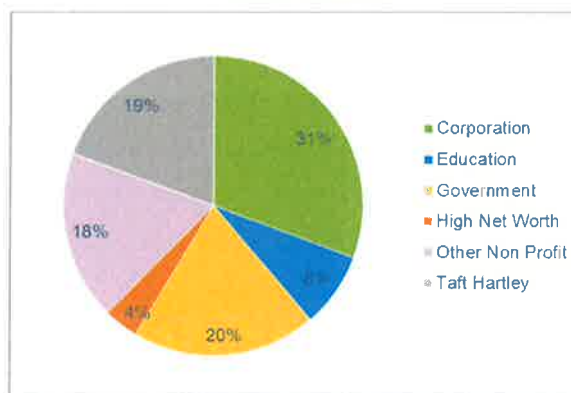
RVK Overview

- **Established in 1985**, RVK provides clients with world-class investment advice and is one of the nation's largest and most trusted institutional investment consulting firms.
- **National firm** with headquarters in Portland and regional offices in New York City and Chicago, RVK serves nearly 200 clients including corporations, public retirement systems, Taft-Hartley funds, non-profit organizations, and other institutional pools of capital.
- **RVK's investment professionals** have an average of nearly 20 years of industry experience, translating to best-in-class investment advice through our team-centric approach.
- **Since its inception**, RVK has maintained a strict, no-conflict of interest policy, ensuring clients remain the top priority. RVK has no financial relationships with managers, brokers, or investment products.

RVK by the Numbers

- \$700+ Billion - Full Retainer Assets Under Advisement
- 81 - Investment Professionals
- 56 - Advanced Degrees and Certifications
- 100% - Revenue Derived from Client Fees
- 100% - Employee Ownership
- 100% - Non-Discretionary Investment Consulting

RVK Clients



RVK Consulting Services Provided to SDTC

- Monthly & Quarterly Performance Reporting
- Preliminary Mid-Month “Flash” Reporting
- Manager Search & Evaluation
- Manager Monitoring & Due Diligence
- Manager Update Memos
- Manager Fee Analysis
- Manager Onsite Visits
- Asset Allocation & Monte Carlo Studies
- Investment Policy Review & Development
- Trustee Education
- Ad Hoc Analysis
- Administration Assistance



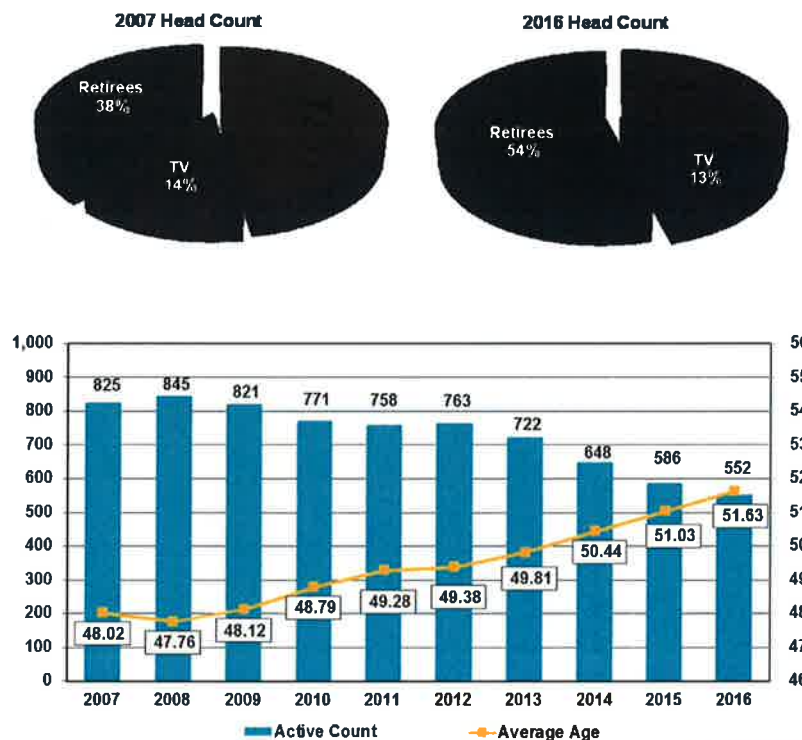
SDTC Pension Plan Timeline

- Q2 2011 – The SDTC Plan begins to close to IBEW employees
- Q3/Q4 2011 – The Target Allocation is revised to increase diversification and reduce risk by reducing Equity allocations and increasing allocations to Absolute Return and Real Return
 - Goal of tactical, strategic shifting as market conditions change.
- Q1 2012 – A Low-Volatility US Equity manager is added
- Q1 2013 – The SDTC Plan closed to ATU employees
- Q4 2013 – The International Bond allocation is transitioned to US Bonds
- Q2 2016 – The active US Bond managers are replaced with a less volatile (and low cost) passive product



Liability Structure

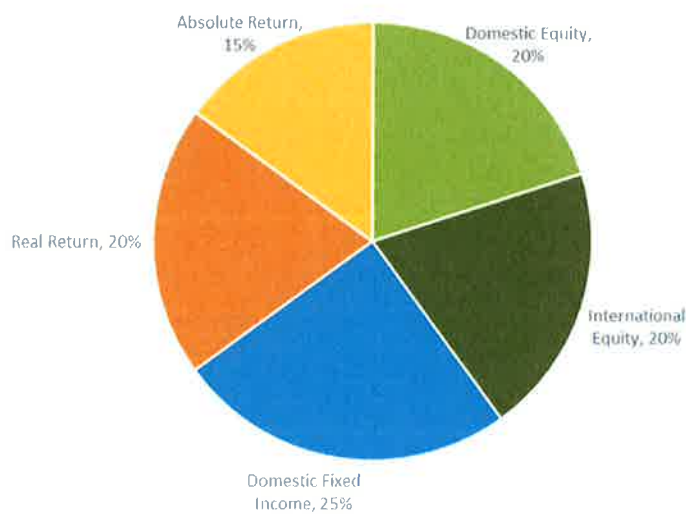
- 10-Year Resulting Analysis:
 - Shift from active participants to retirees
 - Active employees aging (48 years old to nearly 52)
- To ensure we have liquidity, a more conservative approach to our investments to ensure we have the funding there when our retirees need it.



Target Asset Allocation

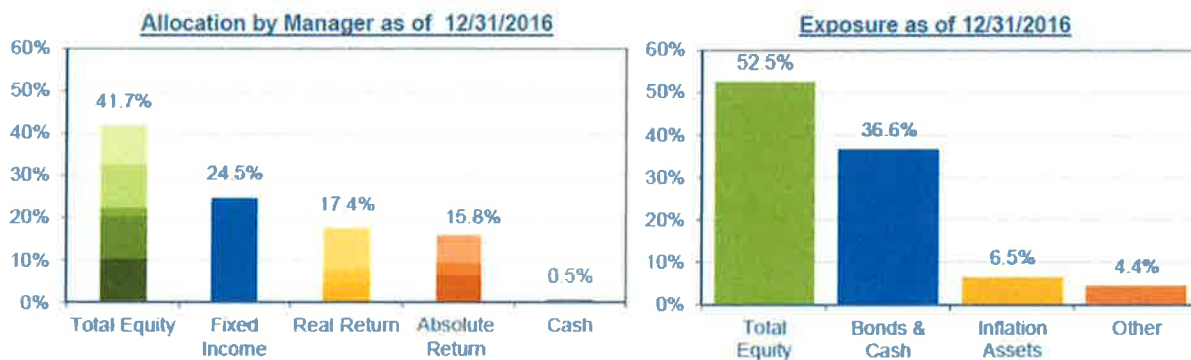
- The SDTC Pension Plan portfolio is well diversified across five broad asset class categories (listed below) to reduce risk and align assets with future liabilities

Target Allocation as of December, 2013



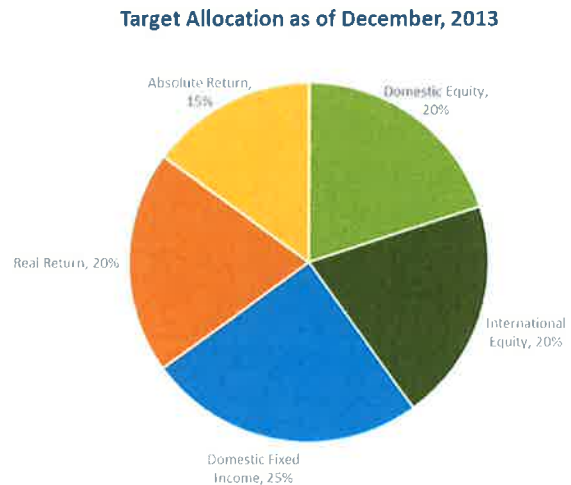
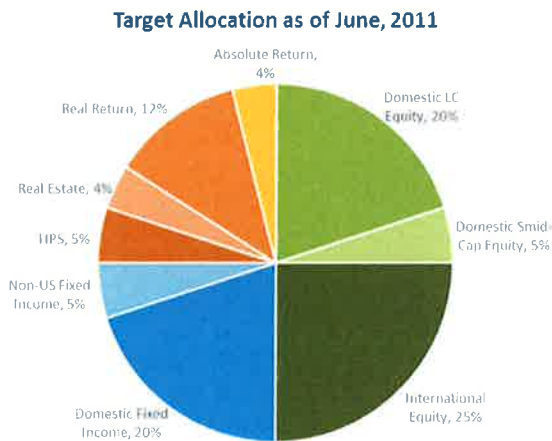
Asset Allocation Analytics

- Real return and absolute return managers hold assets that could be categorized as stocks, bonds, and cash
- Thus, as part of our quarterly report, we review how these underlying allocations would aggregate into the broader traditional categories



Asset Allocation Changes

- Asset Allocation were designed to increase diversification, reduce risk, maintain liquidity, and better align with future liabilities



- For example, the actual 2008 drawdown was 24%, while the pro forma 2008 drawdown for the current portfolio would be 18%.
 - New allocation structure positioned better relative to peers and previous structure to withstand significant economic downturns



Real Return

- **Real Return**

- 20% allocation; 3 funds; the funds focus on inflation oriented stock and bond securities
 - PIMCO All Asset All Authority (PAUIX) (56%)
 - Global stocks and bonds, some Alternatives
 - Vanguard Inflation-Protected Securities (VIPIX) (30%)
 - US inflation protected bonds (TIPS)
 - Vanguard Energy Index (VENAX) (14%)
 - US oil and gas related stocks

- **Real Return Strategy**

- Diversify the Plan and lower volatility by holding multifaceted assets with low correlations to traditional assets
- Insulate the closed Plan from the wealth eroding effects of inflation given historically low interest rates and expanding monetary policy by many global central banks
- Provide a reasonable rate of return to the Plan, particularly during inflationary periods
- Allows tactical asset class modifications to an ever-changing economy (i.e. dynamic moves from equities to fixed income)



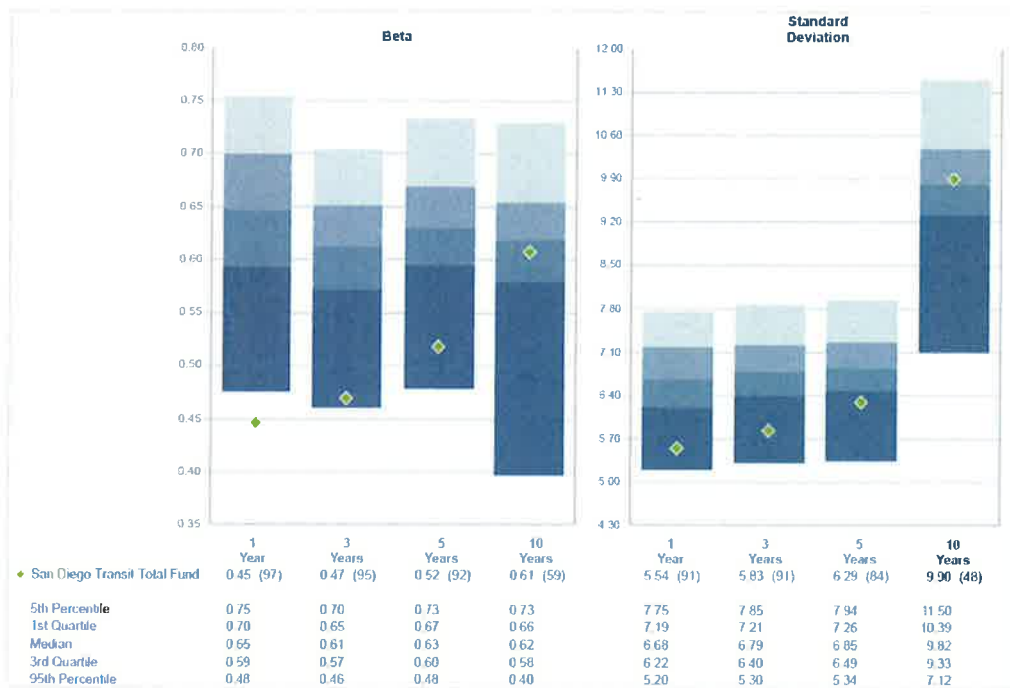
Absolute Return

- **Absolute Return Strategy (ARS) Assets**
 - 15% allocation; 3 funds; the funds focus on opportunistic stocks and bonds, as well as one multi-strategy (diversified) Hedge Fund of Funds
 - GMO Benchmark-Free (GBMFX) (42%)
 - Global stocks and bonds, with some Alternatives
 - Hussman Strategic Total Return (HSTRX) (20%)
 - US stocks and bonds
 - PAAMCO Pacific Hedged Fund of Funds (CF) (38%)
 - Multi-Strategy Direct Hedge Funds
- **ARS Strategy**
 - Diversify the Plan, and lower volatility
 - Provide a positive return regardless of market environments by tactically allocating across assets or strategies based on macro themes and/or valuation models



SDTC vs. Plan Peers – Risk & Beta

- Over the past 10 years the SDTC portfolio has reduced risk, as measured by standard deviation, as well as reduced equity beta, compared to that of peers



Data as of December 31, 2016

Peer group is All Public Plans < \$500mm



SDTC vs. San Diego Peers – Return Comparison

- Short-term SDTC has underperformed San Diego Public Plans given lack of Private RE & PE exposure, but over the long-term (10 years) SDTC returns are similar to County returns

As of June 30th 2016

	10 Years	20 Years	30 Years
San Diego Transit Total Fund (Gross)	4.3	6.3	7.7
All Public Plans (<\$500mm) Median	6.0	6.8	NA
Difference	-1.7	-0.5	
San Diego County ERA (Net)	4.7	NA	NA
San Diego City ERS (Gross)	5.9	NA	NA

- Additionally, returns prior to the conservative allocation transition (2011) are very competitive.

As of June 30th 2011

	5 Years	10 Years	20 Years
San Diego Transit Total Fund (Gross)	5.0	5.3	8.9
All Public Plans (<\$500mm) Median	5.1	5.2	8.0
Difference	-0.1	0.1	0.9
San Diego County ERA (Net)	3.4	NA	NA
San Diego City ERS (Gross)	4.8	NA	NA

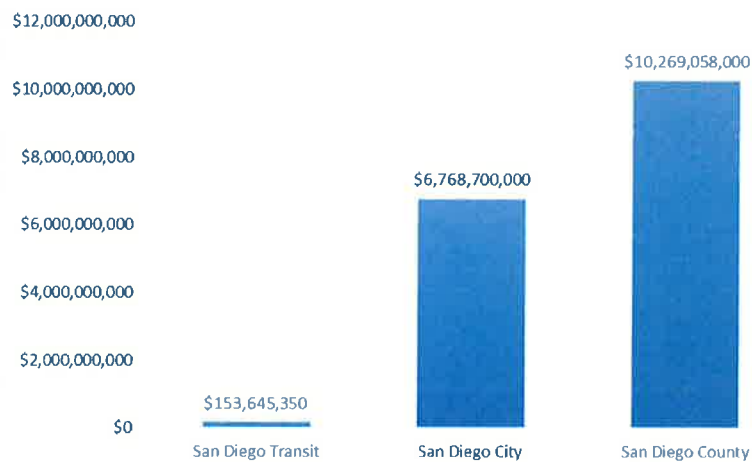
*San Diego peer plan returns as of June 30th 2011 are estimated based on published 5 & 10 year return data as of June 30th 2016



SDTC vs. San Diego Peers: Size Comparison

- The SDTC Plan has significantly less assets as shown in the below comparison relative to other San Diego Public Plans
 - Large, multi-Billion dollar plans typically access top-tier illiquid funds not available to smaller plans
 - San Diego City and County also have different liability structures v. SDTC

San Diego Public Plan Market Value Comparison

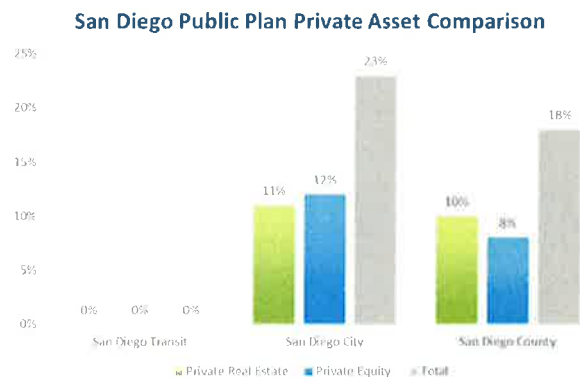


Data as of June 30th 2016



SDTC vs. San Diego Peers – Private Funds

- SDTC has no allocation to Private Real Estate or Private Equity, while larger San Diego Public Plans have a significant allocation.



- These are illiquid asset classes that are likely not appropriate for a closed plan, and strong performance in these assets provides attribution for recent performance issues.

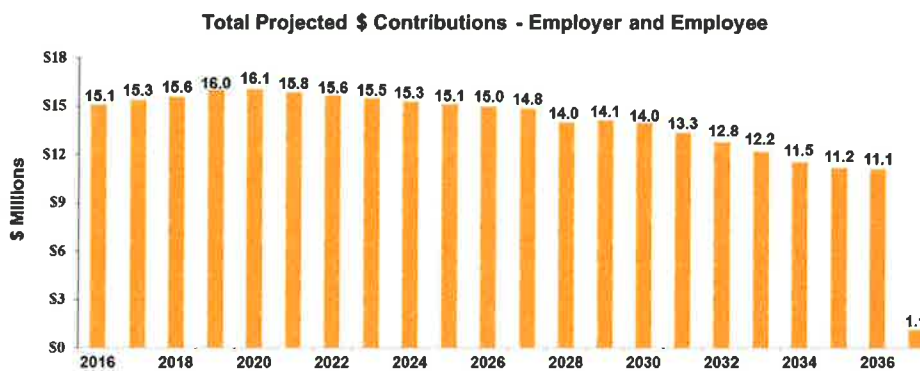
	1 Year	3 Years	5 Years	7 Years	10 Years
NCREIF ODCE Index (AWA) (Gross)	11.82	13.00	12.72	10.88	6.17
Cambridge US Prvt Eq Index	3.20	11.23	11.37	14.36	10.76
S&P 500 Index (Cap Wid)	3.99	11.66	12.10	14.92	7.42
Bloomberg US Agg Bond Index	6.00	4.06	3.76	4.58	5.13
60% S&P 500 Idx (CW)/40% B US Agg Bnd Idx	5.04	8.73	8.90	10.93	6.81

Data as of June 30th 2016



SDTC Pension Plan Summary

- Changing asset structure due to closed liability structure
- Aging population of active and retirees
 - Need liquidity to pay benefits to retirees
- MTS Board approved the Actuarial Experience Study and strategy to:
 - Pay off “debt” (Unamortized Actuarial Liability) over 25 years



- Reduce the target investment return to 7.0% from 7.5%
- Framework in place for long-term sustainability



Investment Summary

- We recommend continuation of the current lower risk approach, which also increases diversification and liquidity.
- This approach better aligns with a closed liability structure than a tradition approach that contains illiquid assets and significant equity beta risk.

