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## Agenda

### Board of Directors Meeting

March 11, 2004

9:00 a.m.

James R. Mills Building  
Board Meeting Room, 10th Floor  
1255 Imperial Avenue, San Diego

This information will be made available in alternative formats upon request. To request an agenda in an alternative format, please call the Clerk of the Board at least five working days prior to the meeting to ensure availability. Assistive Listening Devices (ALDs) are available from the Clerk of the Board/Assistant Clerk of the Board prior to the meeting and are to be returned at the end of the meeting.

### ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes – February 26, 2004
3. Public Comment – Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion Items. If you have a report to present, please furnish a copy to the Clerk of the Board.

Approve

### CONSENT ITEMS – RECOMMENDED BY THE CHIEF EXECUTIVE OFFICER (indicated by \*)


- \* 4. Webb Properties, LLC: Request for Easement




Action would authorize the CEO to execute an easement to Webb Properties, LLC, to install permanent tieback anchors within railroad right-of-way on the east side of the property south of Sassafras Street as part of the Park-n-Ride Parking Structure Project.

Approve

#### Member Agencies:

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

Metropolitan Transit Development Board is Coordinator of the Metropolitan Transit System and the  Taxicab Administration

Subsidiary Corporations:  San Diego Transit Corporation,  San Diego Trolley, Inc., and  San Diego & Arizona Eastern Railway Company

For personal trip planning or route information, call 1-800-COMMUTE or visit our web site at [sdcommute.com](http://sdcommute.com)

- \* 5. Performance Trends Quarterly Report  
Action would receive this report for information. Receive
- \* 6. MTDB December 2003 Quarterly Investment Report  
Action would receive the quarterly investment report and comment as necessary. Receive
- \* 7. Trapeze Paratransit Scheduling Software  
Action would authorize the CEO to execute a contract amendment with Trapeze Software Group to establish a reimbursement schedule for maintenance fees. Approve
- \* 8. Mission Valley East LRT Project: General Environmental Planning Consultant Work Order for Wetland Mitigation Maintenance and Monitoring  
Action would authorize the CEO to approve a work order to the General Environmental Planning Consultant Contract for the maintenance and monitoring of the Mission Valley East LRT Project wetland mitigation. Approve

#### NOTICED PUBLIC HEARINGS

25. None

**NOTE: A FIVE-MINUTE RECESS WILL BE TAKEN AT APPROXIMATELY 10:30 A.M.**

#### DISCUSSION ITEMS

- 30. Five-Year MTS First Cut Consolidated Operating Budget and a Review of Initial Board Policy Choices for FY.05  
Action would receive this report for information and provide direction, as desired. Possible Action
- 31. Transit Workshop: Policy Review  
Action would approve changes to MTD Board Policy Nos. 27 through 31. Approve

32. Year-End MTS Security Report (January – December 2003)

Action would receive this report for information.

Receive

44. Chairman's Report

Possible Action

45. Chief Executive Officer's Report

Information

46. Board Member Communications

47. Additional Public Comments on Items Not on the Agenda

If you have a report to present, please furnish a copy to the Clerk of the Board. **Subjects of previous Hearings or agenda items may not again be addressed under Public Comments.**

Possible Action

48. Closed Session Items  
(Note to Board Members: Reports on closed session items are available for review in advance of the meeting in the General Counsel's office.)

Information

a. CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation

Significant exposure of litigation pursuant to subdivision (b) of Section 54596.9: one potential case.

49. Oral Report of Final Actions Taken in Closed Session

50. Next Meeting Date – March 25, 2004

60. Adjournment -

To San Diego Transit Corporation Board of Directors Meeting

SStroh  
A-04MAR11.BD — 3/5/04

**METROPOLITAN TRANSIT SYSTEM BOARD  
ROLL CALL**

MEETING OF (DATE): March 11, 2004

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

RECESS: \_\_\_\_\_

RECONVENE: \_\_\_\_\_

CLOSED SESSION: \_\_\_\_\_

RECONVENE: \_\_\_\_\_

ORDINANCES ADOPTED: \_\_\_\_\_

ADJOURN: 11:24 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
CLABBY	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>		10:25 a.m. during discussion of AI 30
EMERY	<input type="checkbox"/> (Cafagna) <input type="checkbox"/>		✓
INZUNZA	<input type="checkbox"/> (Ungab) <input type="checkbox"/>		✓
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		10:47 a.m. during discussion of AI 32
LEWIS, Charles	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	10:05 a.m. during discussion of AI 30	
LEWIS, Mark	<input checked="" type="checkbox"/> (Santos) <input type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		11:18 a.m. during Chairman's Report
ROSE	<input type="checkbox"/> (Janney) <input checked="" type="checkbox"/>		
RYAN	<input type="checkbox"/> (Dale) <input type="checkbox"/>		✓
STERLING	<input checked="" type="checkbox"/> (Ewin) <input type="checkbox"/>		
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
ZUCCHET	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	10:25 a.m. during discussion of AI 30	

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD Patricia A. Smith

CONFIRMED BY Jan Dardetto

PSmith/BOARD-EC  
BDRLCALL.04 - 2/6/04

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

BOARD OF DIRECTORS MEETING

FEBRUARY 26, 2004

BOARD OF DIRECTORS MEETING ROOM, 10TH FLOOR  
1255 IMPERIAL AVENUE, SAN DIEGO

MINUTES

1. Roll Call

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

2. Approval of Minutes

Ms. Sterling moved to approve the minutes of the February 12, 2004, Board of Directors meeting. Ms. Atkins seconded the motion, and the vote was 10-0 in favor.

44. Chairman's Report (ADM 110.1)

On behalf of Mayor Murphy and the San Diego City Council and in recognition of all he has contributed to San Diego's transit system, Ms. Atkins presented Mr. Langley Powell with a resolution declaring February 26, 2004, Langley C. Powell Day in the City of San Diego.

Chairman Williams presented Langley Powell with a resolution from the MTS Board of Directors for all of his service to the Metropolitan Transit Development Board (MTDB) and Metropolitan Transit System (MTS).

Action Taken

Mr. Mark Lewis moved to accept the Resolution recognizing Langley Powell's years of service to MTDB and MTS. Ms. Atkins seconded the motion, and the vote was 10-0

Mr. Powell said he appreciated the compliments and the opportunity to serve as President and General Manager for San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC). However, he noted that the agencies' successes were a team effort. This is an excellent transportation system.

Mr. Jablonski said that he was sorry to see Mr. Powell leave during this time of transition. He has a lot of history and knowledge. Mr. Powell has contributed to the maximum extent possible. His influence is seen all over. He thanked Mr. Powell for all his help.

Ms. Kaltenborn stated that when she first became the Chairperson of SDTC, the Board didn't realize the extent of the problems at the agency. Mr. Powell came in with a list of changes and the Board was in awe. She is sorry to see him go.

Mr. Mathis said that he had worked with Mr. Powell for a number of years. While he hates to see him go, he is delighted that he is doing something he wants to do. This is a deserved retirement. We are proud of the trolley system, and it has become a national icon. Mr. Mathis said that the Board made two critical decisions. First it decided to build a light rail transit (LRT) system, and then it decided to hire Langley Powell to run it. We can point with great pride not only to the system, but how it's run. Many people know the role Mr. Powell has played. This system has become the bedrock and identity of the City. He thanked Mr. Powell for his years of service.

Ms. Sterling said that Mr. Powell's style and leadership has been motivational. She is looking forward to a Power with Powell Consulting Firm. She congratulated Mr. Powell on his retirement.

Mr. Roberts noted that the County would be having a proclamation tomorrow for Mr. Powell. He had mixed feelings about Mr. Powell's retirement. Mr. Roberts noted that one of the biggest compliments an agency can pay someone is to take that person and move him or her from one position to another positions with major problems associated to it. Mr. Powell has served public transit in San Diego admirably. This will be a net loss. He would personally miss Mr. Powell's sage advice and straightforward answers.

Mr. Rindone said that he had sent a letter of congratulations to Mr. Powell, but wanted to add his appreciation for Mr. Powell's willingness to take that on the challenge at SDTC and make a difference. Mr. Powell has earned the opportunity to be happy.

#### PUBLIC SPEAKERS ON ITEMS NOT ON THE AGENDA

##### 3. Public Comment

There were no public comments.

#### CONSENT ITEMS

##### 4. Appointment of Chairman for Accessible Services Advisory Committee (LEG 410, PC 30100)

Action would elect National City Council member Ron Rogers as the Accessible Services Advisory Committee (ASAC) Chairman.

##### 5. Mission Valley East LRT Project: Mitigation Monitoring and Reporting Program (CIP 10426)

Action would receive the Mitigation Monitoring and Reporting Program Status Report for the Mission Valley East (MVE) LRT Project.

##### 6. Trolley Access Advisory Committee and Accessible Services Advisory Committee (ADM 110.4, PC 30100)

Action would approve the transfer of the Trolley Access Advisory Committee (TAAC) to the San Diego Association of Governments (SANDAG) and a change in responsibilities of ASAC.

7. Mission Valley East LRT Project: Construction Contract Change Order (CIP 10426.7)

Action would authorize the Chief Executive Officer (CEO) to execute a contract change order (CCO) with Balfour Beatty/Ortiz Joint Venture (BBO) to compensate the contractor for transporting stockpiled material from a wetlands mitigation area for use on the MVE LRT Project La Mesa Segment, and ratify a previously approved CCO with BBO.

8. San Ysidro Intermodal Transportation Center Project: Construction Management Contract Amendment (CIP 10453)

Action would authorize the CEO to execute a contract amendment with Parsons Brinckerhoff Construction Services for additional construction management services.

9. Liability Insurance Renewal (LEG 491, PC 30100)

Action would authorize the CEO to place the liability insurance policy (limits of \$75 million, with \$2 million self-insurance retention), effective March 1, 2004, through March 1, 2005.

Mr. Mark Lewis said that stockpiling was used to satisfy mitigation measures and these stockpiles were located in Santee and San Diego. He asked by removing the stockpile if we were creating additional problems. Mr. Jim Hecht said the stockpile has already been removed. It was merely a timing issue. The material was moved out of the way so work could continue with planting and irrigation. This is reimbursement for the work. Mr. Mark Lewis stated that he would be interested in the total dollar amount for all change orders on this project.

Motion on Recommended Consent Items

Mr. Emery moved to approve Consent Agenda Item Nos. 1, 2, 3, 4, 5, 6, 7, 8, and 9. Mr. Roberts seconded the motion, and the vote was 13-0 in favor.

## NOTICED PUBLIC HEARINGS

There were no public hearing items.

## DISCUSSION ITEMS

30. Federal Transit Administration Award: Outstanding Public Transportation Website (ADM 110.1, PC 30100)

Ms. Lorenzen said that the representative was unable to attend today, and this presentation would be done at a March meeting.

31. PETCO Park Service Update (SRTP 820.1, PC 20271)

Mr. Tereschuck noted that following Langley Powell has always been a difficult job. The spirit that Mr. Powell brought to SDTI and SDTC would continue for many years with respect to how business is conducted.

Mr. Tereschuck said that in September 2003 staff provided a review of the service plan for PETCO Park. Today's report is an update from that initial presentation.

Mr. Tom Doogan, Special Events Coordinator, presented the operating plan. He said the inaugural event at PETCO Park is an Aztec ballgame scheduled for March 11. The Padres have other events planned for the same week. In the beginning, the ballpark will be a big curiosity, and record attendance is expected. The initial plan is to show the people of San Diego the proximity of the trolley to the ballpark.

Three stations would be serving PETCO Park – Park and Market, a three-block walk; the 12th and Imperial Transfer Station, a two-block walk; and Gaslamp, the closest station at one block away.

One of the challenges faced was finding ways to accommodate a large number of people in a short period of time. We wanted to make the best use of what we had and find a way to accommodate the passengers. An overview of the Gaslamp Station was presented, as all four elements of the plan would be used there. We are setting postholes with caps in the middle of tracks and on the northbound platform. This will enable us to put a double chain and stanchion between the tracks to deter people from crossing the tracks. We chose postholes so the stanchions would be in straight line, not bumped out of alignment, and improve the appearance.

The platform for the post-game crowd would use a post and double pull-tape system. This system is compliant with the Americans with Disabilities Act (ADA). It will allow us to control the flow of pedestrian traffic, and provide a place to inspect fares and obtain accurate passenger counts. Turnstiles will also be used.

The driving force at the 12th and Imperial Transfer Station is that trains go in many different directions. It would be difficult to communicate to people on the platforms to board the correct train. We would direct the flow before they get to the platforms. Fence lines using portable stanchions and personnel to offer direction will be used to direct this flow.

The north side of the clock tower is identified as a key decision point. We will be erecting banners to show where patrons should go based upon their end destinations. This too will be supported by key personnel to offer assistance. Portable turnstiles and tape stanchions will create control points for fare inspections and provide accurate ridership data.

We are upgrading our website to have a specific PETCO Park page. This page would link to a database that would give a list of stations, travel time, fare needed, the number of parking spaces available at outlying stations, as well as other useful information.

We have improved the lighting on the Clock Tower Plaza to help create a more comfortable and safe environment. All four sides of the clock tower will be illuminated. In addition, the station platform lighting is being improved to a higher wattage.

Pregame objectives are to provide adequate service levels to meet the demand for each line segment, encourage ridership patterns that are sensitive to capacity issues during rush hours, have extra cars in service or trains in place before needed, maintain flexibility based on conditions to reflect varying ridership, and make the trolley a positive first impression for baseball fans heading to the ballpark.

Post-game objectives are to provide service levels to meet the demand for each line segment and direction of travel; create direction-specific zones to better monitor post-game service needs; and implement modifications that positively manage crowd flow to direct passengers, regulate platform volume, compile passenger counts, and inspect fare media.



Mr. Mark Lewis said that this was a very thorough report and he appreciated staff's efforts. He noted that transporting passengers to and from the ballpark would incur costs. He asked if we have approached the Padres about recovering impact fees with regard to operations. Mr. Tereschuck said that we have always handled such arrangements on the basis of making the best effort to recover our costs from revenue from the special event service. We often make a profit.

Mr. Clabby said that this Sunday would be an open house at PETCO Park for season ticket holders. He asked if we have planned for this event. Mr. Doogan stated that we are prepared for all the open houses scheduled at the ballpark. When an event is spread over several hours, the impacts are reduced. We will be prepared with extra service if needed.

Mr. Monroe stated that this report was given with no indication of costs involved. He does not recall in the budget process funds for all these items recently purchased. Mr. Tereschuck reported that the Joint Powers Agency (JPA), the owners and controllers of the building, allocated funds for the enhanced lighting, and the pull tapes and other items were purchased with miscellaneous capital funds. The funds did not come out of the operating budget. A separate line item for special event service is typically not included, as it can vary greatly. Some games can generate 50,000 to 60,000 fans and others generate 10,000 fans. Mr. Monroe asked how this flexibility works with the labor unions. Mr. Tereschuck said that we have an open dialogue with the labor organizations. Schedules are put out well in advance; some personnel are assigned and others can accept certain assignments.

Mr. Roberts noted that we would have additional expenses; however, we will also have additional revenue, not only from additional riders, but also from the parking structure. We need to look at this as a net positive, not a negative. Mr. Roberts said that the PETCO organization is available and interested in facilitating a smooth transition in the transportation plan. It's possible PETCO would be willing to participate financially if there is a need for signing or some other aspect. He is very impressed that PETCO does not just want its name on the stadium, but is interested that the whole experience is positive. Mr. Tereschuck said he appreciates this information and would be in contact with his office to get the contact information.

Mr. Rindone said this item had been presented to the Executive Committee, and the increased cost and revenue was discussed. He stated that staff ensured the Committee that there would be flexibility on a daily basis. This is an opportunity of introducing LRT to many individuals. Staff is going above and beyond a normal opening to mitigate any concerns on logistics. This speaks well for MTS in capturing new potential customers. The Marketing Department has worked with the Padres and to sell transit passes to season ticket holders. There is an obvious difference between Qualcomm Stadium and PETCO Park. PETCO Park could not be situated more beneficially for LRT. There is a good potential to fill seats and obtain new customers.

Mr. Jablonski said that we should be able to quantify costs. We should also be able to compare additional revenue, and would provide that information. This is a brand new facility, and we would encourage as many people as possible to use the transit system. We don't know what to expect. As we understand the crowds, we can more efficiently manage the service. Mr. Tereschuck said that we were planning to provide the Board with lessons learned and an assessment of how well we have done. We would also bring back periodic reports, take a self-assessment on revenue and expenses, and present changes necessary to provide a top-notch service.

Mr. Mathis said that instead of looking at special events as an imposition on the system, we should take these times as opportunities to increase ridership.

Action Taken

Mr. Rindone moved to receive a report on the PETCO Park service plan and to provide the Board with a financial report on the expenses and revenue. Mr. Monroe seconded the motion, and the vote was 13-0 in favor.

32. Transit Workshop: Policy Review (ADM 110.2, PC 30100)

Ms. Lorenzen said that this was the third workshop covering the Board Policies and Procedures. Today we were reviewing policies No. 22 through No. 26.

Policy No. 22, "MTDB Revenue-Generating Display Advertising, Concessions, and Merchandise," establishes guidelines for revenue-generating advertising and concessions on MTDB property and vehicles. The recommendation is to retain this policy indefinitely and make minor typographical changes.

Mr. Monroe said that with concessions at the station, riders buy coffee and bagels, get onboard the trolley, and are met with an announcement that they cannot eat or drink on the trolley. This defies logic. He suggested that we do away with the announcement. Mr. Mathis stated that we reviewed this policy some time ago, and it is a good one. He does not recommend doing away with it because concessionaires are selling goods on the platform. Ms. Lorenzen said that when we review Ordinance No. 13, we would be covering that topic. Mr. Monroe added that if we don't allow eating or drinking on the trolley, perhaps we should not have it sold on the platform. Mr. Emery said he concurred. People want to get on the trolley, read the paper, and drink a cup of coffee on their morning commute. Perhaps we should take a look at this policy more closely.

Policy No. 23, "Rules of Procedure for the Metropolitan Transit Development Board," codifies the rules of procedure adopted by the Board and sets forth the Board structure and composition. The recommendation is to retain this policy indefinitely with typographical changes.

Policy No. 24, "Permit Parking at San Diego Trolley Stations," sets forth procedures for issuing permits for long-term parking at trolley stations. The recommendation is to retain this policy indefinitely, with minor typographical changes.

Mr. Roberts asked why someone would park at the trolley station for longer than 24 hours. Ms. Lorenzen gave an example of an individual who might park at a trolley station and take the trolley to the airport to save the expense of extended parking at the airport. Mr. Roberts said we should review this policy. We provide transit service; our mission is not to compete with airport parking. Mr. Monroe asked what the impact would be. Ms. Lorenzen said that this policy is rarely used and provides nominal revenue. Mr. Jack Limber mentioned that the Old Town Transit Center (OTTC) is a State Park property, and overnight parking is allowed. Also, there are a couple of commuters on the Coaster that keep a car on this lot to get to their place of work. There are varying circumstances that these permits are used for. It might be best to get a report on the usage and locations they are used. Ms. Lorenzen said we could return to the next Board meeting with that data to be included with the next set of policies reviewed.

Policy No. 25, "Regional Transit Service Dispute Resolution," establishes procedures for resolving regional transit service disputes between local agencies and transit operators. The recommendation is to retain this policy indefinitely with minor typographical changes.

Policy No. 26, "Equal Employment Opportunity Program for Employees and Contractors," sets forth the equal employment opportunity program for MTDB employees and contractors. It is required pursuant to the Civil Rights Act. The recommendation is to retain this policy indefinitely with minor typographical changes.

#### Action Taken

Mr. Zucchet moved to approve changes to MTD Board Policies and Procedures No. 22 through No. 26 and return with Policy No. 24 for further review. Mr. Emery seconded the motion, and the vote was 12-0 in favor.

#### 33. Proposed Joint Meetings (ADM 110.2, PC 30100)

Ms. Lorenzen said that this item was a follow-up of the request for joint meetings of the Board of Directors. Her research shows no prohibition as long as we follow the open meeting requirements. There are two issues to look at – format of the agenda and the time frame for implementation. It is recommended that we continue to use the MTDB format, and every regularly scheduled meeting would be a joint meeting of all three agencies. This would give SDTC and SDTI staff the flexibility to place items on the agenda for the Board's approval twice a month as opposed to six times a year.

The next date where MTS and the corporations are scheduled to have separate meetings is March 25, 2004. The joint meeting and agenda could be implemented on that date.

#### Action Taken

Mr. Mark Lewis moved to receive a report and approve joint agency meetings of the Board of Directors. Mr. Rindone seconded the motion, and the vote was 10-0 in favor (Mr. Emery and Mr. Monroe were temporarily out of the meeting).

#### 34. Transit Workshop: San Diego and Arizona Eastern Railway (SDAE 710, PC 40099)

Mr. Jack Limber said that the San Diego and Arizona Eastern (SD&AE) Railroad was built in 1907 for \$18 million. MTDB purchased the railroad in 1979 for \$18.1 million. With that purchase, we received 108 miles of right-of-way, which included the right-of-way used for the LRT system. We also had the responsibility to operate a freight railroad. We contracted out with an experienced short-line operator. The current freight operator's parent company is RailAmerica. RailAmerica does business in San Diego through its subsidiary, San Diego and Imperial Valley (SD&IV) Railroad.

In addition to the freight railroad, we have a museum operator, the San Diego Railroad Museum. It provides passenger train trips at Campo.

Recently, a new freight operator has come into play, Carrizo Gorge Railway (CZRY). CZRY is the Mexican Line operator and also the subcontractor on the Desert Line. The Desert Line has been out of service for the past 20 years. CZRY was given permission to repair and rehabilitate the Desert Line. A train was run through the gorge to Coyote Wells, and full clearance to Plaster City will be accomplished shortly.

MTDB is the sole member of the SD&AE corporation. The Railway Board consists of three members, two appointed by the freight operator and one by MTDB, which is the CEO or his designate.

MTDB holds a railroad reserve account, approximately \$1.3 million. This is money earned off the railroad in the form of billboard licenses, various leases, and payments from the operators.

SD&AE predominately deals with land issues, which all return to the MTS Board of Directors for approval. The SD&IV deals with all freight actions.

SDTI controls all joint operation, SD&IV pays for maintenance performed by SDTI, and SD&IV remains liable for all freight service. The key in this mixed service is that by federal railroad requirements service must be time separated. Freight operates during the evening hours when the trolley is not operating. Occasionally a freight train will need to operate during daylight hours and is given special consideration.

Freight operations carry approximately 5,300 cars annually, 5 percent go from San Diego to El Cajon, 35 percent from San Diego to San Ysidro, and the majority (60 percent) to Mexico.

The major commodity carried is liquefied petroleum gas (LPG). Other commodities carried include grain, lumber, steel, plastic pellets, and food products.

RailAmerica has a 50-year operating agreement that was granted in 10-year increments. The Board recently approved a 10-year option, and there are 30 years remaining on the contract. MTDB is paid 1 percent of the gross revenue. Funds go into the SD&AE Railway Reserve for capital improvements.

The Desert Line goes from Campo to Carrizo Gorge and on to Plaster City. Final repairs are underway by CZRY. There was a federal appropriation of \$10 million for a San Ysidro Intermodal facility. We are using these funds for yard and other improvements on the line to assist in providing greater capacity for the freight operators.

There is an issue with big horn sheep, a protected species, in this area. Also, with the line being out of service for so long, people have been used to hiking along the trail and right-of-way. The operations will need to operate in a manner that is consistent with requirements regarding the sheep.

The Coronado Branch line is 7.5 miles long, running from National City down to the South Bay and looping back up along the Coronado Strand. There are currently railroad museum tours and a bike path along a portion of this right-of-way. There are future development impacts south of F Street in Chula Vista. There is also a possible lease to the Port of San Diego south of F Street.

The Board has taken the historical position that it wanted to maintain and control the Coronado Branch Line for whatever the needs may be for transit. A lease for potential development was negotiated and brought to the Port Commissioners. The Save Our Heritage Organization was opposed to the lease with the Port and filed a lawsuit challenging the environmental processes. The lease proposals are currently on hold pending resolution of the litigation.

During the transition, property management, engineering, finance, and risk management for the railroad would be staffed at SANDAG; however, this Board ultimately remains fully responsible for SD&AE as well as approving and ratifying the actions of the Railway Board. Representatives of SD&IV and CZRY were at the meeting to make a brief presentation.

Mr. Mark Lewis asked if RailAmerica supported the Desert Line financially. Mr. Limber explained that RailAmerica was a nationally traded company. It looked at the issue and determined it would be best to put its funding into lines it owns and controls. There are 44 miles of the Desert Line that runs through Mexico and not controlled by RailAmerica or MTDB. CZRY was given the right to operate this portion in Mexico, and it made sense that CZRY invest in this section. CZRY is a local company using resources not subject to public trading.

#### Public Comment

Bill Hoffman – Mr. Hoffman said that this was an important issue. He wrote a letter wrote back on January 11 that discussed seven points, including the environment, access, ownership, fire, hazards, and public money. He understands that the environmental issues are being addressed. He would like to focus on access and threats from the railroad. A lot of the Board's constituents enjoy going to the desert and hiking. His goal is to see a harmonious relationship. The Board shouldn't want the bad press of people getting arrested. He would like a couple of declarations: (1) to be allowed to cross the railroad as long as it doesn't interfere with railroad operations; and (2) permission to use side roads as a means of access to the area. He would also like a declaration that the railroad would comply with all local, state, and federal regulations.

Byron Wear – Mr. Wear said that he is serving as Government Relations and Strategic Planning consultant for the railroad. CZRY had made it through the last tunnel this past week and are continuing to move forward with additional improvements. Recent slides of the area were shown to the Board. He noted that Toyota is building a plant in Tecate, and CZRY is working with Toyota on transporting these automobiles. We are addressing ongoing security issues. We will be able to transport plastic, lumber, wallboard, and sand. The Port District is working on potential connections. We should be operating as early as April 1. He would like to return to the Board at a later date with additional issues. The railroad wants to be good neighbors in the desert.

Geoff Scherman, General Manager of Carrizo Gorge Railroad – Mr. Scherman said that he was hoping to see inclusion of the CZRY as a voting member on the SD&AE Board. He noted that the railroad had proceeded partway through the gorge with larger vehicles and found the clearance was too small. They would be proceeding with the smaller cars.

Mitch Beauchamp – Mr. Beauchamp said that as an MTD Board member, he was involved in getting someone to take over the Mexican railroad. When he was no longer an MTD Board member he became a consultant with CZRY as a biologist. His job was to advise CZRY on how to conduct business and maintenance without conflict to the bats and big horn sheep that occupy the area. The Big Horn sheep issue has come into focus because of two letters received from the Center for Biological Adversity and the Sierra Club. The letters speak of harassment of the sheep due to the operation of the railroad. The Sierra Club is also concerned with the lack of conferring with these two entities and the loss of free-range hiking. The railroad has responded to both of these agencies. Mr. Beauchamp said that he spoke with a representative of the Center for Biological Adversity last week and went over the issues of the maintenance and operation of the line. He also met with the U. S. Fish and Wildlife Service, the Department of Fish and Game, the Superintendent of the Anza Borrego State Park, and the San Diego Zoo. We are in dialogue on things that can be done to benefit the sheep while the train is in operation. We will have a constant police presence in the gorge. Speeds will be no more than 12 miles per hour. Each train will have an advance guard to make sure there are no rocks, sheep, etc., on the tracks. By doing these things, we will remove the invasive presence of human beings. We can provide tourism in the gorge by rail. This will provide access to park visitors. This can provide a wonderful opportunity to increase tourism. There are times that

there could be 20 –100 people walking on the tracks. It is an out of control situation. At one time, there was a photograph in a magazine where there was a bonfire in one of the tunnels. This is a dangerous situation. Trespassing would be enforced. There are no escape sections in the tunnels.

Mr. Emery said that he is not sure how he got involved in the original subcommittee, but he did so willingly, and it was a learning experience. One primary issue he spoke about with the CEO was our relationship with the railroad. The railroad has been a stepchild. It was purchased to get the right-of-way to start the trolley. We need to re-evaluate our relationship with the railroad. We need an in-depth look at what our relationship is now, will be in the future, and for the long term. He suggested that we create a Rail Subcommittee of the Board. We need continuing updates. We are going to a new phase. There are a number of questions that need answers. He has spent time in the desert. It is not just land-sensitive backpackers that use the area. There are areas that need protection. He has seen people build fires on the tracks because of the available wood. We need a more active part.

Mr. Mathis said we need to seriously consider CZRY taking an active part by becoming an voting member on the SD&AE Board. CZRY has become a principle player on the line. He felt as a public agency, passing declarations that we will comply with the law is not necessary. We are bound and sworn to comply with the law. He felt that Mr. Hoffman was not advocating unlimited access. He does not want the line to become a Berlin wall. There may be some legitimate needs for people to cross the tracks. Unfettered access across the right-of-way makes us vulnerable to litigation. Mr. Limber said that historically, a number of public and private crossings have been approved on the Desert Line. We have recommend that CZRY work with the State Park to see if additional crossings are needed. Ms. Lorenzen added that the agreement with CZRY states that it must comply with all local, state, and federal requirements.

Ms. Sterling said that in the past there had been a fire in a tunnel, and we did not know the cause. Tunnels, rail, and trains many times equate to fires. There is no escape from the tunnels. If a fire occurred, it is a scary proposition. She asked if there were some kind of fire and rescue plan. Fires happened before, fires can happen again. She is concerned about the possibility of other fires. Mr. Scherman said that the feeling was part of the problem with the fire was due to a lack of security. Reports have indicated that illegal aliens camping in tunnels would start fires. The trains themselves have internal spark arresters and exhaust systems, as well as a second set of traps with screens above the arrestors. We have not had any problems with fires due to the equipment. With regard to safety, the plan is to run a vehicle ahead of each train to prevent problems. Also, behind each train, we plan to operate a fire protection vehicle with a minimum of 500 gallons of water. We have established a Rail Police Department to patrol the tracks. This can help alleviate any problems. We are also getting cooperation with the Border Patrol who agreed to take into custody any illegal aliens encountered along the rail line. We are trying to prevent the typical problems from the past.

Mr. Mathis asked if the redwood could be treated with fire retardant. Mr. Scherman said it could and is planned if additional funds are obtained.

Mr. Monroe said that he hopes the dialogue continues for reasonable access across the tracks. He was troubled about the statement that trespass clauses are required and will be enforced. It seems a little harsh.

Mr. Inzunza asked if we were going to set up a subcommittee. Mr. Rindone said that there is a current subcommittee that was formed for the Coronado Branch Line. He would like that to remain in place as it involves entities that are affected. He suggested that the responsibilities could be extended for the current subcommittee or another could be created.

Mr. Limber stated that the San Diego Railroad Museum is an operator on the line, and the Board may want to consider adding them to the SD&AE Board as a voting member along with CZRY.

Mr. Beauchamp stated that the City of Imperial Beach might want to be a part of the Railroad Subcommittee as it has an interest in the Coronado Branch Line area.

Action Taken

Mr. Emery moved to receive a report on the San Diego and Arizona Easter Railway and for staff to report back to include Carrizo Gorge on the SD&AE Board, the creation of a Railroad Subcommittee or expansion of the existing subcommittee, and address the environmental concerns and trespass issues. Mr. Inzunza seconded the motion, and the vote was 11-0 in favor.

45. Chief Executive Officer's Report (ADM 121.7, PC 30100)

Mr. Jablonski had nothing further to add to his written report.

46. Board Member Communications (ADM 110, PC 30100)

There were no Board member communications.

47. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

48. Closed Session Items (ADM 122)

There were no closed session items.

49. Oral Report of Final Actions Taken in Closed Session (ADM 122)

There were no closed session items.

50. Next Meeting Date

The next meeting is scheduled for March 11, 2004, at 9:00 a.m. in the Board of Directors Meeting Room, 10th Floor, 1255 Imperial Avenue, San Diego, CA 92101-7490.

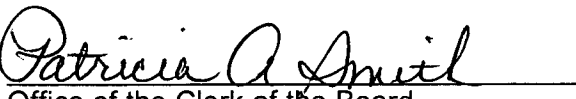
51. Adjournment

Chairman Williams adjourned the meeting at 11:12 a.m.



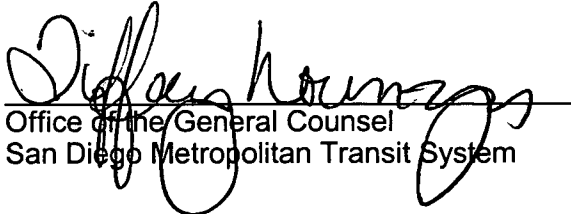
Chairman  
San Diego Metropolitan Transit System

Filed by:



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

Approved as to form:



Office of the General Counsel  
San Diego Metropolitan Transit System

PSmith  
BD-04FEB26.PSMITH  
3/4/04

Attachments: A. Roll Call Sheet  
B. AI 45, February 26, 2004, Chief Executive Officer's Report



METROPOLITAN TRANSIT SYSTEM BOARD  
ROLL CALL

MEETING OF (DATE): February 26, 2004

CALL TO ORDER (TIME): 9:04 a.m.

RECESS: \_\_\_\_\_

RECONVENE: \_\_\_\_\_

CLOSED SESSION: \_\_\_\_\_

RECONVENE: \_\_\_\_\_

ORDINANCES ADOPTED: \_\_\_\_\_

ADJOURN: 11:12 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		10:00 a.m. during discussion of AI 32
CLABBY	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
INZUNZA	<input checked="" type="checkbox"/> (Ungab) <input type="checkbox"/>	9:25 a.m. during consent calendar	
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		9:55 a.m. during discussion of AI 32
LEWIS, Charles	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		✓
LEWIS, Mark	<input checked="" type="checkbox"/> (Santos) <input type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>	9:17 a.m. during Chairman's Report	
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:13 a.m. during Chairman's Report	10:55 a.m. during discussion of AI 34
ROSE	<input type="checkbox"/> (Janney) <input checked="" type="checkbox"/>		
RYAN	<input type="checkbox"/> (Dale) <input type="checkbox"/>		✓
STERLING	<input checked="" type="checkbox"/> (Ewin) <input type="checkbox"/>		
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
ZUCCHET	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD Patricia A. Smith

CONFIRMED BY Susan Champlin

PSmith/BOARD-EC

BDRLLCALL-04FEB26 - 2/26/04

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619/231-1466  
FAX 619/234-3407

## Agenda

**Item No. 45**

Chief Executive Officer's Report

ADM 121.7 (PC 30100)

February 26, 2004

### Minor Contract Actions




- City Treasurer for a lump sum deposit for the San Ysidro Intermodal Transportation Center Project
- Yellow Cab of San Diego, Inc., for Direct Access to Regional Transit (DART)/Flex FY 04 services
- The Wiggans Group for land management and miscellaneous Blue Line right-of-way and property management services

JGarde/Als  
45-04FEB26.PJABLO  
2/20/2004

#### Member Agencies:

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

Metropolitan Transit Development Board is Coordinator of the Metropolitan Transit System and the  Taxicab Administration

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## SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

3

ORDER REQUEST RECEIVED

1

**\*\*PLEASE SUBMIT THIS COMPLETED FORM (AND YOUR WRITTEN STATEMENT) TO THE CLERK OF THE BOARD PRIOR TO DISCUSSION OF YOUR ITEM\*\***

## 1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Board (please attach your written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Board authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.

Date 2004-03-11Name (PLEASE PRINT) Clive RichardAddress 5153 L2 Donna StSan Diego CA 92115Telephone 619.582.4036Organization Represented (if any) Transit Service

Subject of your remarks: \_\_\_\_\_

Agenda Item Number on which you request to speak \_\_\_\_\_

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At Public Hearings of the Board, persons wishing to speak shall be permitted to address the Board on any issue relevant to the subject of the Hearing.

## 3. DISCUSSION OF AGENDA ITEMS

The Chairman may permit any member of the public to address the Board on any issue relevant to a particular agenda item.

## 4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five (5) speakers with three (3) minutes each, under the Public Comment Agenda Item. Additional speakers will be heard at the end of the Board's Agenda.

**\*\*REMEMBER: Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.\*\***

MTB of College area community group.

MTDB never talked to them.

RT 115 way - Part of Community Plan. -

~~Never~~

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

3

ORDER REQUEST RECEIVED

2

**\*\*PLEASE SUBMIT THIS COMPLETED FORM (AND YOUR WRITTEN STATEMENT) TO THE CLERK OF THE BOARD PRIOR TO DISCUSSION OF YOUR ITEM\*\***

1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Board (please attach your written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Board authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.

Date 3/11/04

Name (PLEASE PRINT) CHUCK Wingerhausen

Address \_\_\_\_\_

Telephone \_\_\_\_\_

Organization Represented (if any) \_\_\_\_\_

Subject of your remarks: \_\_\_\_\_

Agenda Item Number on which you request to speak \_\_\_\_\_

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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3. DISCUSSION OF AGENDA ITEMS

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**\*\*REMEMBER: Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.\*\***

1.

Mar. 11, 2004

MTSB mtg.

**AGENDA ITEM #3 ( Public Comment)**

**Good morning Chair Williams, Board members, Staff, and other fellow citizens. Chuck Lungerhausen of Collwood Knolls Rm. #124 assisted living residence which is in the SDSU neighborhood of San Diego 92115 Ph [619] 546-5610**

**As you can see have my fund raising garb present again. Our 2004 MS Walk/Swim took place Sat March 6. However you still have time Jerry Rindone and Diane Rose or any other donor because the books do not close until April 13 for this year's Walk. To this date I have collected over \$5,345 in sponsrship donations and with me returning a \$400 gift certificate and still uncollected donations my total could exceed \$6,000 donated.**

**Again I request your sponsoship donations of \$20 , \$25 or larger amounts if you are able to be so generous. Actually any size amount is most welcome**

**Your checks should be made out to the National MS Society or a cash donation should be accompanied with a business card so a thank you message can be sent.**

**Now on the public transportation front Mark Thompson of San Diego Transit called me yesterday to thank me for raising concerns of the early evening suspension of services for Bus route #11 at the two Kensington bus stops. As a result of this concern Mark was able to have the time moved from 7 pm to 10 pm and after further discussions yesterday on possible rerouting the possiblity of no suspensio. Am glad something can be worked out do not like service cut backs.**

**Thank you for listening and the opportunity to speak**

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619/231-1466  
FAX 619/234-3407

## Agenda

**Item No. 4**

Board of Directors Meeting

ADM 160.2 (PC 40098)

March 11, 2004

**Subject:****WEBB PROPERTIES, LLC: REQUEST FOR EASEMENT****RECOMMENDATION:**

That the Board of Directors authorize the Chief Executive Officer to execute an easement to Webb Properties, LLC to install permanent tieback anchors within railroad right-of-way on the east side of the property south of Sassafras Street as part of the Park-n-Ride Parking Structure Project in substantially the form as attached (Attachment A).

**Budget Impact**

Compensation to MTDB at fair market value to be determined.

**DISCUSSION:**

Webb Properties, LLC is the owner of the property located at the southwest corner of Kettner Boulevard and Sassafras Street in the City of San Diego. The property is being developed as a parking structure for Park-n-Ride. The parking structure will abut to the east side of railroad property south of Sassafras Street. A permanent tieback shoring system is proposed to construct excavation for the building. The tiebacks will be below ground and have been deemed by staff to not impact the railroad-operating prism. The easement will run with the land and require the adjacent owner to compensate the railroad for removal of the system for any future railroad construction.



Paul C. Jablonski  
Chief Executive Officer


Key Staff Contact: Tim Allison, 619.557.4566, Tim.Allison@sdmts.com




DDarro/4-04MAR11.TALLIS/2/27/04

Attachment: A. Easement Agreement (**Board only**)

**Member Agencies:**

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

Metropolitan Transit Development Board is Coordinator of the Metropolitan Transit System and the  Taxicab Administration

Subsidiary Corporations:  San Diego Transit Corporation,  San Diego Trolley, Inc., and  San Diego & Arizona Eastern Railway Company

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Recording Requested By  
and  
When Recorded Mail To:

MTDB Doc. No.  
(PC )

### EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT is made and entered into at San Diego, California, as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between the San Diego Metropolitan Transit Development Board (herein referred to as "MTDB"), and \_\_\_\_\_ (herein referred to as "Grantee"), with respect to the following facts:

### RECITALS

- A. MTDB is the owner of that certain real property more particularly described on Exhibit(s) \_\_\_\_\_, attached hereto and by this reference incorporated herein (the "Property").
- B. Grantee desires to receive, and MTDB desires to grant, certain easement(s) to Grantee for the use of MTDB property for the benefit of \_\_\_\_\_, all as more particularly described herein.
- C. This agreement is made pursuant to California Civil Code Section 1468, it being the intention of the parties to this agreement that the provisions hereof shall bind and benefit each party, the real property owned by party, the successive owners of each parcel of real property described in Exhibit(s) \_\_\_\_\_, and the successors in interest of each of the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of Easement(s). In consideration of \_\_\_\_\_ dollars (\$\_\_\_\_\_) paid to MTDB, receipt of which is hereby acknowledged, MTDB hereby grants to Grantee an easement as hereinafter described Exhibit(s) \_\_\_\_\_, attached hereto and by this reference incorporated herein.
2. Character of Easement(s). The easement(s) granted herein is/are appurtenant to all of the Dominant Tenement, and each and every portion thereof, and to each division thereof by Parcel Map, Subdivision Map, or otherwise.
3. Description of Easement(s). The easement(s) granted herein is/are for \_\_\_\_\_
4. Use. The easement(s) granted herein include(s) the following uses by those entitled thereto: \_\_\_\_\_



5. Exclusiveness of Easement(s). The easement(s) granted herein is/are not exclusive.

6. Construction and Maintenance of Easement(s).

a. Grantee agrees to keep MTDB property in a good and safe condition, so far as affected by Grantee's use, free from waste, all to the satisfaction of MTDB. The installation or construction of any structure or improvement shall be accomplished at such times and in such a manner as not to interfere in any way whatsoever with the operations of MTDB, and shall be done subject to the inspection and approval of MTDB. In the event MTDB shall at any time or times require the removal, reconstruction, alteration, or changes in the location of said structure, or shall at any time or times construct an additional track or tracks, upon receiving written notice from MTDB so to do, to forthwith construct and maintain an additional structure or extend or change said structure or immediately remove, reconstruct, alter, or make changes in the location of said structure as may be requested by MTDB and in a manner satisfactory to MTDB. Grantee shall give MTDB five (5) days written notice prior to the commencement of any work of construction or reconstruction, or the restarting after a week or longer delay.

b. Grantee agrees to reimburse MTDB the cost of MTDB furnishing any necessary watchmen, flagmen, or inspectors and for performing any work, including installing and removing any necessary falsework beneath the tracks of MTDB, during the installation, maintenance, or removal of said structure.

c. No work on MTDB property shall be commenced by any contractor for Grantee until such contractor has received a valid "Right of Entry Permit" issued by MTDB, together with insurance endorsements reasonably acceptable to MTDB.

d. Grantee will fully pay for all materials joined or affixed to the property, and pay in full all persons who perform labor upon the property, and will not permit or suffer any mechanics' liens or materialman's liens of any kind or nature to be enforced against the property for any work done or materials furnished thereon at Grantee's insistence or request.

e. All plans, specifications, and work plan procedures for any work to parcel(s) requested by Grantee shall be approved by MTDB prior to the use thereof.

f. Grantee will fully pay for any grade crossing protection and safety devices which MTDB is required to install, pursuant to the safety rules, regulations, and laws of the state of California, the Public Utilities Commission, or any other governmental agency having jurisdiction over railroad safety requirements.

7. Indemnity. Grantee agrees to release and indemnify MTDB from and against all liability, cost, and expense for loss of, or damage to, property and for injury to, or deaths of, persons (including, but not limited to, the property and employees of each of the parties hereto) when arising or resulting from:

a. The use of the property by Grantee, its agents, employees, or invitees, or

b. The construction, presence, maintenance, use or removal of said structure, whether or not caused or contributed to by any act or omission of MTDB. The term "MTDB"

as used in this Section 7 shall include the lessor, successors, assigns, and affiliated companies of MTDB, and any other railroad company operating upon MTDB's tracks.

8. Breach. Should Grantee fail to keep, observe, and perform any covenant or condition on Grantee's part herein contained, MTDB may give Grantee fifteen (15) days prior written notice to cure such breach. If Grantee does not cure such breach within said period, MTDB may cause said breach to be cured and all costs and expenses incurred by MTDB to cure such breach shall be paid by Grantee upon written demand of MTDB.

9. Entire Agreement. This instrument, the exhibits attached hereto, and the instruments referred to herein, contain the entire agreement between the parties relating to the rights granted herein.

10. Attorney's Fees. In the event of any controversy, claim, or dispute relating to this instrument, or the breach hereof, the prevailing party shall be entitled to recover from the losing party reasonable expenses, attorney's fees and costs.

11. Binding Effect. This instrument shall bind and inure to the benefit of the respective heirs, personal representatives, and successors and assigns of the parties hereto.

12. Termination. This Easement(s) shall be effective in perpetuity; provided, however, in the event Grantee shall discontinue the use of the Easement(s) granted hereby and the structure, or Grantee abandons the same, all rights hereby given shall forthwith cease and terminate.

13. Special Conditions.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have caused this easement to be executed in duplicate the day and year first herein written.

SAN DIEGO METROPOLITAN TRANSIT  
DEVELOPMENT BOARD

GRANTEE:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

G:\ESMT-MTD(GEN)

Attachment(s):

Rev. 5/15/02

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619/231-1466  
FAX 619/234-3407

## Agenda

**Item No. 5**

Board of Directors Meeting

OPS 920.5 (PC 30103)

March 11, 2004

**Subject:****PERFORMANCE TRENDS QUARTERLY REPORT****RECOMMENDATION:**

That the Board of Directors receive this report.

**Budget Impact**

None at this time.




**DISCUSSION:****Data Sources**

Each quarter (a three-month period) transit operators submit to the San Diego Association of Governments (SANDAG) a detailed quarterly report with statistical information, financial data, and operating performance results. While the data presented is similar, there are some differences in the source of the data. On the bus side, San Diego Transit Corporation (SDTC) and the MTS Contract Services provide ridership counts taken by drivers using conventional fareboxes. San Diego Trolley, Inc. (SDTI) (in cooperation with SANDAG), utilize a combination of vendomat passenger counts and passenger surveys to project the ridership that includes both cash (vendomat) and prepaid customers, such as those who use monthly passes, day passes, or tokens. Based on previous statistical analysis, it is believed that the bus counts are within a 1 percent variance, while the SDTI information may have a slightly higher variance due to the sampling process. Special counts are also utilized to supplement the trolley counts for Padre games, Charger games, the Super Bowl, and other special events during the year (Street Scene, Oktoberfest, etc.)

**Member Agencies:**

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

Metropolitan Transit Development Board is Coordinator of the Metropolitan Transit System and the  Taxicab Administration

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## Trend Charts

Starting with the November 13, 2003, quarterly data presentation, staff is continuing to present long-term data in quarter increments. Some trend charts may include average lines, control limit lines, and trend lines, where appropriate. Any circumstance that might cause a change in a trend line, such as September 11, 2001, fare increases, or other events, will be added to the charts.

The following trend charts were developed and are attached (Attachment A):

- Total Passengers
- Average Fare Per Passenger
- Operating Cost per Revenue Mile
- Completed Trips
- On-time Performance

## Performance Results

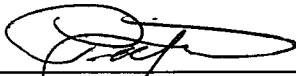
Total passengers. SDTI and MTS Contract Services ridership has leveled off in the past few quarters after a drop at the September 11, 2001, event. However, there was a slight dip in the October – December 2003 (Second Quarter, FY 04) as a result of two events – the October fires and the James R. Mills Building scaffolding accident and fire. SDTC ridership had not leveled off as of the past quarter and had significant ridership losses due to the Cedar fire, service cuts, and reliability issues.

Average Fare Per Passenger. The April 1, 2001, fare change increased the average fare on all operators from 9 percent to 20 percent. The average fare for each SDTI, SDTC and MTS Contract Services operator increased the first two quarters of FY 04, reflecting the fare increase. The charts clearly show the increase.

Operating Cost Per Revenue Mile. Each transit operator has been increasing in operating costs for various reasons. All of them have had unit costs go up about a dollar per revenue mile over the past four years. Fuel and energy costs have played a role, along with insurance and risk cost factors.

Completed Trips. The desired goal is to have completed trips exceeding **99.80** percent of all trips. SDTI, operating on a nearly exclusive right-of-way shows a very high level of completed trips nearing 100 percent. However, the second quarter of FY 04 reflects the loss of trips related to the scaffolding accident and fire. SDTC completed trips declined to 99.35 percent and was the result of driver shortages, vehicle shortages, and operational challenges. SDTC service reductions on February 1, 2004, has mitigated the driver shortage, and it was fully staffed at the beginning of February. SDTC has identified several activities to increase the reliability and to improve the completed trips, including utilizing standby buses and making vehicles available so nearly all trips can be completed. MTS Contract Services combined for all fixed-route services was 99.95 percent. Both ATC/VANCOM and Laidlaw Transit Services are successfully using standby buses to cover lost service, and on-time performance has been good resulting in few lost trips.

On-time Performance. The desired goal is to achieve **90 percent**, or greater, on-time performance as defined as being between 0-5 minutes late and not leaving early from time points. The chart shows various performance results of the bus system, while SDTI remains steady at roughly 98 percent on time. SDTC has seen a decline in on-time performance for the past three quarters with a low point of 73 percent on-time performance in the second quarter of FY 04. This is being monitored closely, and schedule revisions were implemented in February 2004 with other planned service changes. MTS Contract Services for the second quarter of FY 04 was at 87.5 percent on time for the South Bay and Central bus services (ATC/VANCOM) and 92.0 percent on time for the East County bus services (Laidlaw Transit Services).



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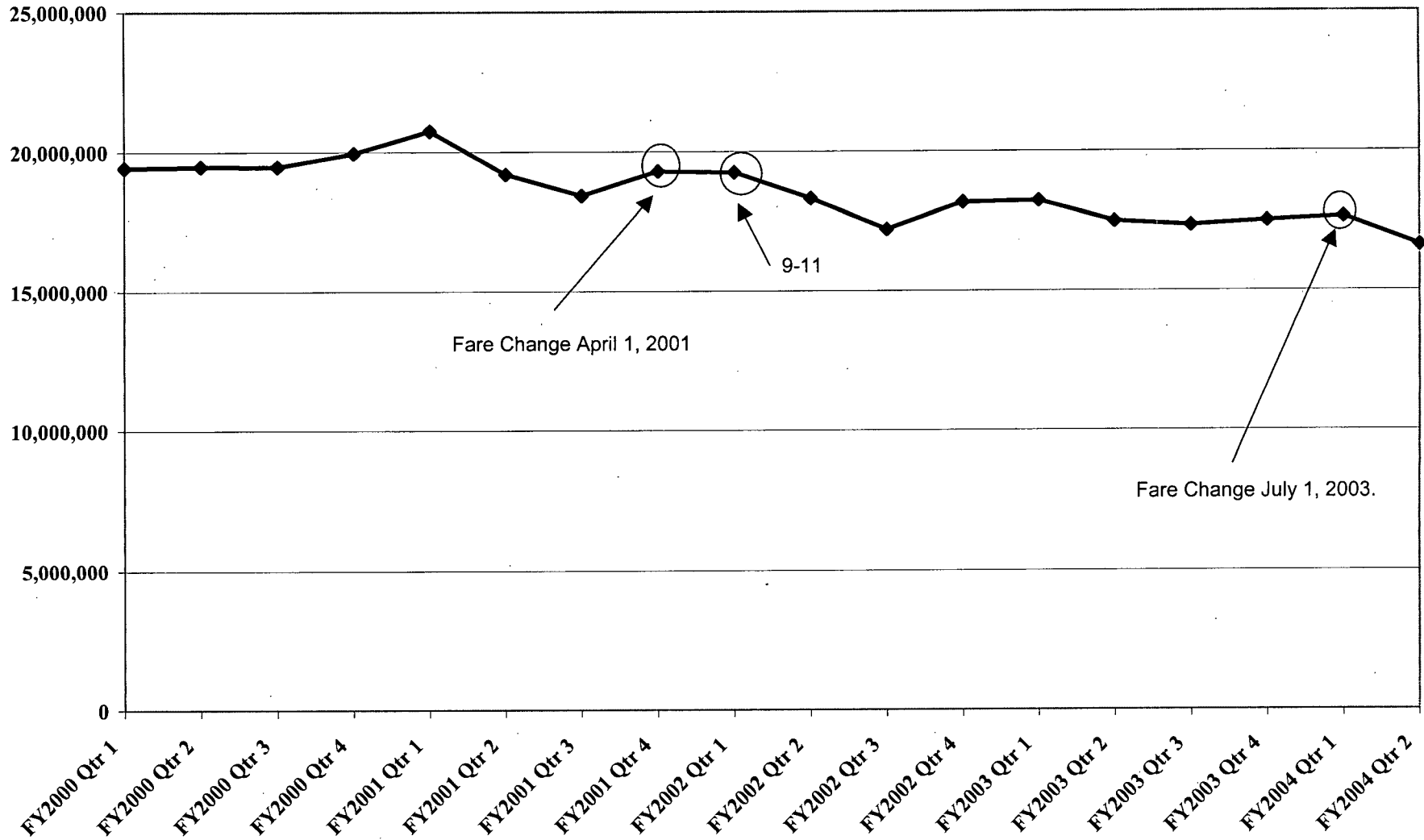
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Elliot Hurwitz, 619.595.7031, [Elliot.Hurwitz@sdmts.com](mailto:Elliot.Hurwitz@sdmts.com)

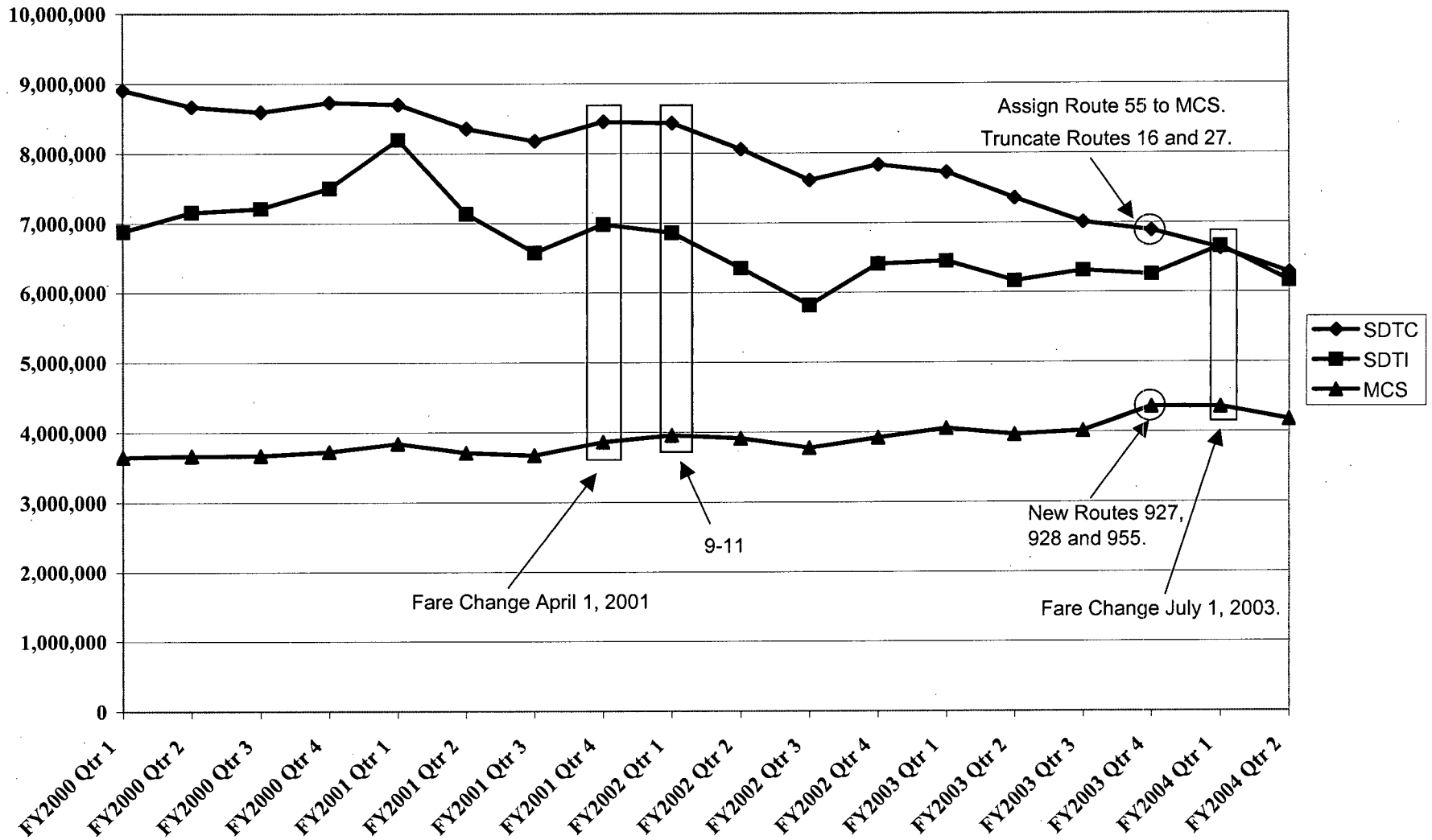
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2/27/04

Attachment: A. Performance Charts (**Board Only**)

# **MTS Total Passengers** **All Services from July 1999 to December 2003 by Quarter**

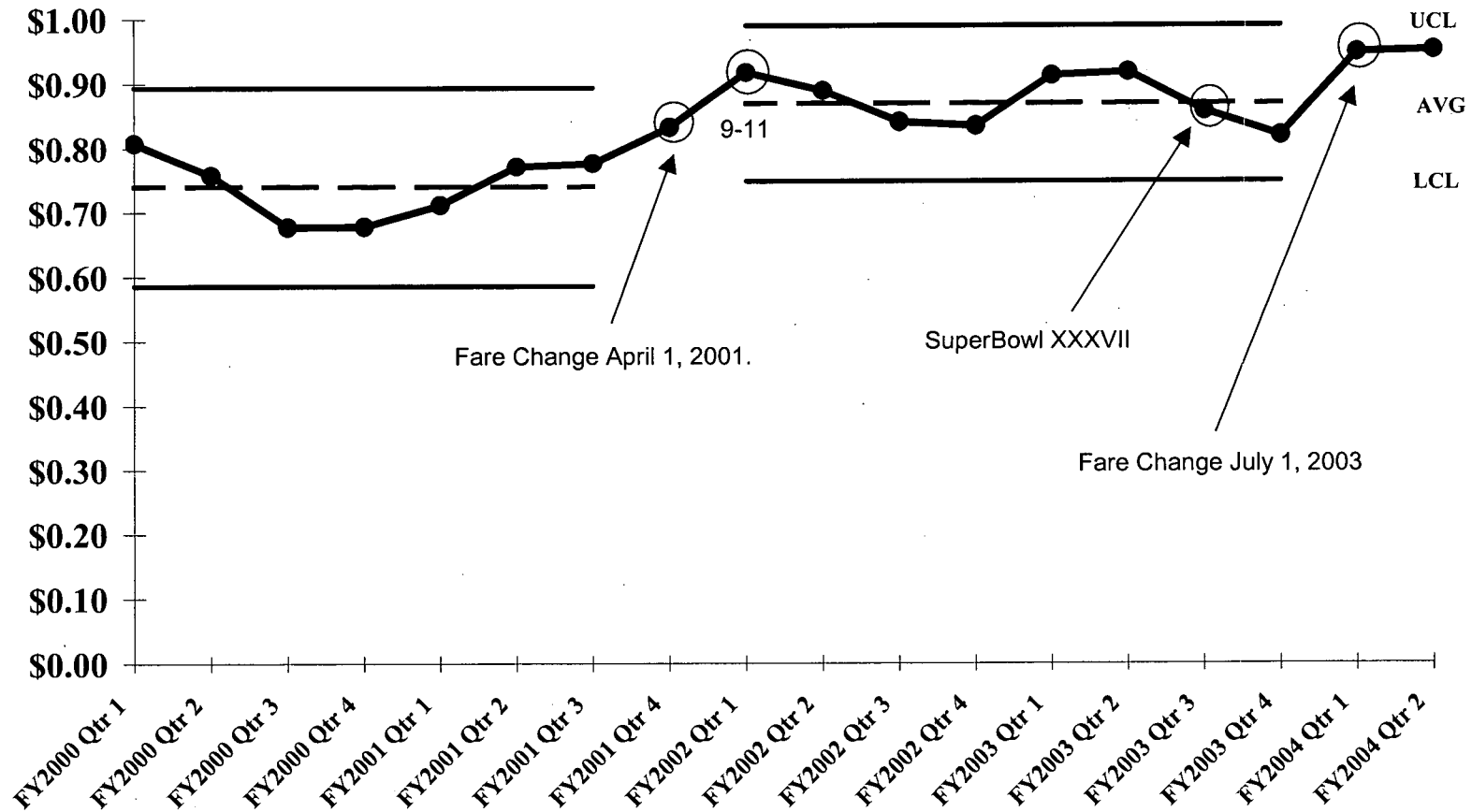


# **MTS Total Passengers** All Services from July 1999 to December 2003 by Quarter



# Average Fare per Passenger

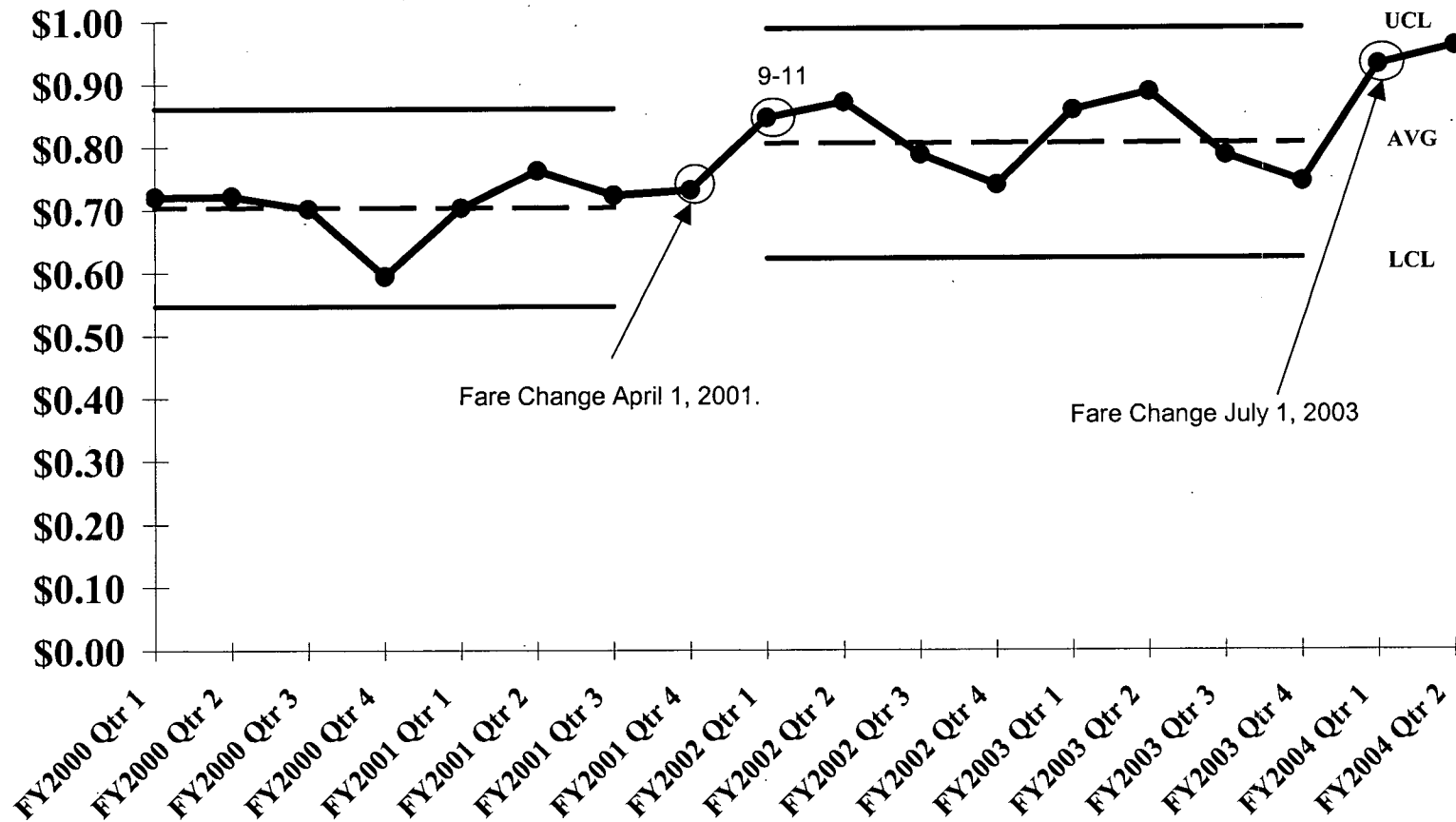
San Diego Trolley Inc. from July 1999 to December 2003 by Quarter





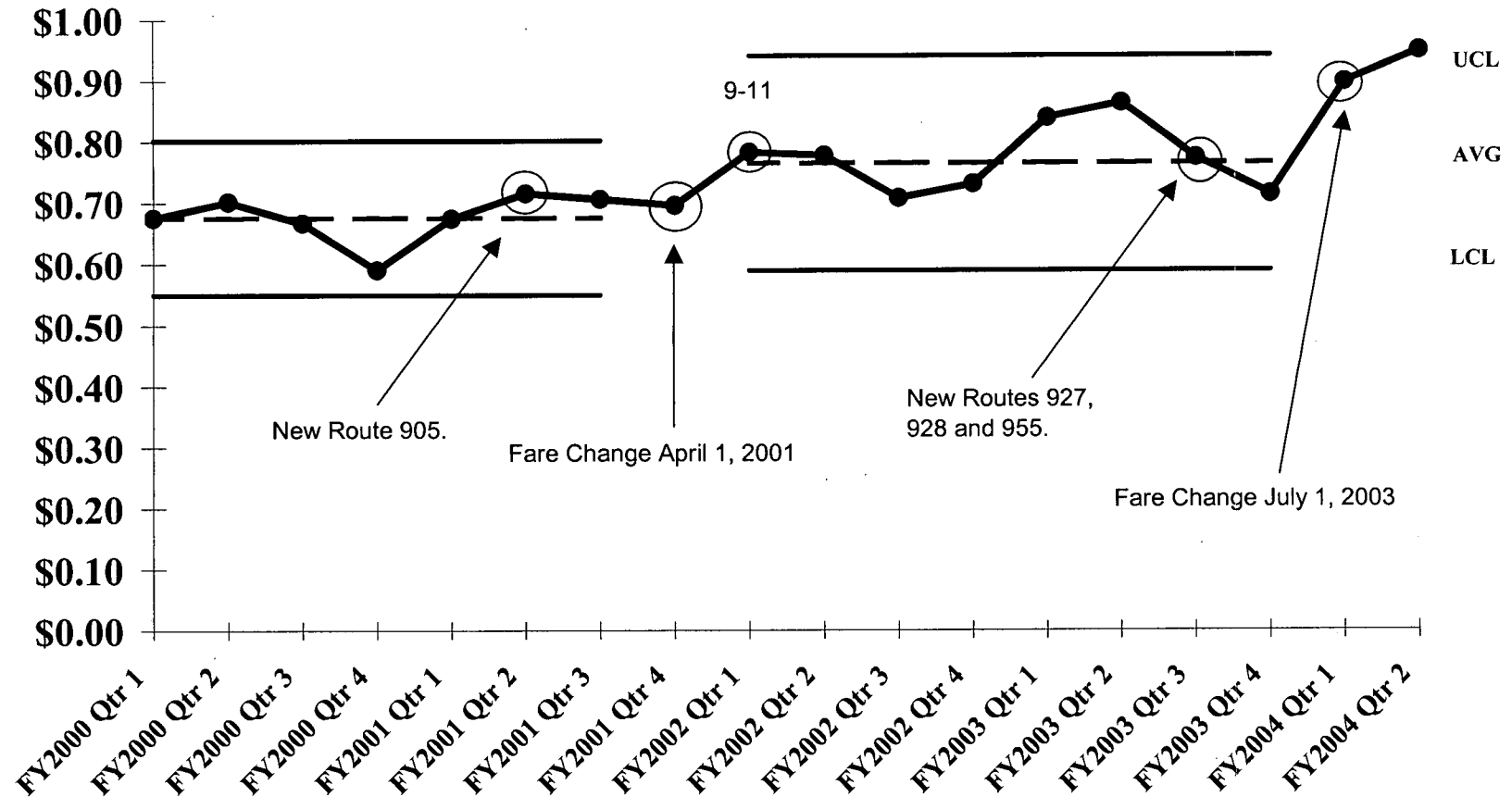
# Average Fare per Passenger

San Diego Transit Corporation from July 1999 to December 2003 by Quarter



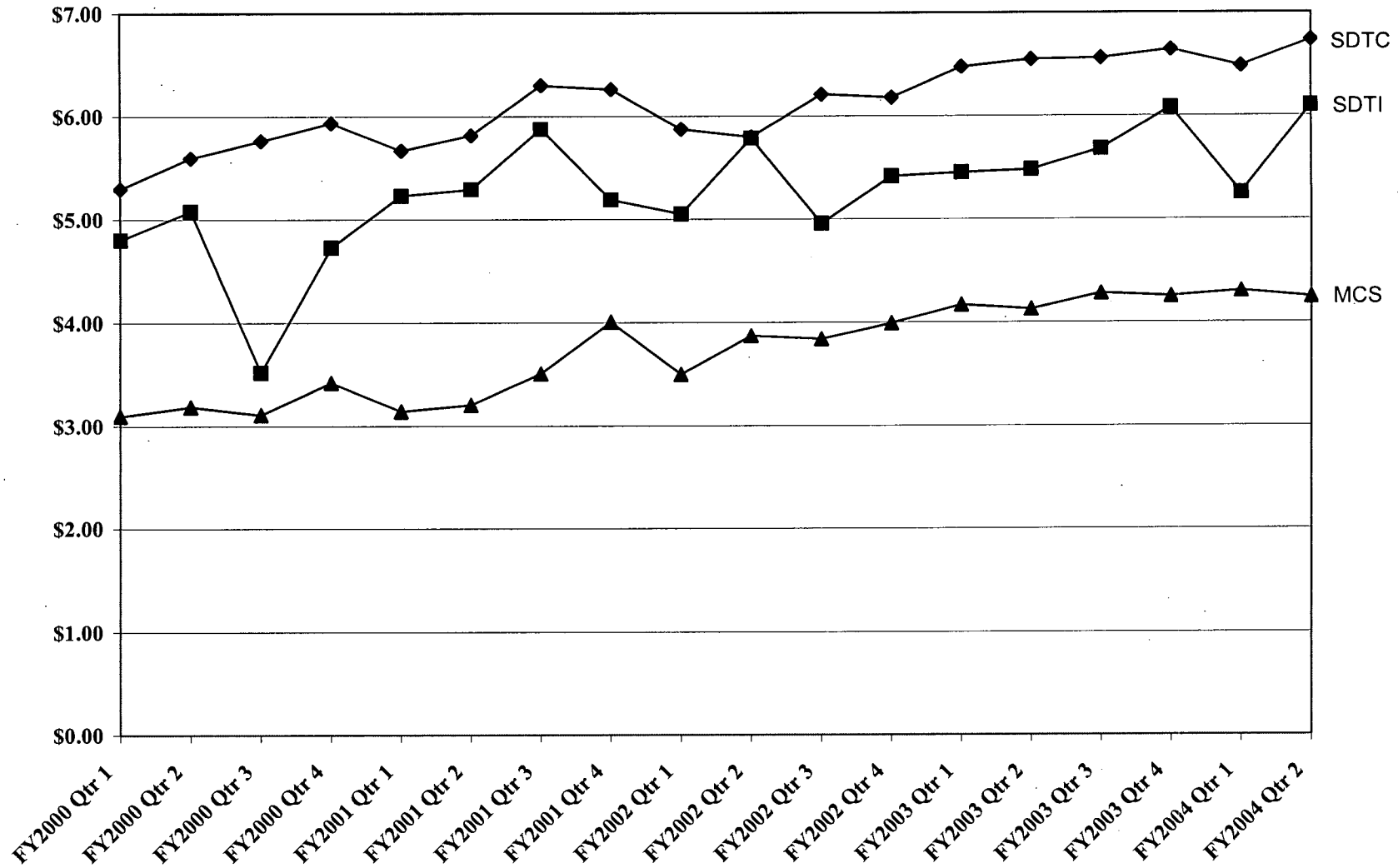
## Average Fare per Passenger

MTS Contract Services from July 1999 to December 2003 by Quarter



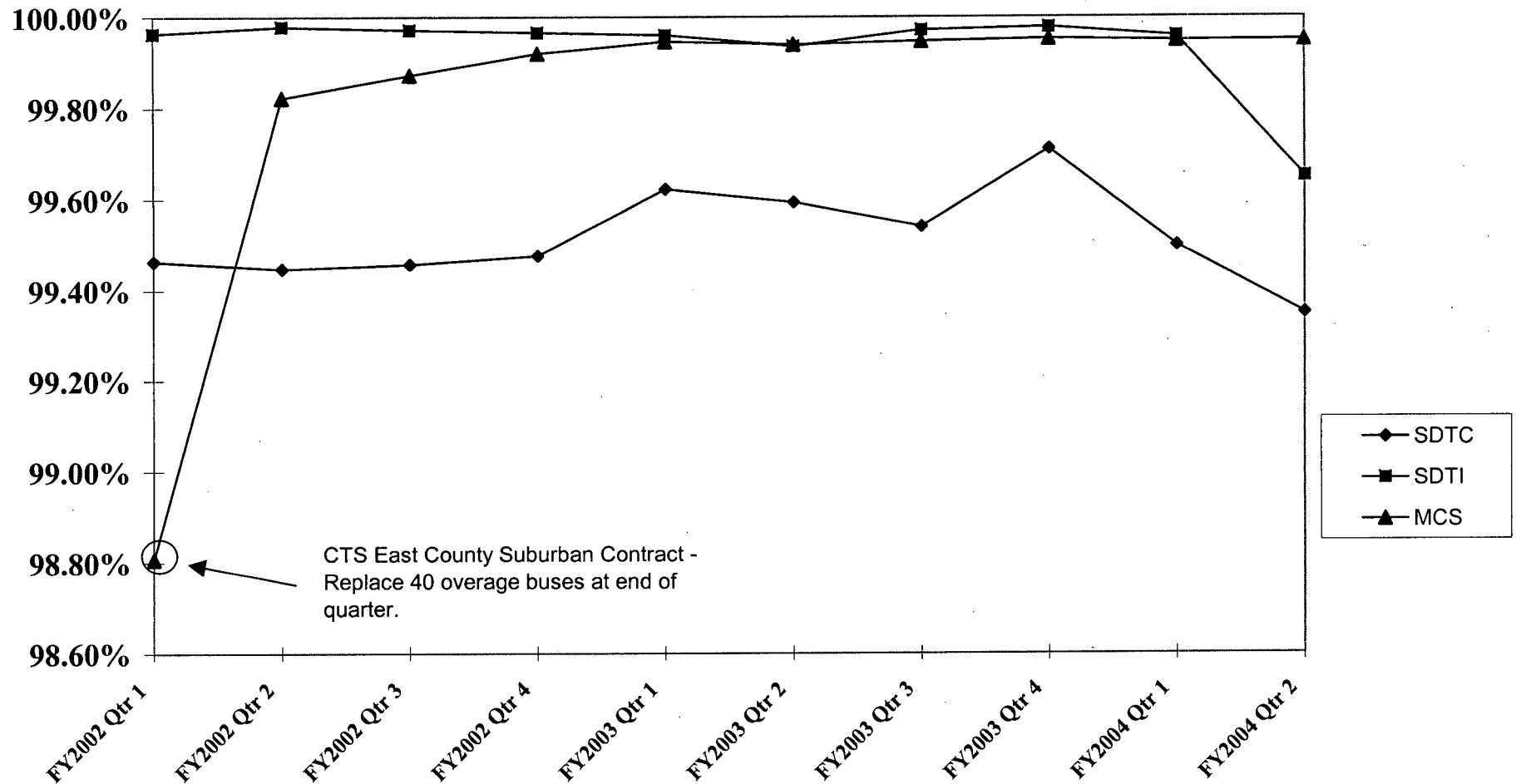
# Operating Cost per Revenue Mile

All Services from July 1999 to December 2003 by Quarter



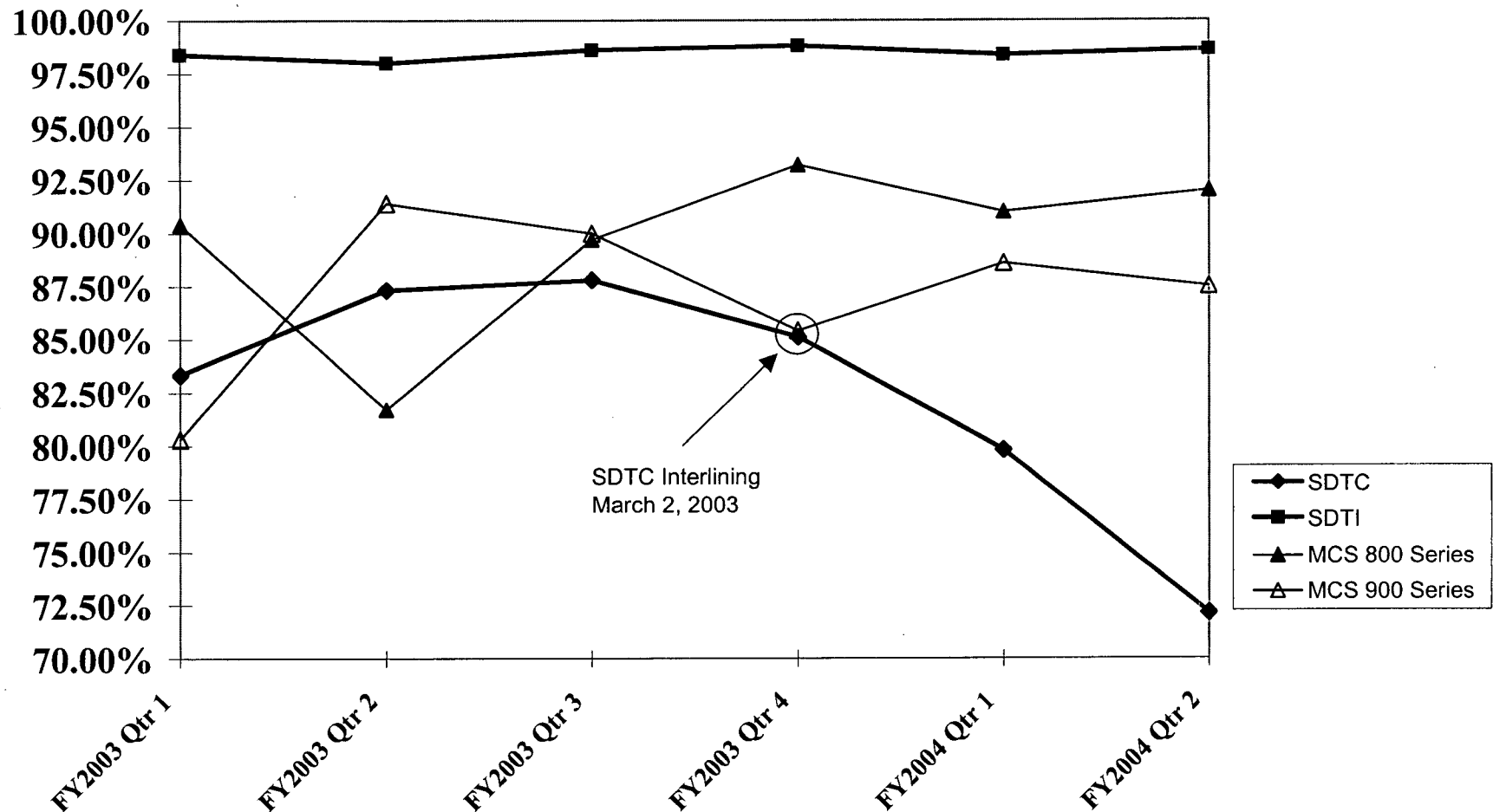
## Completed Trips by Service

All Services from July 2001 through December 2003 by Quarter



## Percent On-Time by Service

All Services from July 2002 through December 2003 by Quarter



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619/231-1466  
FAX 619/234-3407

## Agenda

**Item No. 6**

Board of Directors Meeting

FIN 310 (PC 30100)

March 11, 2004

**Subject:****DECEMBER 2003 QUARTERLY INVESTMENT REPORT****RECOMMENDATION:**

That the Board of Directors receive the quarterly investment report and comment as necessary.

**Budget Impact**

None.

**DISCUSSION:**

Board Policy No. 31, "Investments," and California Government Code Section 53646 outline the requirements for the treasurer or chief financial officer of a local agency in reporting to the legislative body of the local agency. The investment portfolio is managed by LM Capital Management. A list of investments under its management is in Attachment A, and its report is in Attachment B.

**Certifications**

As required by state law, the Finance Manager reports that this portfolio will provide the necessary liquidity to meet the expenditure requirements of MTDB for the next six months. This portfolio is in compliance with Board Policy No. 31 and with state law.




Paul C. Jablonski  
Chief Executive Officer




AIsa  
6-04MAR11.LWARRE  
2/24/04

Attachments: A. Detail of Portfolio Balances  
B. LM Capital Quarterly Review } **Board Only**

**Member Agencies:**

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

Metropolitan Transit Development Board is Coordinator of the Metropolitan Transit System and the  Taxicab Administration

Subsidiary Corporations:  San Diego Transit Corporation,  San Diego Trolley, Inc., and  San Diego & Arizona Eastern Railway Company

For personal trip planning or route information, call 1-800-COMMUTE or visit our web site at [sdcommute.com](http://sdcommute.com)!

LM CAPITAL GROUP, LLC  
401 B Street, Suite 920  
San Diego, CA 92101  
(619) 814-1401 Fax: (619) 814-1404

**Portfolio Statement**  
As of 12/31/2003

SAN DIEGO MTDB Acct #: COMBINED  
1255 IMPERIAL AVE STE. 1000  
SAN DIEGO, CA 92101

Weight	Rate	Description		Quantity	Cost Basis	Unit Cost	Current Value	Current Price	Unrealized Gain (Loss)	Current Yield
<b>US TREASURY SECURITIES</b>										
5.80%	AAA	US TREASURY NOTE 01/31/2004 3.00%	<4>	4,000,000	4,034,062.50	100.852	4,006,250.00	100.156	(27,813)	3.0%
		Accrued Income					50,000.00			
1.16%	AAA	US TREASURY NOTE 02/29/2004 3.00%	<3>	800,000	814,875.00	101.859	802,500.00	100.313	(12,375)	3.0%
		Accrued Income					8,000.00			
2.46%	AAA	US TREASURY NOTE 09/30/2004 1.875%	<4>	1,700,000	1,709,496.09	100.559	1,709,562.50	100.563	66	1.9%
		Accrued Income					7,968.75			
1.44%	AAA	US TREASURY NOTE 12/31/2004 1.75%	<4>	1,000,000	1,005,039.06	100.504	1,005,000.00	100.500	(39)	1.7%
1.43%	AAA	US TREASURY NOTE 05/31/2005 1.25%	<4>	1,000,000	997,500.00	99.750	997,500.00	99.750	0	1.3%
		Accrued Income					1,041.67			
0.72%	AAA	US TREASURY NOTE 07/31/2005 1.50%	<4>	500,000	495,976.56	99.195	499,687.50	99.938	3,711	1.5%
		Accrued Income					3,118.21			
3.57%	AAA	US TREASURY NOTE 11/15/2006 3.50%	<1>	2,400,000	2,538,187.44	105.758	2,481,000.00	103.375	(57,187)	3.4%
		Accrued Income					10,733.33			
16.58%				11,400,000	11,595,136.65		11,582,361.96		(93,637)	2.6%
<b>US GOVERNMENT AGENCY SECURITIES</b>										
4.38%	AAA	FEDERAL HOME LOAN BANK 05/14/2004 4.875%	<4>	3,000,000	3,077,700.00	102.590	3,041,250.00	101.375	(36,450)	4.8%
		Accrued Income					19,093.75			
3.03%	AAA	FEDERAL NATL MTGE ASSOC 06/15/2004 3.00%	<3>	2,100,000	2,138,882.81	101.852	2,117,718.75	100.844	(21,164)	3.0%
		Accrued Income					2,800.00			
4.34%	AAA	FEDERAL NATL MTGE ASSOC 06/15/2004 3.00%	<4>	3,000,000	3,040,920.00	101.364	3,025,312.50	100.844	(15,608)	3.0%
		Accrued Income					4,000.00			
2.46%	AAA	FEDERAL NATL MTGE ASSOC 08/11/2006 2.75%	<5>	1,700,000	1,686,718.75	99.219	1,701,071.00	100.063	14,352	2.7%
		Call 08/11/2004, 100.00								
		Accrued Income					18,180.56			
3.51%	AAA	FEDERAL HOME LN MORTGAG 11/15/2004 3.25%	<1>	2,400,000	2,471,558.40	102.982	2,440,512.00	101.688	(31,046)	3.2%
		Accrued Income					9,966.67			
2.89%	AAA	FEDERAL HOME LOAN BANK 12/15/2004 2.125%	<3>	2,000,000	2,001,015.63	100.051	2,015,000.00	100.750	13,984	2.1%
		Accrued Income					1,888.89			
3.46%	AAA	FEDERAL HOME LOAN BANK 12/15/2004 2.125%	<1>	2,400,000	2,430,562.50	101.273	2,418,000.00	100.750	(12,563)	2.1%
		Accrued Income					2,266.67			
4.03%	AAA	FEDERAL NATL MTG ASSOC 12/15/2004 1.875%	<4>	2,800,000	2,810,281.25	100.367	2,814,875.00	100.531	4,594	1.9%
		Accrued Income					2,333.33			
2.18%	AAA	FEDERAL HOME LN MORTGAG 01/15/2005 1.875%	<4>	1,500,000	1,509,785.16	100.652	1,507,968.75	100.531	(1,816)	1.9%
		Accrued Income					12,968.75			
2.16%	AAA	FEDERAL HOME LOAN BANK 04/15/2005 1.625%	<4>	1,500,000	1,498,495.50	99.900	1,503,750.00	100.250	5,255	1.6%
		Accrued Income					5,145.83			

**Portfolio Statement**  
As of 12/31/2003

SAN DIEGO MTDB Acct #: COMBINED

Weight	Rating	Description		Quantity	Cost Basis	Unit Cost	Current Value	Current Price	Unrealized Gain (Loss)	Current Yield
<b>US GOVERNMENT AGENCY SECURITIES</b>										
6.90%	AAA	FEDERAL NATL MTGE ASSOC. 04/15/2006 2.125%	<1>	4,800,000	4,864,875.00	101.352	4,798,512.00	99.969	(66,363)	2.1%
		Accrued Income					21,533.33			
3.38%	AAA	FEDERAL NATL MTGE ASSOC 06/16/2006 1.75%	<1>	2,400,000	2,394,912.00	99.788	2,363,256.00	98.469	(31,656)	1.8%
		Call 06/16/2004, 100.00								
		Accrued Income					1,750.00			
3.32%	AAA	FEDERAL NATL MTGE ASSOC. 06/15/2008 2.50%	<1>	2,400,000	2,412,187.50	100.508	2,319,000.00	96.625	(93,188)	2.6%
		Accrued Income					2,666.67			
46.04%				32,000,000	32,337,894.50		32,170,820.45		(271,669)	2.6%
<b>CORPORATE SECURITIES</b>										
<b>BANKING</b>										
1.89%	AA-	CITIGROUP 02/01/2008 3.50%	<1>	1,300,000	1,345,084.00	103.468	1,304,875.00	100.375	(40,209)	3.5%
		Accrued Income					18,958.33			
<b>FINANCE</b>										
2.10%	A+	MERRILL LYNCH & CO. 03/08/2005 4.54%	<1>	1,400,000	1,400,000.00	100.000	1,448,216.00	103.444	48,216	4.4%
		Accrued Income					19,950.78			
1.87%	A	CIT GROUP INC 07/29/2005 1.54%	<1>	1,300,000	1,300,000.00	100.000	1,305,135.00	100.395	5,135	1.5%
		Accrued Income					3,503.50			
1.61%	A	BEAR STEARNS CO. 03/30/2006 3.00%	<1>	1,100,000	1,117,127.00	101.557	1,116,566.00	101.506	(561)	3.0%
		Accrued Income					8,250.00			
1.82%	AAA	AMERICAN INTL GROUP INC. ( 05/15/2008 2.875%	<1>	1,300,000	1,313,312.00	101.024	1,264,991.00	97.307	(48,321)	3.0%
		Accrued Income					4,775.69			
7.40%				5,100,000	5,130,439.00		5,171,387.97		4,469	3.0%
<b>CONSUMER STAPLES</b>										
1.80%	A+	SARA LEE CORP. 06/15/2008 2.75%	<1>	1,300,000	1,295,515.00	99.655	1,256,723.00	96.671	(38,792)	2.8%
		Accrued Income					1,588.89			
<b>TECHNOLOGY</b>										
1.86%	A+	INTL BUSINESS MACHINES 11/01/2006 2.375%	<1>	1,300,000	1,283,815.00	98.755	1,297,387.00	99.799	13,572	2.4%
		Accrued Income					5,145.83			
12.96%				9,000,000	9,054,853.00		9,056,066.02		(60,960)	3.0%
<b>CASH AND MONEY FUNDS</b>										
0.42%		CASH	<2>		293,811.89		293,811.89			0.0%
15.05%		CASH	<3>		10,519,379.44		10,519,379.44			0.0%
4.74%		CASH	<6>		3,312,366.25		3,312,366.25			0.0%
3.15%		CASH	<4>		2,198,245.00		2,198,245.00			0.0%
0.95%		HIGHMARK US GOVT MONEY	<1>		660,819.21		660,819.21			0.0%
0.12%		WELLS FARGO TRSRY PLUS M.	<5>		84,499.00		84,499.00			0.0%
24.43%					17,069,120.79		17,069,120.79			0.0%
99.65%				52,400,000	70,057,004.94		69,630,739.79		(426,265)	2.0%



**Portfolio Statement**  
As of 12/31/2003

SAN DIEGO MTDB    Acct #: COMBINED  
Total Accrued Income  
100.00%

247,629.43  
69,878,369.22

<1>	SAN DIEGO METRO TRANSIT DEVELOPMENT BD WORKING CAPITAL ACCOUNT 1255 IMPERIAL AVE STE. 1000 SAN DIEGO, CA 92101-7490	OPERATING FDS    Acct #
<2>	SAN DIEGO METRO TRANSIT DEVELOPMENT BD COPS, SRS A, RES FUND 1255 IMPERIAL AVE, SUITE 1000 SAN DIEGO, CA 92101	'A' RESERVE FUND    Acc
<3>	SAN DIEGO METRO TRANSIT DEVELOPMENT BD COP 02-A RTMS PROCEEDS 1255 IMPERIAL AVE. STE 1000 SAN DIEGO, CA 92101	COP 2002-A PROCEEDS
<4>	SAN DIEGO METRO TRANSIT DEVELOPMENT BD COP 2003-B PROCEEDS 1255 IMPERIAL AVE STE 1000 SAN DIEGO, CA 92101	COP 2003-B PROCEEDS
<5>	SAN DIEGO METRO TRANSIT DEVELOPMENT BD COP 02-A RTMS RESERVE FD 1255 IMPERIAL AVE, SUITE 1000 SAN DIEGO, CA 92101	COP '02-A RESERVE FD
<6>	SAN DIEGO METRO TRANSIT DEVELOPMENT BD COP 2003-B RESERVE FD 1255 IMPERIAL AVE, SUITE 1000 SAN DIEGO, CA 92101	COP '03-B RESERVE FD

# LM CAPITAL GROUP, LLC

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GLOBAL BOND MANAGEMENT

SAN DIEGO METROPOLITAN  
TRANSPORTATION DEVELOPMENT BOARD

4TH QUARTER 2003 REVIEW

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Our business  
is focused  
entirely on fixed  
income

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Fixed-income specialists

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Established in 1989, in San Diego, California

San Diego MTDB total assets \$69,878,369.22

Operating Funds	\$26,586,081.90
"A" Reserve Funds	\$22,309,401.25
COP 2002-A Proceeds	\$15,454,598.19
COP 2003-B Proceeds	\$ 3,312,366.25
COP '02-A Reserve Fund	\$ 1,785,561.50
COP '03-B Reserve Fund	\$ 293,811.86

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Fixed Income Assets as of 12/31/03

\$1.9 billion in assets

Short Term total assets \$253,022,762

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65% employee-owned, minority-controlled

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Employees

3 portfolio managers

2 analysts

2 marketing representatives

3 client support

10 total

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GROUP, LLC

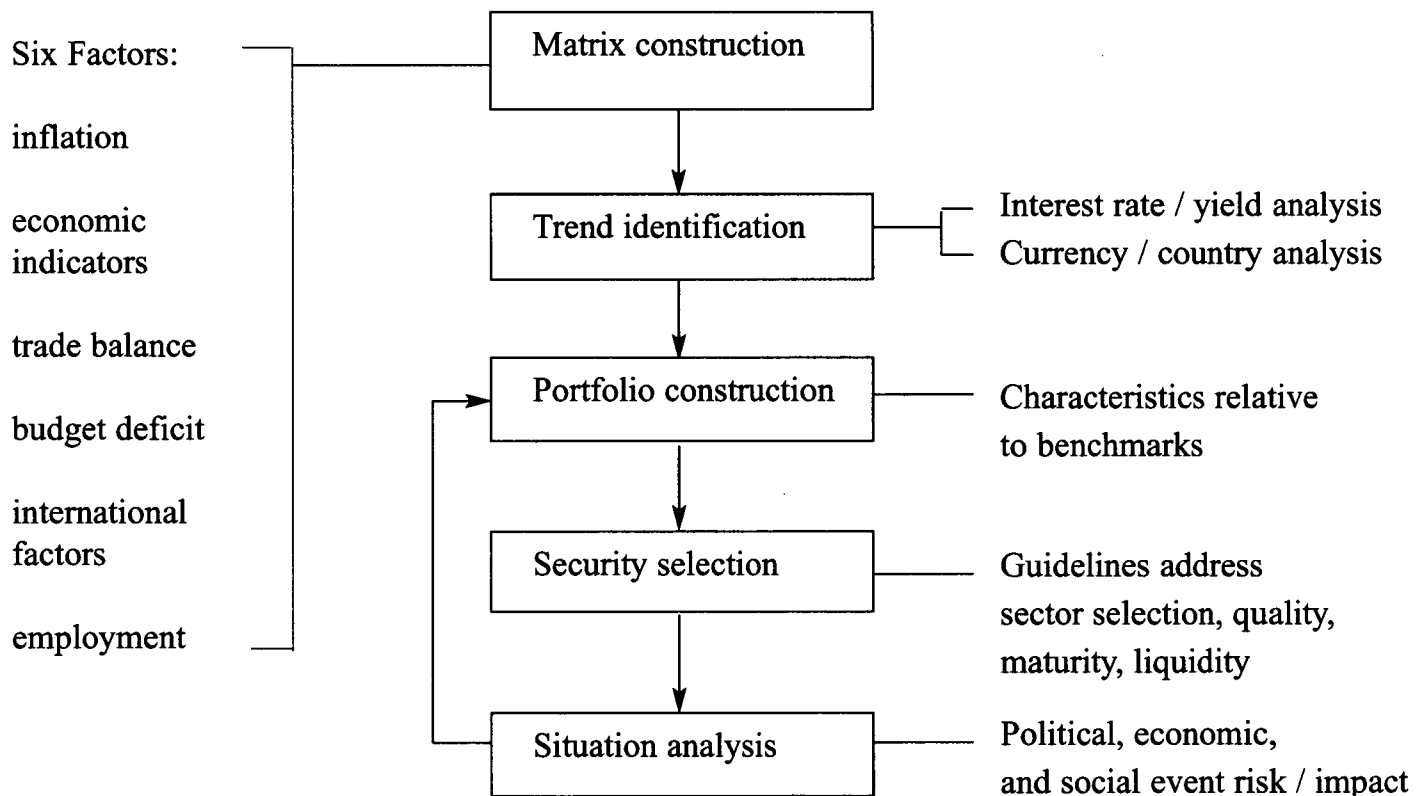
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# LM Capital process: Global Scenario Planning

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## Fundamental economic analysis



LM CAPITAL  
GROUP, LLC

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# Economic and Market Commentary

Dec. 31, 2003

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## Economic Commentary

The US economy posted a strong GDP growth rate of 4.0 % for the 4th quarter, 2003 based upon advance data. This is a continuation of the very strong 8.2 % growth recorded in the 3rd quarter, 2003. As in the previous quarter, growth occurred without inflationary pressures or a significant strengthening of the employment picture; in other words, strong growth without inflation or job creation. The Federal Reserve continued to signal its determination to maintain low interest rates and the fixed income markets responded by maintaining a wide and volatile trading range that calmed down as we approached yearend. The clear signal from the Fed is that interest rates will remain low until inflation pressures rise and excess capacity utilization is reduced well below current levels. Market consensus does not expect any rate moves by the Fed until June at the earliest. Our Trend Identification Score remained neutral during the 4th quarter, 2003.

Short term rates remained range bound during the quarter, as rates on 90 Day US Treasury Bills varied between 0.86% and 0.95% to end the quarter at 0.86%, the low end of the range. Two Year US Treasury rates also remained in a trading range, as yields ranged from 1.55% to 2.05% to end the quarter at 1.90%.

## San Diego Economy

Luis Maizel, our Senior Managing Director, participated in a panel discussion with several other economists at the San Diego Regional Chamber of Commerce Economic Outlook Forum in December, 2003. Despite suffering an estimated economic loss of \$1.7 billion from the recent firestorms, San Diego's economy appears poised for another year of strong growth. Construction, tourism, real estate, defense, and professional services should continue their strong growth patterns of 2003. Additionally, we expect increased activity in the high technology and biotechnology sectors. San Diego's unemployment rate is below the state and national average, and payroll job creation is very strong. The only drawback focuses on the lack of housing affordability in the region, which is a detriment to locating new businesses to the area. In summary, San Diego should perform well despite a continued slow decline in the manufacturing sector and cross border traffic with Mexico, the latter still impacted by 9-11. The panel forecast regional GDP growth well ahead of the state and national average for 2004.

## Portfolio Commentary

The MTDB portfolio was positioned to benefit from a stable interest rate environment while maintaining a very liquid position to meet withdrawal demands brought about by state and regional agency budget shortfalls. We are maintaining portfolio characteristics very close to the benchmark in average duration and maturity while focusing on liquidity for 2004. Many of the assigned MTDB portfolios are dedicated for construction projects and therefore portfolio maturities are matched based upon a projected draw down schedule. 2003 was a poor year for performance as we experienced a major market reversal during the summer followed by significant cash flows out of various portfolios.

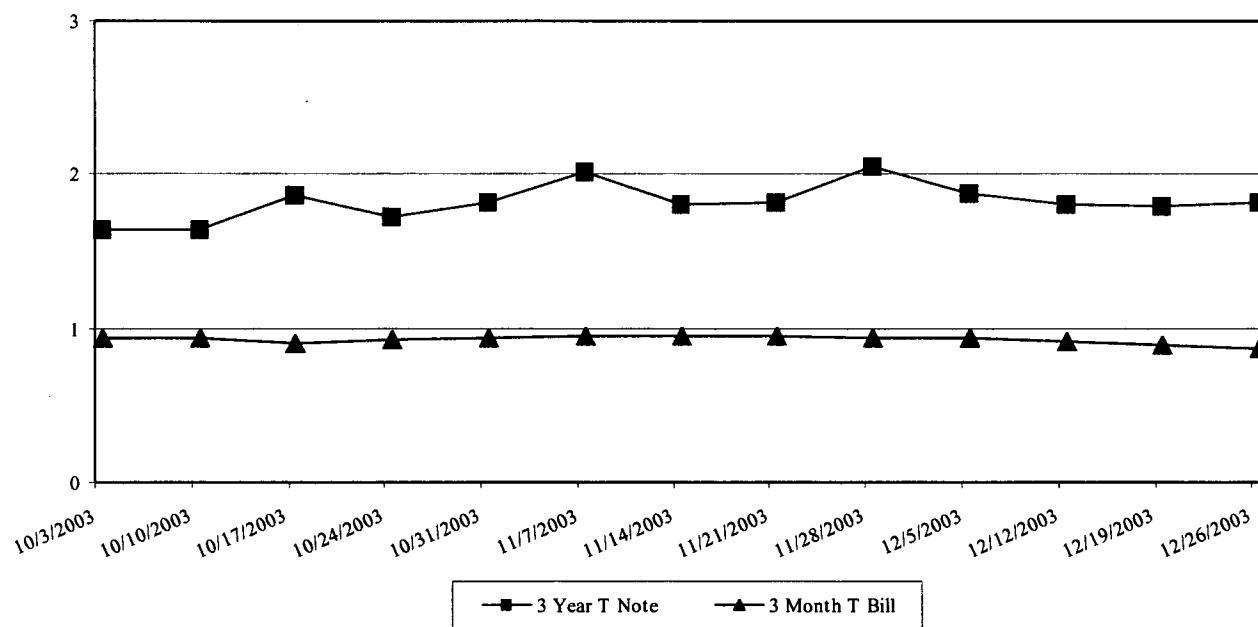
**L M CAPITAL  
GROUP, LLC**

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## Portfolio Style

### Short Term Fixed Income

Short Term Interest Rates  
September 26, 2003 - December 31, 2003



SD MTDB  
(All Portfolios)

ML 1-3 Year  
Govt/Corp

Average Maturity	1.72 years	1.77 years
Modified Duration	1.51 years	1.71 years
Yield to Maturity	1.78%	1.94%
Average Quality	AA1	AA1

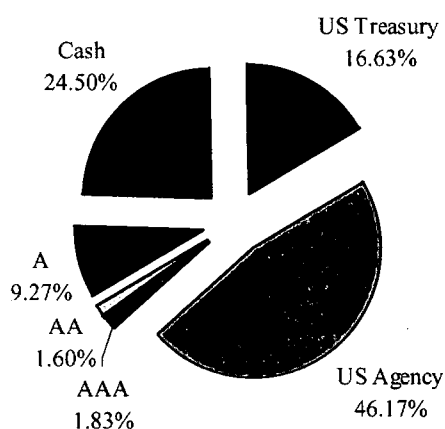
L M CAPITAL  
GROUP, LLC

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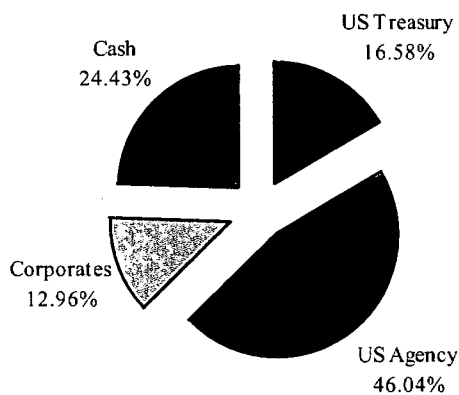
## Portfolio Characteristics

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### Quality Breakdown as of December 31, 2003 (All portfolios)



### Sector Allocation as of December 31, 2003 (All portfolios)



**LM CAPITAL  
GROUP, LLC**

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## Investment Performance

December 31, 2003

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### San Diego Metropolitan Transportation Development Board

	SD MTDB Operating Funds Portfolio	MTDB Benchmark*
October 2003	-0.63%	-0.37%
November 2003	-0.12%	0.00%
December 2003	0.78%	0.63%
4th Qtr., 2003	0.03%	0.26%
Full Year 2003	1.04%	2.74%
Since Inception*	0.03%	0.26%

**L M CAPITAL  
GROUP, LLC**

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\*Benchmark for the period 09/30/00 to 09/30/01 was the ML 1 Year Treasury Bill Index, from 09/30/01 to present the benchmark is the ML 1-3 Year Govt/Corp >A rated Index. Performance data reflects all assets in all accounts, Operating funds, COP proceeds and Bond Reserve fund.

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Results for the full period are time-weighted and include the reinvestment of income. Performance results have been presented before the deduction of management fees.



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619/231-1466  
FAX 619/234-3407

## Agenda

**Item No. 7**

Board of Directors Meeting

OPS 980.5 (PC 30206)

March 11, 2004

Subject:

**TRAPEZE PARATRANSIT SCHEDULING SOFTWARE****RECOMMENDATION:**


That the Board of Directors authorize the Chief Executive Officer to execute a contract amendment (MTDB Doc. B0399.3-03) with Trapeze Software Group, Inc. (Trapeze), in substantially the form attached (Attachment A), in an amount of \$60,000 to establish a reimbursement schedule for maintenance fees.

Budget Impact

Annual Maintenance fees are a regularly occurring budgeted line item in the Americans with Disabilities Act Paratransit budget. The \$60,000 would be funded from the Americans with Disabilities Act Paratransit Project line item (30206-0800CS34), over the next three fiscal years.

**DISCUSSION:**

Trapeze scheduling software has been used by MTS Paratransit services since 1997. While Laidlaw Transit Services, Inc., operates these transportation services under contract, they utilize Trapeze scheduling software, which is contracted under a separate contract with the software vendor. Annual fees to Trapeze are due on April 1 of every year. The purpose of this multiyear amendment is to establish a basis for annual payment that extends multiple years for the purpose of obviating the need to re-amend this contract each year for a known expense. The structure of the agreement and basis of payment remains unchanged. This amendment will simply lead to a decrease in the staff time needed to expedite timely payment to Trapeze subsequent to submittal of an invoice and prior to April 1.



Paul C. Jablonski  
Chief Executive Officer





PSmith/AIS  
7-04MAR11.MCALDER - 2/27/04

Key Staff Contact: Max Calder, 619.595.7037, max.calder@sdmts.com

Attachment: A. MTDB Doc. No. B0399.3-03 **(Board Only)**

## Member Agencies:

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

Metropolitan Transit Development Board is Coordinator of the Metropolitan Transit System and the  Taxicab Administration  
Subsidiary Corporations:  San Diego Transit Corporation,  San Diego Trolley, Inc., and  San Diego & Arizona Eastern Railway Company

For personal trip planning or route information, call 1-800-COMMUTE or visit our web site at [sdcommute.com](http://sdcommute.com)!

TRAPEZE SOFTWARE MAINTENANCE  
CONTRACT AMENDMENT NO. 3

THIS AGREEMENT is made effective this 11th day of March 2004 between Trapeze Software Group, Inc., 14400 North 87th Street, Suite 120, Scottsdale, Arizona, 85260, hereinafter known as "Trapeze"; and the San Diego Metropolitan Transit Development Board, a California Public Agency operating the Metropolitan Transit System, 1255 Imperial Avenue, Suite 1000, San Diego, California 92101-7490, hereinafter know as "Licensee."

WHEREAS, Trapeze and Licensee intend to amend the Software Maintenance Agreement dated November 28, 1997 (as amended by Contract Amendment No. 1 and No. 2 dated August 7, 2003), to reflect their agreement with respect to the maximum amount of maintenance fees payable under the Agreement,

NOW THEREFORE, Trapeze and Licensee agree as follows:

1. Definitions

"Agreement" means the Software Maintenance Agreement entered into between Trapeze and Licensee effectively dated November 28, 1997, and amended by Contract Amendment No. 1 and No. 2 dated August 7, 2003, setting out the terms and conditions by which Trapeze, among other things, agreed to provide long-term support and upgrades for certain Software as defined therein;

All other capitalized terms shall have the same meaning as in the Agreement unless the context requires otherwise.

2. Amendment to Agreement

- a. Exhibit A of the Agreement is deleted in its entirety and replaced with the Exhibit A attached hereto.
- b. All remaining terms, conditions, and covenants of the Agreement remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Contract Amendment to be signed by their duly authorized representatives as of the date above.

TRAPEZE SOFTWARE GROUP, INC.

SAN DIEGO METROPOLITAN TRANSIT  
DEVELOPMENT BOARD

By: \_\_\_\_\_  
Barry Symons  
Chief Financial Officer

By: \_\_\_\_\_  
Paul C. Jablonski  
Chief Executive Officer

PSmith/CL-/AMD3.TRAPEZE.MCALDER – 2/27/04

EXHIBIT A  
SOFTWARE MAINTENANCE AGREEMENT

Item	Licensed Product	Annual Maintenance Fee**	Maintenance Start Date
1.	TRAPEZE□-PASS	* \$14,000	
2.	TRAPEZE□-Malteze	Included	

\* Due to increased specifications this was the adjusted maintenance fee for the PASS product for the 2003-4 year.

\*\* For all subsequent years, the annual maintenance fee will be the lesser of the following:

- a) License Fee percentage multiplied by the then current price of the License Fee;  
or
- b) For 2004-2005 maintenance year: \$20,000  
For 2005-2006 maintenance year: \$20,000  
For 2006-2007 maintenance year: \$20,000.

PSmith/CL-  
CL-AMD3.TRAPEZE.MCALDER  
2/25/04

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619/231-1466  
FAX 619/234-3407

## Agenda

**Item No. 8**

Board of Directors Meeting

CIP 10426.9

March 11, 2004

**Subject:**

**MISSION VALLEY EAST LIGHT RAIL TRANSIT PROJECT: GENERAL  
ENVIRONMENTAL PLANNING CONSULTANT WORK ORDER FOR WETLAND  
MITIGATION MAINTENANCE AND MONITORING**

**RECOMMENDATION:**

That the Board of Directors authorize the Chief Executive Officer to approve a work order to the General Environmental Planning Consultant Contract, in an amount not to exceed \$285,269, for the maintenance and monitoring of the Mission Valley East (MVE) Light Rail Transit (LRT) Project wetland mitigation.

**Budget Impact**

The \$285,269 for the work order would come from the MVE LRT Project Professional Services line item (WBS #10426-0800), leaving a balance of \$73,955.


**DISCUSSION:**




The MVE LRT Project crosses the San Diego River and Alvarado Creek in several locations. The project impacted 0.5 acres of riparian woodland, 0.18 acres of riparian scrub, and 1.54 acres of nonvegetated waters of the United States. The Army Corps of Engineers 404 Permit, and the California Department of Fish and Game 1601 Permit, required that these impacts be mitigated by restoring the areas that were impacted during construction, in addition to creating 2.09 acres of wetland mitigation off site. As reported at the last meeting, the restoration and construction of the off-site wetland mitigation has been completed.

To ensure the successful establishment of these wetland habitats, the 404 and 1601 Permits also require performance of maintenance and monitoring until the success criteria are met. The success criteria include percentage of vegetation coverage, survival without irrigation for a minimum of two years, evidence of wetland hydrology, and natural recruitment of native wetland vegetation. Annual reports summarizing the biological findings must be prepared and submitted to the resource agencies. The maintenance program includes weed and trash removal, plant replacement, additional seeding, repair of the irrigation system, repair of fences, and other work required to keep the wetland mitigation progressing to a condition that will lead to the final sign-off by the resource

**Member Agencies:**

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

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Subsidiary Corporations:  San Diego Transit Corporation,  San Diego Trolley, Inc., and  San Diego & Arizona Eastern Railway Company

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agencies. The proposed scope of work, in the Helix Environmental Planning, Inc. (Helix) letter dated February 4, 2004 (attached to Attachment A), is consistent with the permit requirements, and includes preparation of the biological conservation easement and coordination of the final walk-throughs and documentation needed for final sign-off.

Helix, our General Environmental Planning consultant, has been the biological consultant on the MVE LRT Project since the preparation of the Environmental Impact Study during the planning phase. During the design phase, Helix lead the effort to acquire the 404 and 1601 Permits. Helix found the wetland mitigation site on County property on the San Diego River in the City of Santee and prepared the design plans. Helix also oversaw the construction of the mitigation sites. In its performance of these tasks, Helix has been very responsive and efficient. It makes sense for the agency to continue to have Helix responsible for the success of the mitigation sites until the sites are accepted and receive final sign-off from the Army Corps of Engineers and the California Department of Fish and Game.

Work Order No. 04.01 to MTDB Doc. No. G0779.0-02, with the Helix letter attached, is included as Attachment A.



---

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Jim Hecht, 619.557-4542, [jim.hecht@sdmts.com](mailto:jim.hecht@sdmts.com)

LTorio  
8-04MAR11.JHECHT  
2/27/04

Attachment: A. MTDB Doc. No. G0779.0-02, Work Order No. 04.01 **(Board Only)**

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
(619) 231-1466  
FAX (619) 234-3407

March 11, 2004

# DRAFT

Att. A, AI 8, 3/11/04, CIP 10426.9

MTDB Doc. No. G0779.0-02  
Work Order No. 04.01  
CIP 10426.9

Mr. David Claycomb  
President  
Helix Environmental Planning, Inc.  
8100 La Mesa Boulevard, Suite 150  
La Mesa, CA 91941-6476

Dear Mr. Claycomb:

Subject: MTDB DOC. NO. G0779.0-02, WORK ORDER NO. 04.01: GENERAL ENVIRONMENTAL  
PLANNING SERVICES FOR HABITAT MAINTENANCE AND MONITORING OF THE  
MISSION VALLEY EAST LIGHT RAIL TRANSIT PROJECT

This letter serves as our agreement for professional services under the general environmental planning consultant agreement, as further described below.

## SCOPE OF SERVICES

Provide biological monitoring services of mitigation sites as described in the attached Scope of Work.

## SCHEDULE

The required monitoring and maintenance described in the attached Scope of Work shall extend for a period of time up to five years, but shall not extend beyond February 2009. Contractor shall be bound by the terms of the original contract up to and including completion of this work order.

## PAYMENT

Payment shall be base on actual costs, not to exceed \$285,269 without prior authorization.

If you agree with the above, please sign below and return the document marked "original" to Jeanne Yamamoto at MTDB. A fully executed original will be returned for your files.

Sincerely,

Agreed:

Paul Jablonski  
Chief Executive Officer





David Claycomb  
Helix Environmental Planning, Inc.

LTorio/TA-/WO-G0779-0-02-04-01.JHECHT

Date: \_\_\_\_\_

Attachment: Scope of Work (Helix Environmental Planning, Inc., letter of 2/4/04)

Member Agencies: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

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license #796474

fax (619) 462-0552

phone (619) 462-1515

February 4, 2004

HECG MTD-01.2

Mr. Jim Hecht  
Metropolitan Transit Development Board  
1255 Imperial Avenue, Suite 1000  
San Diego, California 92101-7490

Subject: Letter Agreement/Proposal to Provide Habitat Maintenance and Monitoring Services for the Metropolitan Transit Development Board Light Rail Project

Dear Mr. Hecht:

HELIX Environmental Construction Group, Inc. (HECG) is pleased to submit this letter agreement/proposal (Agreement) to Metropolitan Transit Development Board (MTDB; Client) to provide habitat maintenance and monitoring services for the MTDB Light Rail project. HECG is a wholly owned subsidiary of HELIX Environmental Planning, Inc. (HELIX).

#### SCOPE OF SERVICES

The MTDB Light Rail project is located in Mission Valley and La Mesa and will connect the Blue and Orange lines of the existing light rail system. Mitigation for the project includes restoration of temporary impacts within the project alignment as well as off-site habitat creation. Mitigation will occur within the following areas: Alvarado Creek east of 70<sup>th</sup> Street (0.92 acre), Alvarado Creek at SDSU (0.19 acre), and the San Diego River just east of Ward Road (0.26 acre). In addition, off-site mitigation will include creation of 6.0 acres adjacent to the San Diego River in Santee east of Cuyamaca. HECG will maintain the 70<sup>th</sup> Street, SDSU, Ward Road, and Santee mitigation areas for up to five years following successful completion of the 120-day installation maintenance period. HELIX will monitor the progress of all four mitigation areas, including annual technical monitoring. Following attainment of project success criteria, HELIX will coordinate with agency personnel to receive signoff.

Habitat maintenance portions of this contract (Tasks 1 through 4) will be completed by HECG, while the biological monitoring portion of the contract (Tasks 5a through 5c and 6) will be completed by HELIX. All monitoring and maintenance activities will follow requirements outlined in the applicable permits (404 [No. 9620067-SKB], 1601 [No. 5-120-99], Biological Opinion FWS-SD-1187.2, and 1-6-98-F-19) and approved restoration plan (HELIX 2003) for the project.

**Task 1** 70<sup>th</sup> Street Maintenance. HECG will maintain the 0.92-acre mitigation area within Alvarado Creek east of 70<sup>th</sup> Street for up to five years. Maintenance in this area will include primarily management of invasive weed species. This area has already been hydroseeded, and installation of container stock was not planned for the area. Given the disturbed nature of the creek upstream of the project site and the intensity of flood conditions, it is anticipated that weed control will be an ongoing and intensive effort. The primary focus of the maintenance will be to eliminate new growth of giant reed (*Arundo donax*) throughout the entire mitigation area. Invasive species will be maintained by hand, mechanical means, and through the use of appropriate herbicide. Additionally, trash will be removed from the portion of the creek within the restoration area on a regular basis. In the fall following the first anniversary of the installation of the project, HECG will reseed areas that have not shown significant sign of germination from the initial seed mix. Reseeding will be limited to 10 percent of the initially installed seed mix.

**Task 2** SDSU Maintenance. HECG will maintain the 0.19-acre mitigation site within Alvarado Creek east of College Avenue (i.e., SDSU) for up to five years. Work in this area will include removal of trash and control of weed species. At the time HECG is to assume maintenance responsibilities for the project, installation of Driwater® material, plant material, and seed material will be complete. Additionally, it is assumed that the installation contractor will be responsible for removal of the installed Driwater® containers. Weed cover in the site will be controlled by hand, mechanical means, and with appropriate herbicide. This scope does not include refill of Driwater® material. In the fall following the first full year of maintenance, HECG will replace any dead plant material and reseed areas that have not shown sign of seed germination from the initial seeding. Reseeding and planting will be limited to 10 percent of the initial quantity of plants and seed installed. Mulched basins will not be maintained as part of this contract, as continued maintenance of this portion of the project will likely not be necessary.

**Task 3** Ward Road Maintenance. HECG will maintain the 0.26-acre mitigation site within the San Diego River east of Ward Road for up to five years. Work in this area will include removal of trash and control of weed species. At the time HECG is to assume maintenance responsibilities for the project, installation of Driwater® material, plant material, and seed material will be complete. Additionally, it is assumed that the installation contractor will be responsible for removal of the installed Driwater® containers. Weed cover in the site will be controlled by hand, mechanical means, and with appropriate herbicide.



This scope does not include refill of Driwater® material. In the fall following the first full year of maintenance, HECG will replace any dead plant material and reseed areas that have not shown sign of seed germination from the initial seeding. Reseeding and planting will be limited to 10 percent of the initial quantity of plants and seed installed. Mulched basins will not be maintained as part of this contract, as continued maintenance of this portion of the project will likely not be necessary.

**Task 4** County Parcel (Santee) Maintenance. HECG will maintain the 6.0-acre mitigation site within the San Diego River east of Cuyamaca for up to five years. Work in this area will include removal of trash and control of weed species. At the time HECG is to assume maintenance responsibilities for the project, installation of irrigation, plant material, and fencing material will be complete. Weed cover in the site will be controlled by hand, mechanical means, and with appropriate herbicide. Since appropriate seed material was not available at the time of installation, HECG will install appropriate seed material during year one maintenance. In the fall following the first full year of maintenance, HECG will replace any dead plant material that has not been replaced by natural recruitment. Additionally, in the fall following the one-year anniversary of seed installation, HECG will reseed areas where initially installed seed material did not germinate. Reseeding and planting will be limited to 10 percent of the initial quantity of plants and seed installed. Mulched basins will not be maintained as part of this contract, as continued maintenance of this portion of the project will likely not be necessary. The installed irrigation system will be maintained and adjusted by HECG. HECG has assumed \$500 per year for materials and one half-crew day per month to maintain the irrigation system for the first two years. It is anticipated that following Year 2, the irrigation system will no longer be necessary. Once the site has become established to the point that irrigation is no longer necessary, HECG will remove all of the above-ground portions of the irrigation system. Removed irrigation parts will be disposed of appropriately.

**Task 5** Five-year Biological Monitoring.

*5a: Maintenance Monitoring.* Following installation and the 120-day establishment period, a HELIX biologist will monitor maintenance activities conducted by the maintenance crews on all four restoration sites. Monitoring will occur for five years on all of the restoration sites. The maintenance costs assume that the maintenance monitoring for all four sites will begin at the same time. During Years 1 and 2, monitoring visits will be conducted monthly from December through May and three times in the remainder of the year (July, September, and



November). During Year 3, visits will be conducted monthly from December through May and two times in the remainder of the year (July and October). Quarterly visits (March, June, September, and December) will be conducted during Years 4 and 5. HELIX will provide a written memo (as needed) to Client and maintenance crew identifying any maintenance concerns (e.g., mortality, vandalism, and weed-related issues) in need of attention.

*5b: Annual Monitoring.* HELIX will assess the restoration areas annually for five years. Monitoring during the first two years will be qualitative, while Years 3 through 5 will be quantitative in nature. HELIX will prepare a report after each annual monitoring event that will cover all of the restoration areas. The report will include botanical observations (i.e., measurements of percent cover of native and non-native species) and a summary of whether the restoration effort is progressing and meeting the required success standards. The report also will recommend any remedial measures that may be required. After review by Client, HELIX will submit copies of each annual report to the appropriate regulatory agencies.

*5c: Project Signoff.* Once the Santee mitigation site has attained the vegetative success criteria required for signoff, HELIX biologists will complete a wetland delineation as required by the U.S. Army Corps of Engineers (ACOE). The delineation will be conducted by a HELIX biologist with wetland delineation experience. Results of this investigation will be incorporated into the year five annual report for the restoration. Once it has been established that all of the restoration sites have attained the criteria required for signoff, HELIX will initiate walkthroughs with the ACOE, U.S. Fish and Wildlife Service, and California Department of Fish and Game to acquire final signoff. HELIX has assumed four meetings as well as 10 hours of management time for agency coordination in addition to costs for the wetland delineation.

**Task 6** Biological Conservation Easement. HELIX will assist MTDB in placing a conservation easement over the appropriate open space areas. HELIX has assumed 35 hours of management time to complete this task. The scope of this task will include coordination with appropriate agency personnel; however, HELIX has assumed that the actual recording of the easement will be completed by MTDB.

**Task 7** Archaeological Monitoring. HELIX subcontracted Affinis Environmental Services to monitor construction activities on the Santee mitigation project in February of 2003. Work was completed as



scheduled, however billing was not received until January 2004. This task includes costs for work completed in February of 2003.

#### ASSUMPTIONS AND ADDITIONAL LIMITATIONS ON SCOPE OF SERVICES

- Maintenance activities will be initiated by HECG in fall 2003/winter 2004.
- This cost estimate assumes that maintenance and monitoring period for all four areas will begin at the same time.
- The maintenance and monitoring period will last for up to five years on all the sites.
- The 120-day establishment period will occur prior to the first year of maintenance and monitoring.
- Installation of the mitigation areas, including installation of irrigation, plant, and seed material as well as successful completion of the 120-day installation maintenance period, will be completed by others.
- HECG is not responsible for replacement of the project lost or damaged due to vandalism, natural disasters (such as fire and flood), and other unforeseen events and circumstances.
- Erosion control and repair of erosion problems is not a part of this contract.
- Bid forms and documents, costs of permits and fees, design/engineering of utility, mechanical and structural systems for walls, lighting and drainage devices, and soils analysis are not included in the cost estimate.
- Costs for surveyors, signs, and fencing materials are not included in the cost estimate.
- Weeding of adjacent areas is not included in this scope of services.
- This cost estimate does not include prevailing wage rates.
- Trash removal will be limited to that which can be removed by hand.
- This cost estimate assumes maintenance and biological monitoring of the entire six-acre riparian restoration area in Santee. Results of monitoring on the site will be included in the annual report for the project. One report will be completed for all of the restoration areas (Santee, Ward Road, SDSU, and 70<sup>th</sup> Street). Should the scope of work on the Santee portion of the project change as a result of dealings with the County of San Diego, the level of effort will likewise be changed.



## SCHEDULE

HECG will work with Client in a timely and professional manner in accordance with the Terms and Conditions attached and incorporated herein by reference as Exhibit A. These Terms and Conditions are a material part of this Agreement.

## COST ESTIMATE AND PAYMENT PROCEDURES

HECG is pleased to submit this cost estimate not to exceed \$285,269, the breakdown of which follows. Tasks will be billed on a time and materials basis pursuant to the attached Exhibit B, Schedule of Fees documents for both HECG and HELIX.

<u>Task Number</u>	<u>Task Name</u>	<u>Cost</u>
1	70 <sup>th</sup> Street Maintenance	\$ 42,689
2	SDSU Maintenance	38,856
3	Ward Road Maintenance	31,196
4	County Parcel (Santee) Maintenance	111,595
5	Five-year Biological Monitoring	
	a. Maintenance Monitoring	27,973
	b. Annual Monitoring	19,003
	c. Project Signoff	5,957
6	Biological Conservation Easement	6,000
7	Archaeological Monitoring	<u>2000</u>
TOTAL		\$285,269

## EXECUTION OF AGREEMENT

This quote is good for 60 days from the date of this letter. This Agreement will become a contract upon HECG's receipt of this original, including any Exhibits, signed by an authorized representative of Client.



Agreement to Mr. Jim Hecht  
February 4, 2004

Page 7 of 8

#### LICENSED CONTRACTOR

Contractors' License: C27-796474

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

We look forward to working with you on this project. If you have any questions concerning this Agreement, please call Justin Fischbeck or me at (619) 462-1515.

Sincerely,



David W. Claycomb, ATCP  
President

Enclosures: HECG Exhibit A, Terms and Conditions  
HECG Exhibit B, Schedule of Fees  
HELIX Exhibit B, Schedule of Fees

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619/231-1466  
FAX 619/234-3407

## Agenda

## Item No. 30

Board of Directors Meeting

FIN 310 (PC 30100)

March 11, 2004

### Subject:

**FIVE-YEAR MTS FIRST CUT CONSOLIDATED OPERATING BUDGET AND A REVIEW OF INITIAL BOARD POLICY CHOICES FOR FY 05**

### RECOMMENDATION:

That the Board of Directors receive this report for information and provide direction, as desired.

#### Budget Impact

None at this time.

### DISCUSSION:

#### Summary




This MTS first-cut budget is a consolidation of operating budgets for San Diego Trolley, Inc. (SDTI), San Diego Transit Corporation (SDTC), MTS Contract Services, Chula Vista Transit (CVT), National City Transit (NCT), and the Coronado Ferry. The consolidated first-cut budget is projected to be **\$185 million for FY 05**. The known and assumed revenues, including farebox revenue and subsidy revenue, are projected to be between **\$178 million and \$181 million for FY 05**. The updated projections for the period FY 05 through FY 09 are contained in Attachment A. The net operating subsidy deficit for the five-year period is summarized below.

	Projected Deficit (in millions)
FY 05	( \$5.8) – ( \$9.0)
FY 06	( \$4.2) – (\$11.3)
FY 07	( \$5.3) – (\$12.8)
FY 08	( \$7.3) – (\$15.6)
FY 09	(\$27.1) – (\$36.7)

#### Member Agencies:

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

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The projections are presented in ranges. The optimistic end ("high") considers the lowest expenditures and the highest revenues, and conversely, the pessimistic end ("low") considers the highest expenditures and the lowest revenues.

Clearly, these projected deficits are presenting an initial challenge. The projected deficit range of \$5.8 million to \$9.0 million in FY 05 is approximately 3 percent to 5 percent of total operating expenses. This is substantially better than a year ago when the projected deficit was exceeding \$30 million. The use of a combination of greater preventative maintenance subsidies from federal capital funds, service reductions and efficiencies, use of reserves, fare adjustments, and greater use of TransNet funds resulted in a balanced budget for FY 04 and set the stage for a closer balanced budget in FY 05. However, there will still be a major effort to achieve a sustainable service level and budget plan. Projections for FY 06 through FY 09 do not show improvement in the deficit (looking at the middle of the range), as less one-time revenues are available. The plan assumes the discontinuation of TransNet and Congestion Mitigation and Air Quality (CMAQ) funding (used for Mission Valley East) after FY 08 resulting in a significant jump in the projected deficit for FY 09. MTS must strive to operate a sustainable level of service whereby recurring revenue is sufficient to cover recurring expenses. A number of steps have been taken in the current year to achieve efficiencies and savings, as follows.

- Operating efficiencies and service reductions were recommended and implemented as part of the FY 04 budget process, resulting in an FY 04 annual subsidy savings of \$1.0 million, with about \$0.3 million in direct service reductions and about \$0.7 million in budget efficiencies.
- Fare adjustments were implemented July 1, 2003.

Last year the Board approved a sustainable level of service plan, which included increasing the use of federal formula funds for operations to \$23.2 million per year, fare adjustments for FY 04, FY 05, and FY 06, modest service reductions, and use of reserves and TransNet funds. With costs rising and revenue increasing slower than the growth in costs, the budget is still proving to be difficult to balance. Fare adjustments have been adopted for FY 05 and FY 06 with about \$0.7 million new revenue for FY 05 and \$0.5 million new revenue in FY 06.

This year the policy choices fall into three categories, and include:

1. Sustainable level of service components:
  - Efficiency improvements;
  - Budget and cost reductions; and
  - Service cutbacks of low productivity segments and/or low performing routes.

2. Nonrecurring revenue components:

- Use of the MTS Contingency Reserve (current uncommitted balance is approximately \$12 million).
- Use of federal CMAQ funds for the first three years of operation for Mission Valley East (assumed in the projections).

3. Other considerations:

- New service proposals.
- Funding of the Liability Claims Reserve (assumed in the projections).

The following are the detailed assumptions used in developing the FY 05 projections.

Revenue Assumptions

Fares. Passenger fares are MTS's largest source of operating revenue and the source over which we have the most local control. An increase in pass prices was adopted last year to be effective July 1, 2004. Approximately \$700,000 in new revenue is projected for the fare increase along with about \$700,000 for regional growth resulting in a projected increase from \$65.9 million to \$67.3 million, or a 2.2 percent increase. For FY 06 through FY 09 we are assuming a 2.5 percent increase in fare revenue each year including a pass fare adjustment effective July 1, 2005.

Transportation Development Act (TDA). TDA funding is our second-largest source of operating revenue. For FY 05 the County is projecting a 1.3 percent growth for the MTS area. This is slightly lower than the North County Transit District, since TDA is allocated based on population and North County communities were growing faster than MTS areas. Moreover, with inclusion of the current carryover TDA funds, the comparison to last year is zero change since last year the carryover funds were greater. There are also greater funds needed to match capital projects this year, resulting in a drop of TDA funds available for operations by 1.8 percent. The difference between a plus 3 percent to a minus 1.8 percent is almost \$3 million, a significant change from last year's projections.

The San Diego Association of Governments (SANDAG) is projecting a 2.5 percent to 4.5 percent average growth in TDA for years FY 06 through FY 09. We have used the 4.5 percent assumption for the optimistic end of the projections, but then reduced the growth to 2 percent on the other end of the projections. To the extent that TDA does not grow at least 2 percent annually, then the projections will be negatively affected.

State Transit Assistance (STA). STA funds are derived from the state sales tax on gasoline. The SANDAG-provided projection assumes a 2.7 percent increase in STA for FY 05 to \$4.9 million. This revenue source is often tenuous as it can be changed in the state budget process. At the current time, we will assume the SANDAG assumption and keep the Board informed of any changes in the state budget over the next several months as we proceed through the MTS budget process.



TransNet. TransNet revenue available to MTS for FY 05 operating purposes is projected to be \$15.25 million, of which \$5.5 million is used for the Reduced Price Pass Program for seniors, disabled, and youth. The remainder, \$9.7 million, is used for operations. With the reallocation of additional TransNet funds as part of the last year's budget process, approximately \$15.6 million of the TransNet funding has been allocated to MTS annually for FY 06 through FY 08. The balance of the TransNet funding is allocated to development and operation of Bus Rapid Transit (BRT) projects. Since TransNet is not authorized beyond FY 08, we have assumed no TransNet funding for FY 09.

Federal Formula Funds. This is probably the second (after fare revenue) most flexible source of funding that we have. The MTS Board adopted a sustainable service plan of \$23.2 million in federal funds available for each year of the FY 05 through FY 09 budget plan to be used as preventative maintenance to support operations. This came with some impact, as the funds available for capital programs are significantly reduced. There continues to be a need to seek out discretionary federal and non-federal capital funds for capital needs including rail infrastructure, bus and vehicle replacements, and bus facility needs.

#### Expenditure Assumptions

Service Levels. Generally, MTS has assumed status quo service levels. The only exception is the anticipated start-up of service on the Mission Valley East Light Rail Transit (LRT) extension in May 2005. There are some new services that have been identified in the Short-Range Transit Plan, and these will be discussed with the Board later in the budget process. The Board does have a policy choice as to when the Mission Valley East LRT extension starts. While the official start date is projected as May 2005, a later start-up date of June 15 or July 1 (four to six weeks later) could reduce the fiscal impact on the FY 05 operating budget to a small extent. The construction schedule may also affect the start of revenue service. We should have an update on the construction schedule over the next several months to assist with this decision.

Diesel Fuel. The average price for FY 04 is approximately \$1.08 per gallon. We are using an assumption of \$1.10 per gallon for FY 05 with 3 to 4 percent escalators from FY 06 through FY 09. Prices have risen significantly in the last month. This is an area we will monitor and watch carefully over the next few months of the budget process.

Compressed Natural Gas (CNG) Fuel. The average price for FY 04 has been in the low \$0.90 per therm. We are using an assumption of \$0.90 per therm for FY 05 with 3 to 4 percent escalators from FY 06 through FY 08. Again, prices are expected to drop slightly after the winter months, but we may need to reevaluate and possibly update this assumption.

Electricity. The average price for FY 04 is approximately \$0.16 per kilowatt-hour (kWh). We are assuming \$0.17 for FY 05, and using an assumption of \$0.17 to \$0.18 for FY 06 through FY 09. We believe this is a reasonable assumption at this time.

Liability and Property Insurance. The rates for insurance have gone up slightly for the upcoming year. There will be some increase planned; however, the only significant issue at this time will be the need to replenish the MTS liability reserve by nearly \$2 million due to claims paid out this fiscal year.

Workers' Compensation. This continues to be a significant area of concern. The FY 04 budgets for SDTI and SDTC were significantly increased to reflect higher workers' compensation costs. SDTC has indicated at the mid-year budget review that these costs are tracking more favorably to budget; however, a close monitoring of claims reserves/payouts is in order as we continue through the budget process.

Health Insurance. The cost of health coverage has increased in the current year, generally over 15 percent for all sectors. Healthcare industry projections show that the double-digit increases will likely continue annually for the foreseeable future. We have some control over the increases through our labor negotiations for those rates are fixed services that we operate directly. For our contracted services, we can avoid cost increases under our existing contracts, but increases will likely be reflected in the cost of subsequent contracts.

Pension Costs. SDTC has been evaluating its pension system. We will bring forward more information on the SDTC pension plan to the MTS Board at the budget workshop on May 8, 2004.

Personnel Costs. We have projected amounts that allow for adherence to collective bargaining agreements with status quo staffing levels. Later in the budget process, we will discuss any recommendations we might have with respect to staffing changes. The personnel line item accounts for 46 percent of the FY 05 operating expenses.

Purchased Transportation. MTS Contract Services and Chula Vista Transit have several years remaining on their large transit operating contracts with private transportation providers selected on a competitive basis. Generally, these are all five-year contracts, which include a 3 to 4 percent increase each year. This line item accounts for 28 percent of the FY 05 operating expenses.

Other Operating Costs. For all other operating costs, we factored in an increase for FY 05 based on current FY 04 trends and a range of 2 to 4 percent for FY 06 through FY 09.

#### Sustainable Service Level Components

Budget and Cost Reductions. The budget development process will continue over the next few weeks. MTS staff will be meeting with the individual operators to do detail budget reviews.

Efficiency Improvements. We will also be looking for areas where we can consolidate positions and functions, streamline units, etc. Reorganization may also result in some cost savings that can be used to reduce the projected deficit.

Service Levels. A review of low productivity segments and routes could be undertaken, and various options provided to the Board in the future. With fare increases and an economy slow to recover, we are more cautious regarding major service cuts as this may make the transit system less convenient, which can result in less ridership. This should not preclude the agency from looking at a few low-productive periods of existing routes and service.

Fare Adjustments. A fare increase is one component of the sustainable service plan. Fare increases have been previously adopted for July 1, 2004, and July 1, 2005, that will add fare revenue to our sustainable service plan.

### Nonrecurring Revenues

Use of the MTS Operating Contingency Reserve. Policy No. 37 requires that a minimum level of \$2 million be maintained in the contingency reserve. Excess funds beyond this minimum level will be available to the MTS Board of Directors as part of the annual budget development process or at any future time if unforeseen/special occurrences justify Board action. The estimated uncommitted balance of the MTS Contingency Reserve is approximately \$12 million, not including the \$5.6 million committed as part of the sustainable service plan for FY 05. We have shown a range of \$0 to \$3 million additional contingency reserve within the revenue projections as a range that would leave at least \$9 million available in the contingency reserve. A policy choice possibility exists if the Board desires to increase contingency reserve funds beyond that assumed in the current projections. The \$9 million minimum reserve level is approximately 5 percent of the \$185 million operating budget projection for FY 05.

Use of CMAQ Funds for Mission Valley East Operations for Three Years. MTS has used CMAQ funds for the Santee, Old Town, and Mission Valley West LRT extensions. Whether or not CMAQ funds will be available for the Mission Valley East operations is unknown at this time. If MTS is able to secure CMAQ funding, it could use approximately \$1.6 million in FY 05, \$5 million in each of FY 06 and 07, and nearly \$4 million in FY 08. We have included these in the revenue projections. MTS staff will keep the Board up-to-date on the progress of the federal reauthorization and possible CMAQ funding status.

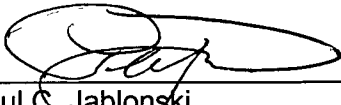
### Other Considerations

Funding of the Liability Claims Reserve. All three MTS agencies have a self-insured retention limit for liability claims of \$2 million, which means that MTS is responsible for the first \$2 million on every liability claim payout. MTS purchases liability insurance for payments in excess of \$2 million, up to \$75 million. To provide for the financial impact on the first \$2 million, the Board established a Liability Claims Reserve, which is governed by Policy No. 47. If any payments are made out of the reserve, Policy No. 47 requires replenishment in the next fiscal year. We have been informed of the need to use the reserve for a settlement of a large claim during FY 04. We have assumed the need for \$2 million for FY 05 to replenish the reserve.

New Service Proposals. Although we are facing operating deficits, MTS continues to look for ways to improve its existing service. Those services that were identified in the Short-Range Transit Plan for possible implementation in FY 05 will be discussed with the Board.

Budget Workshop

At the Budget Workshop on May 8, 2004, we will provide the FY 05 proposed budgets, the updated five-year operating projections, and a recommendation to balance the budget.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Susan Hafner, 619.595.3084, [susan.hafner@sdmts.com](mailto:susan.hafner@sdmts.com)

PSmith/SStroh — AIS  
30-04MAR11.EHURWITZ  
3/5/04

Attachment: A. Five-Year Operating Projections (**Board Only**)

# **MTS OPERATORS FIVE-YEAR PROJECTIONS**

	ACTUALS							BUDGET	PROJECTIONS									
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03		FY 04	FY 05		FY 06		FY 07		FY 08		FY 09
									LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Operating Costs (Base Operation)	104.64	112.69	122.16	132.24	145.18	154.30	165.02	173.89	182.94	182.94	186.65	189.45	192.36	195.29	198.25	201.31	204.33	207.53
Mission Valley East (Net after CMAQ Start up Cost Reim)									1.94	1.94	7.68	7.75	7.93	8.00	8.18	8.26	8.45	8.53
Total Operating Costs									184.89	184.89	194.32	197.20	200.29	203.29	206.43	209.57	212.78	216.06
Deposit to Claims Reserve	0.60	-	-	1.17	0.50	0.40	0.85	1.95	2.00	2.00	?	?	?	?	?	?	?	?
Deposit to Capital Replacement Reserves	-	2.00	5.50	2.76	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Payment	0.96	0.78	0.87	0.83	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. TOTAL RECURRING EXPENSES	106.20	115.47	128.53	137.00	145.68	154.70	0.85	175.84	186.89	186.89	194.32	197.20	200.29	203.29	206.43	209.57	212.78	216.06
Recurring Revenues:																		
Fares	50.99	55.88	58.47	59.04	62.14	65.97	64.38	65.87	67.33	67.33	68.68	69.35	70.39	71.08	72.15	72.86	73.95	74.68
Fares Mission Valley East	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.20	1.54	2.32	1.59	2.40	1.64	2.48	1.69	2.56
Subsidy for ADA	1.17	1.86	1.33	2.22	2.76	3.77	6.28	4.30	4.18	4.18	4.30	4.36	4.42	4.54	4.54	4.75	4.67	4.95
TDA	31.39	34.39	42.47	46.18	50.85	50.67	56.29	55.09	57.93	58.13	58.74	62.02	61.51	64.70	64.34	67.85	67.46	71.20
TransNet	0.48	0.95	1.37	3.10	3.15	4.60	5.42	4.78	9.70	9.70	15.60	15.60	15.60	15.60	15.60	0.00	0.00	0.00
STA	3.51	3.95	4.58	4.62	4.93	8.55	5.20	4.78	4.91	4.91	4.96	5.10	5.01	5.31	5.06	5.52	5.11	5.74
Federal Section 5307-operating/maintenance	4.83	4.57	4.43	4.47	6.30	6.60	7.00	23.20	23.20	23.20	23.20	23.20	23.20	23.20	23.20	23.20	23.20	23.20
Other (Bridge tolls, Chula Vista & I-15 ops.)	4.03	4.29	7.29	6.64	1.91	2.68	2.38	2.49	2.50	2.50	2.61	2.61	2.32	2.35	2.40	2.43	2.47	2.52
Advertising	1.13	1.12	1.19	1.59	1.35	0.99	0.78	0.80	0.80	0.80	0.80	0.80	0.82	0.83	0.84	0.86	0.87	0.88
2. TOTAL RECURRING REVENUES	97.53	107.01	121.13	127.86	133.39	143.83	147.73	161.30	170.65	170.95	180.42	185.37	184.85	190.03	189.76	195.55	179.41	185.73
3. ANNUAL RECURRING BALANCE (1 - 2) (Expenses less revenues)	(8.66)	(8.47)	(7.40)	(9.14)	(12.29)	(10.87)	-(146.88)	(14.54)	(16.24)	(15.94)	(16.78)	(8.95)	(18.44)	(10.26)	(19.81)	(10.88)	(36.65)	(27.05)
Non-recurring Revenues:																		
TransNet Interest Change	0.71	1.40	2.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TransNet Formula Change	-	-	-	-	-	-	-	4.00	-	-	-	-	-	-	-	-	-	-
Contingency Reserve/LRV Lsebeck & interest	5.86	4.07	0.27	7.84	2.83	-	5.12	6.40	5.60	8.60	-	-	-	-	-	-	-	-
Bus Replacement Fund	-	-	-	-	-	1.40	-	-	-	-	-	-	-	-	-	-	-	-
Federal Exchange-Local	-	-	2.23	-	-	2.12	1.15	-	-	-	-	-	-	-	-	-	-	-
Additional federal preventive maintenance	-	-	-	-	8.86	4.25	9.11	0.00	-	-	-	-	-	-	-	-	-	-
Additional TDA by reducing capital funds	-	-	-	-	-	-	-	4.05	-	-	-	-	-	-	-	-	-	-
Additional capital replacement to match grant	-	-	-	-	-	3.00	1.30	-	-	-	-	-	-	-	-	-	-	-
Release of TDA Reserve	-	-	-	-	-	-	2.00	-	-	-	-	-	-	-	-	-	-	-
Federal CMAQ	2.09	3.00	2.10	1.30	0.60	-	-	-	1.63	1.54	5.44	4.80	5.61	4.96	4.16	3.57	0.00	0.00
4. TOTAL NON-RECURRING REVENUES	8.66	8.47	7.40	9.14	12.29	10.77	18.68	14.45	7.23	10.14	5.44	4.80	5.61	4.96	4.16	3.57	0.00	0.00
5. TOTAL REVENUES (2 + 4)	106.19	115.48	128.53	137.00	145.68	154.60	166.41	175.75	177.88	181.09	185.85	190.17	190.47	194.98	193.93	199.13	179.41	185.73
6. OVERALL SURPLUS (DEFICIT) (1 - 5)	(0.00)	0.00	0.00	0.00	0.00	(0.10)	-(165.56)	-0.07	-9.01	-5.79	-11.34	-4.15	-12.82	-5.30	-15.64	-7.30	-36.65	-27.05

"REVISED"

MTS OPERATORS  
FIVE-YEAR PROJECTIONS

Revised

Revised	ACTUALS							BUDGET	PROJECTIONS									
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03		FY 04	FY 05		FY 06		FY 07		FY 08		FY 09
	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH
Operating Costs (Base Operation)	104.64	112.69	122.16	132.24	145.18	154.30	165.02	173.89	182.94	182.94	186.65	189.45	192.36	195.29	198.25	201.31	204.33	207.53
Mission Valley East (Net after CMAQ Start up Cost Reim)	0.00	0.00	0.00	0.00	0.00	0.00	0.00		1.94	1.94	7.68	7.75	7.93	8.00	8.18	8.26	8.45	8.53
Total Operating Costs									184.89	184.89	194.32	197.20	200.29	203.29	206.43	209.57	212.78	216.06
Deposit to Claims Reserve	0.60	-	-	1.17	0.50	0.40	0.85	1.95	2.00	2.00	?	?	?	?	?	?	?	?
Deposit to Capital Replacement Reserves	-	2.00	5.50	2.76	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Payment	0.96	0.78	0.87	0.83	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. TOTAL RECURRING EXPENSES	106.20	115.47	128.53	137.00	145.68	154.70	165.87	175.84	186.89	186.89	194.32	197.20	200.29	203.29	206.43	209.57	212.78	216.06
Recurring Revenues:																		
Fares	50.99	55.88	58.47	59.04	62.14	65.97	64.38	65.87	67.33	67.33	68.68	69.35	70.39	71.08	72.15	72.86	73.95	74.68
Fares Mission Valley East	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.20	1.54	2.32	1.59	2.40	1.64	2.48	1.69	2.56
Subsidy for ADA	1.17	1.86	1.33	2.22	2.76	3.77	6.28	4.30	4.18	4.18	4.30	4.36	4.42	4.54	4.54	4.75	4.67	4.95
TDA	31.39	34.39	42.47	46.18	50.85	50.67	56.29	55.09	57.93	58.13	58.74	62.02	61.51	64.70	64.34	67.85	67.46	71.20
TransNet	0.48	0.95	1.37	3.10	3.15	4.60	5.42	4.78	9.70	9.70	15.60	15.60	15.60	15.60	15.60	15.60	0.00	0.00
STA	3.51	3.95	4.58	4.62	4.93	8.55	5.20	4.78	4.91	4.91	4.96	5.10	5.01	5.31	5.06	5.52	5.11	5.74
Federal Section 5307-operating/maintenance	4.83	4.57	4.43	4.47	6.30	6.60	7.00	23.20	23.20	23.20	23.20	23.20	23.20	23.20	23.20	23.20	23.20	23.20
Other (Bridge tolls, Chula Vista & I-15 ops.)	4.03	4.29	7.29	6.64	1.91	2.68	2.38	2.49	2.50	2.50	2.61	2.61	2.32	2.35	2.40	2.43	2.47	2.52
Advertising	1.13	1.12	1.19	1.59	1.35	0.99	0.78	0.80	0.80	0.80	0.80	0.80	0.82	0.83	0.84	0.86	0.87	0.88
2. TOTAL RECURRING REVENUES	97.53	107.01	121.13	127.86	133.39	143.83	147.73	161.30	170.65	170.95	180.42	185.37	184.85	190.03	189.76	195.55	179.41	185.73
3. ANNUAL RECURRING BALANCE (1 - 2) (Expenses less revenues)	(8.66)	(8.47)	(7.40)	(9.14)	(12.29)	(10.87)	-(18.14)	(14.54)	(16.24)	(15.94)	(16.78)	(8.95)	(18.44)	(10.26)	(19.81)	(10.88)	(36.65)	(27.05)
Non-recurring Revenues:																		
TransNet Interest Change	0.71	1.40	2.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TransNet Formula Change	-	-	-	-	-	-	-	4.00	-	-	-	-	-	-	-	-	-	-
Contingency Reserve/LRV Lsebeck & interest	5.86	4.07	0.27	7.84	2.83	-	5.12	6.40	5.60	8.60	-	-	-	-	-	-	-	-
Bus Replacement Fund	-	-	-	-	-	1.40	-	-	-	-	-	-	-	-	-	-	-	-
Federal Exchange-Local	-	-	2.23	-	-	2.12	1.15	-	-	-	-	-	-	-	-	-	-	-
Additional federal preventive maintenance	-	-	-	-	8.86	4.25	9.11	0.00	-	-	-	-	-	-	-	-	-	-
Additional TDA by reducing capital funds	-	-	-	-	-	-	-	4.05	-	-	-	-	-	-	-	-	-	-
Additional capital replacement to match grant	-	-	-	-	-	3.00	1.30	-	-	-	-	-	-	-	-	-	-	-
Release of TDA Reserve	-	-	-	-	-	-	2.00	-	-	-	-	-	-	-	-	-	-	-
Federal CMAQ	2.09	3.00	2.10	1.30	0.60	-	-	-	1.63	1.54	5.44	4.80	5.61	4.96	4.16	3.57	0.00	0.00
4. TOTAL NON-RECURRING REVENUES	8.66	8.47	7.40	9.14	12.29	10.77	18.68	14.45	7.23	10.14	5.44	4.80	5.61	4.96	4.16	3.57	0.00	0.00
5. TOTAL REVENUES (2 + 4)	106.19	115.48	128.53	137.00	145.68	154.60	166.41	175.75	177.88	181.09	185.85	190.17	190.47	194.98	193.93	199.13	179.41	185.73
6. OVERALL SURPLUS (DEFICIT) (1 - 5)	(0.00)	0.00	0.00	0.00	0.00	(0.10)	-(0.54)	-0.07	-9.01	-5.79	-11.34	-4.15	-12.82	-5.30	-15.64	-7.30	-36.65	-27.05

## **Transit Workshop:**

### **Policy Review**



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## **Transit Workshop: Policy Review**

- Analyze and review Policies 27 through 31.
- Purpose: eliminate unnecessary or obsolete policies following consolidation.

3/10/2004



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## **Transit Workshop: Policy Review**

- Policy No. 27: "Disadvantaged Business Enterprise Program"
- Purpose: Encourage participation of disadvantaged businesses in federally funded MTDB contracts and projects.
- Recommendation: Retain indefinitely and make typographical changes.

3/10/2004



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**Transit Workshop: Policy Review**

- Policy No. 28: "Weighted Vote Procedure"
- Purpose: Codifies the provisions of the Public Utilities Code regarding majority and weighted vote procedures.
- Recommendation: Retain indefinitely.

3/10/2004



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**Transit Workshop: Policy Review**

- Policy No. 29: "Fare Setting"
- Purpose: Establishes a single policy regarding the development of a San Diego area equitable fare structure.
- Recommendation: Retain currently until SANDAG policy is finalized, return to the Board if necessary, make minor typographical changes.

3/10/2004



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**Transit Workshop: Policy Review**

- Policy No. 30: "Attendance at Transit Related Conferences"
- Purpose: Sets forth guidelines for budgeting Board member and employee attendance at transit related conferences.
- Recommendation: Retain indefinitely, make minor typographical changes.

3/10/2004



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**Transit Workshop: Policy Review**

- Policy No. 31: "Investments"
- Purpose: Establishes an investment policy for surplus funds consistent with state law and prudent money management techniques.
- Recommendations: Retain indefinitely, make minor typographical changes.

3/10/2004



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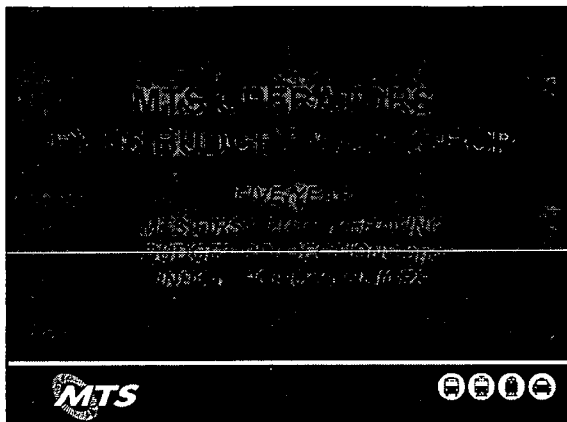
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**MTS Operating Projections**

- Includes
  - San Diego Trolley
  - San Diego Transit
  - MTS Contract Services
  - Chula Vista Transit
  - National City Transit
  - Coronado Ferry

MTS logo and icons at the bottom.

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**MTS Operating Projections**

Goals:

- Operate a sustainable level of service

**-and-**

- Eliminate reliance on one-time, nonrecurring revenues

MTS logo and icons at the bottom.

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### Sustainable Level of Service Plan

- Plan approved by MTD Board last June contained 5 major components:
  1. Spend \$6.4 million in FY04 and \$5.6 million in FY05 from contingency reserves
  2. Use \$23.2 million in federal capital funds for preventative maintenance for operations
  3. Fare increases in FY 05 and FY 06
  4. Greater use of TRANSNET funds for operations
  5. Annual service reductions and operational efficiencies of \$1.0 million in subsidy savings each year



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### Actions Taken For FY04

- Operating efficiencies = **\$0.7 million** annual subsidy savings
- Service reductions = **\$0.3 million** annual subsidy savings
- Fare adjustments = **\$2.9 million** annual



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### Actions Taken for FY04

- Use of **\$6.4 million** in reserves
- Increased the use of federal capital funds for operations to **\$23.2 million**
- Use of **\$4.0 million** additional in TransNet funding in FY04



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### First Cut Unfunded Deficit

	Projected Unfunded Deficit (\$millions)	
	BEST CASE	WORST CASE
FY 05	(\$5.8)	(\$9.0)
FY 06	(\$4.2)	(\$11.3)
FY 07	(\$5.3)	(\$12.8)
FY 08	(\$7.3)	(\$15.6)
FY 09	(\$27.1)	(\$36.7)




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### MTS Operating Projections

- FY 05 deficit projected:
  - \$5.8 million to \$9.0 million
  - 3% to 5% of total operating expenses
- Costs rising faster than recurring revenues
  - 5.2% increase in costs projected for FY 05 (excluding MVE start-up and service)
  - Fare revenue growth (\$1.5 million increase FY05 compared to FY04 mid-year)
  - TDA revenue growth flat
  - FY 05 – MVE LRT operations




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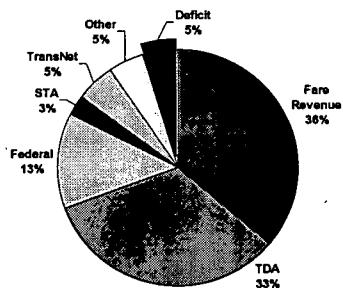
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### FY 05 REVENUE SOURCES




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### Assumptions

- Fare revenue
  - Assumes 1 percent growth in FY 05 plus fare adjustment or 2.2% total growth
  - Range of 2 to 3 percent for later years
- Transportation Development Act
  - County and SANDAG project 1.3% growth for FY 05 and 2.5%-4.5% annually thereafter
  - Range of 2.0%-4.5% after FY 05



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### Assumptions

- STA
  - State proposes 2.7% increase (total of \$4.9 million)
  - May be affected by State budget
- TransNet
  - \$5.5 million for reduced passes
  - \$9.7 million for operations



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### Assumptions

- Federal formula funds
  - Assumed \$23.2 million of formula funds for operations
  - Capital project deferral could eventually translate into increased operating costs
  - Need to seek out discretionary federal and non-federal capital funds for rail infrastructure, bus and vehicle replacements, and bus facility needs.



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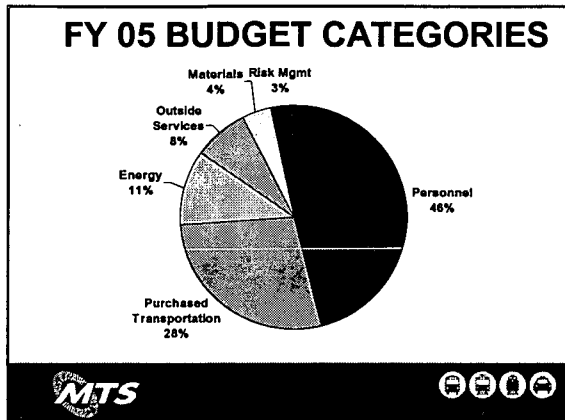
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### Assumptions

- Status quo service levels
  - MVE exception (May-June 2005 start)
  - Service changes (new or reduced) will be a policy decision
- Personnel – 46% of expenses
  - Largely a function of labor contracts
  - Budgeted status quo positions

MTS

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### Assumptions

- Purchased Transportation – 28% of expenses
  - Competitively bid; operated by private contractors
  - 3 years left on MTS and CVT contracts
  - 3% annual increase for most contracts
  - Benefit = no surprises; costs are known

MTS

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### Cost Pressures

Energy – 11% of expenses

#### 1. Diesel fuel (per gallon)

- Last week price - \$1.27
- Assumed FY 05 - \$1.10
- Average FY 04 - \$1.08
- Average FY 03 - \$0.98
- Average FY 02 - \$0.74
- Average FY 01 - \$1.02
- Every 1 cent variance = \$33,000



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### Cost Pressures

#### 2. CNG fuel

- Assumed \$0.90 per therm for FY 05 plus 3% increase for FY06-FY09
- January 2004 price – \$0.94/therm
- Average FY 04 - \$0.90/therm
- Average FY 03 - \$0.75/therm
- Average FY 02 - \$0.87/therm
- Average FY 01 - \$1.28/therm
- Every 1 cent variance = \$75,000



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### Cost Pressures

#### 3. Electricity

- Assumed range of \$0.16 - \$0.18 per kWh for FY 05-09
- Most likely will end up at 0.16 for FY 05
- Average FY 03 – \$0.15
- Average FY 02 – \$0.136
- Average FY 01 – \$0.21
- Every 1 cent variance = \$470,000



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### Cost Pressures

- Liability Insurance: small increases assumed for SDTC and SDTI
- Property Insurance: small increases assumed
- Workers Compensation: while costs have been higher per case, overall case load lower
- Health Insurance: expect double digit increases



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### Cost Pressures

- SDTC Pension Costs
  - SDTC to provide a more detailed discussion of unfunded actuarial accrued liability for May 2004 Finance Workshop



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### Policy Choices

1. Sustainable level of service components:
  - Efficiency improvements
  - Budget and cost reductions
  - Service adjustments of low productivity segments and low performing routes



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### Policy Choices

2. Nonrecurring revenue components:
  - MTDB contingency reserve (\$12m-\$15m)
  - Federal CMAQ funds for MVE FY 05-08 (\$16.8m)
3. Other considerations:
  - Start date of MVE
  - New service proposals
  - Funding of Liability Claims Reserve (assumed \$2.0 million for FY05)



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### Next Steps

- Intensive review of individual budgets underway now
- Finance Workshop on May 8
  - Review FY 05 budget details
  - Discussion of policy choices for balancing the FY05 budget



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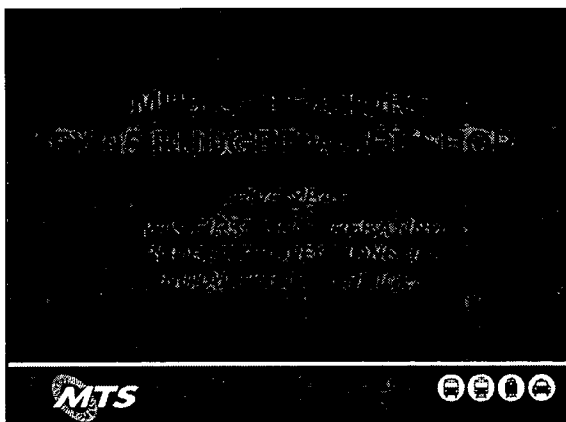
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## SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

30

ORDER REQUEST RECEIVED

1

**\*\*PLEASE SUBMIT THIS COMPLETED FORM (AND YOUR WRITTEN STATEMENT) TO THE CLERK OF THE BOARD PRIOR TO DISCUSSION OF YOUR ITEM\*\***

## 1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Board (please attach your written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Board authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.

Date

Peter Warner

Name (PLEASE PRINT)

Address

PO BOX 2135

Telephone

HUNFORD, CA 93232

Organization Represented (if any)

Subject of your remarks:

Budget Comments -

Agenda Item Number on which you request to speak

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At Public Hearings of the Board, persons wishing to speak shall be permitted to address the Board on any issue relevant to the subject of the Hearing.

## 3. DISCUSSION OF AGENDA ITEMS

The Chairman may permit any member of the public to address the Board on any issue relevant to a particular agenda item.

## 4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five (5) speakers with three (3) minutes each, under the Public Comment Agenda Item. Additional speakers will be heard at the end of the Board's Agenda.

**\*\*REMEMBER: Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.\*\***

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619/231-1466  
FAX 619/234-3407

## Agenda

**Item No. 31**

Board of Directors Meeting

ADM 110.2 (PC 30100)

March 11, 2004

**Subject:****TRANSIT WORKSHOP: POLICY REVIEW****RECOMMENDATION:**

That the Board of Directors approve changes to MTD Board Policy Nos. 27 through 31.

**Budget Impact**

None.

**Executive Committee Recommendation**

At its meeting on March 4, 2004, the Executive Committee recommended forwarding this item to the Board of Directors for approval.

**DISCUSSION:**


As part of the Transit Workshops, staff was asked to conduct a comprehensive review of all of the MTD Board Policies and Ordinances, as well as the corporate bylaws for San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC). The next policies in this series are numbers 27 through 31. The purpose of the review is to eliminate any unnecessary or obsolete policies following the consolidation of MTDB with the San Diego Association of Governments (SANDAG). On that basis, staff is recommending the following revisions:




- **Policy No. 27, "DISADVANTAGED BUSINESS ENTERPRISE PROGRAM"**

The purpose of Policy No. 27 is to establish, encourage, and maximize participation by disadvantaged business enterprises (DBEs) on federally funded MTDB contracts and projects. As a condition of receipt of federal funds, MTDB is required to adopt and implement a DBE program consistent with federal law. MTDB will continue to carry this requirement irrespective of the consolidation of its functions with SANDAG. Therefore, staff recommends the policy be retained indefinitely, and that minor typographical changes be made.

**Member Agencies:**

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

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- Policy No. 28, "WEIGHTED VOTE PROCEDURE"

Policy No. 28 sets forth the weighted vote procedure authorized by MTDB's enabling legislation. Customarily, action taken by the Board requires the affirmative vote of the majority of the 15 members of the Board for all official acts. A weighted vote may be called for by the members and conducted according to this policy. MTDB will continue to hold meetings and will continue to have the ability to call for a weighted vote post-consolidation. Therefore, it is recommended this policy be retained indefinitely, and that minor typographical changes be made.

- Policy No. 29, "FARE SETTING"

The purpose of Policy No. 29 is to establish a uniform fare-setting procedure to ensure an equal fare pricing throughout the region consistent with revenue-generating goals. As part of the consolidation process the function of fare setting was transferred to SANDAG; however, MTDB will continue to be involved in the process. SANDAG is currently determining how its fare-setting policy will be formulated, which may change the procedures set forth in MTDB's policy. Therefore, staff is recommending we retain this policy and make modifications once SANDAG has completed revising its policies.

- Policy No. 30, "ATTENDANCE AT TRANSIT-RELATED CONFERENCES"

Policy No. 30 sets forth the terms and conditions for employee and Board member attendance at transit and transportation conferences. The policy includes a list of all transit-related conferences available for attendance and the terms under which each member qualifies to attend. MTD Board members and employees will continue to attend APTA and CTA conferences following the consolidation. Staff therefore recommends this policy be retained indefinitely, and that minor typographical changes be made.

- Policy No. 31, "INVESTMENTS"

Policy No. 31 sets forth the procedures for investment of MTDB's surplus funds. The guidelines for investments are based upon relevant portions of state law and prudent investment techniques. MTDB will continue to carry this requirement irrespective of the consolidation of its functions with SANDAG. Therefore, staff recommends the policy be retained indefinitely, and that minor typographical changes be made.

Based on the foregoing, it is the Executive Committee and staff's recommendation that the Board approve changes to MTD Board Policy Nos. 27 through 31.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Tiffany Lorenzen, 619.557.4512, [tiffany.lorenzen@sdmts.com](mailto:tiffany.lorenzen@sdmts.com)

SChamp  
31-04MAR11.TLOREN  
3/4/04

Attachment: A. Proposed Changes to MTD Board Policy Nos. 26 through 31 (**Board Only**)

**Policies and Procedures**No. 2726

Subject:

Board Approval: 9/27/017/25/0203/11/04**DISADVANTAGED BUSINESS ENTERPRISE PROGRAM****PURPOSE:**

To provide a program to ensure that disadvantaged business enterprises (DBEs) have the maximum opportunity to participate in the performance of federally funded MTDB contracts.

**BACKGROUND:**

Federal regulations require the adoption of an approved DBE Program as a condition of receipt of federal funds. MTDB's Program has been prepared based upon eligibility for federal funds; it is applicable to all federally funded contracts.

The DBE Program includes a Policy Statement and commitment to the program along with implementation procedures consistent with federal law. The Program provides for the establishment of overall DBE goals for MTDB contracting along with the establishment of particular goals for major contracts by the Board (i.e., the construction of a specific project or a facility such as the Euclid Light Rail Transit Mission Valley East Light Rail Transit (LRT) Line). The Program details the specific procedures for certification, goal review and achievement, and enforcement provisions.


The full Program is filed with the Clerk of the Board.




**POLICY:**

- 27.1 It is the policy of MTDB to utilize DBEs to the fullest extent possible or legally permissible in all procurement activities. This policy shall ensure that DBEs have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds.
- 27.2 To this end, MTDB had adopted a DBE Program which will constitute departmental policy and commitment to promote, foster, and utilize DBEs. Therefore, MTDB shall actively seek bids from qualified DBEs for the contracting and subcontracting of material, supplies, equipment, construction projects, and professional and other services.
- 27.3 MTDB shall implement the DBE program in accordance with the established procedures outlined in 49 CFR, Part 26.

**Member Agencies:**

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

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- 27.4 Further, MTDB will not discriminate on the basis of race, color, national origin, or sex in the award and performance of contracts.

#### PROCEDURES:

The full Program document must be referred to for specific assistance in administering various aspects.

An outline of key procedural components of the Program follow:

- DBE Coordinator: MTDB Contract Specialist or DBE Consultant.
- Goals: MTDB will establish three types of DBE goals: (1) annual goals for all federally assisted contracts; (2) contract goals on each specific federally funded contract – methods and criteria for setting goals are described in the Program; and (3) annual goals for federally funded construction/special trades, services, and wholesale durable goods.
- Certification Determination: The Program designates the State of California Unified Certification Program to provide DBE certification for MTDB.
- Quarterly Semi-Annual and Annual Report: Annually, the DBE Coordinator shall review the goals achieved and provide the ~~General Manager~~ Chief Executive Officer with a report to be presented to the Board of Directors. The Program describes certain data to be included in the report. A ~~quarterly~~ semi-annual progress report will also be prepared.
- Contract Award: Criteria to determine whether bidders have made "a good faith effort" to meet project DBE goals are detailed in the Program. Progress monitoring of a contractor's performance is required.
- Records: The DBE Coordinator shall maintain records on the following:
  - a. procedures used to implement the Program.
  - b. data on contracts awarded.
  - c. specific efforts to identify and award contracts to DBEs.

Ddarro/SChamp  
POLICY.26 - 3/11/04

Original Policy approved on 12/6/84.

Policy revised on 4/28/88.

Policy revised on 4/25/91.

Policy revised on 1/26/95.

Policy revised on 10/16/97.

Policy revised on 8/12/99.

Policy revised on 8/10/00.

Policy revised on 9/27/01.

Policy revised on 7/25/02.

Policy revised on 3/11/04.

**Policies and Procedures**No. **2827**

Subject:

Board Approval: 9/11/033/11/04

**WEIGHTED VOTE PROCEDURE****PURPOSE:**

To set forth a policy and procedure to implement the Public Utilities Code Section 120102.5 regarding weighted votes.

**BACKGROUND:**

Public Utilities Code Section 120102.5, adopted as part of the MTDB reorganization legislation (Stats. 1984, Chapter 1124, Section 2) requires the affirmative vote of the majority of the 15 members of the Board for all official acts. The section further provides that after a vote is taken, a weighted vote may be called and requires the Board to adopt a policy and procedure to implement that weighted vote.




**POLICY:**

- 28.1 The members of the Board shall vote on all items on the basis of one vote per member except that if representatives of two jurisdictions, at least one of whom is not a City of San Diego representative, request a weighted vote after voting on any particular item, then in that event a new weighted vote, which will be final and binding, shall be taken.
- 28.2 The weighted vote procedure shall not be used on any matter of purely intracity local service, unless it is the desire of the affected city or jurisdiction.
- 28.3 When the weighted vote is taken, there shall be a total of 100 votes. Each member shall have that number of votes determined by the following apportionment formula, provided that each member shall have at least one vote and there shall be no fractional vote except for the representatives of the City of San Diego.
  - a. Each of the four representatives of the City of San Diego shall exercise 12 1/2 weighted votes for a total of 50 votes.
  - b. The Chairperson shall exercise one weighted vote.
  - c. The County of San Diego and each city other than the City of San Diego shall in total exercise 49 weighted votes to be apportioned annually by population.
  - d. The following formula shall be used in the annual apportionment:
    - (1) Determine the population of each city, other than the City of San Diego, and the population of the County of San Diego in the unincorporated area of the County within the area of jurisdiction of the Board.

**Member Agencies:**

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

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- (2) Total the population determined in Step (1) and compute the percentage of that total that each jurisdiction has.
  - (a) Multiply each percentage derived above by 49 to determine fractional shares.
  - (b) Boost fractions that are less than one to one; and add the whole numbers.
  - (c) If the answer to Step (b) is 49, drop all fractions and the whole numbers are the votes for each jurisdiction.
  - (d) If the answer to Step (b) is less than 49, the remaining vote(s) are allocated to each of the jurisdiction(s) having the highest fraction(s) except those whose vote was increased to one in Step (b) above.
  - (e) If the answer to Step (b) is more than 49, the excess vote(s) is taken one each from the jurisdiction(s) with the lowest fraction(s). In no case may a vote be reduced to less than one.

28.4 When a weighted vote is taken, the vote of not less than three (3) jurisdictions, representing not less than fifty-one percent (51%) of the total weighted vote, shall be required to supersede the original action. If the weighted vote fails, action determined by the original vote shall stand.

28.5 The weighted vote shall be recomputed in the above manner on July 1 of each year. For Fiscal Year 2004-2005, a weighted vote shall be as follows:

City of San Diego	50
County of San Diego	12
Chula Vista	11
El Cajon	6
National City	4
La Mesa	4
Santee	3
Poway	3
Imperial Beach	2
Lemon Grove	2
Coronado	2
Chairperson	<u>1</u>
<b>TOTAL</b>	<b>100</b>

Ddarro/SChamp/POLICY.27 – 3/11/04

Original Policy approved on 7/11/85.

Policy revised on 8/14/86.

Policy revised on 7/9/87.

Policy revised on 7/14/88.

Policy revised on 7/13/89.

Policy revised on 9/12/91.

Policy revised on 9/11/03.

Policy revised on 3/11/04.

**Policies and Procedures****No. 2928****Subject:****Board Approval: 4/22/873/11/04****FARE SETTING****PURPOSE:**

To establish guidelines for setting a uniform, fair and equitable areawide fare structure consistent with revenue-producing requirements.

**BACKGROUND:**

Since 1977, the MTD Board of Directors has adopted various resolutions related to fare pricing and fare structure development. In addition, the Board annually adopts Transit Development Objectives which include specific fare related goals for the next year. These resolutions and objectives have guided the development of area fare structures and pricing since 1981. It is desirable to have a single concise policy statement to guide fare structure and pricing development.


Further, there are provisions of Federal law (~~UMT Act Section 9(e)(3)(H)~~) and State law (Public Utilities Codes § 99261.5, and § 99282.5, and ~~§ 120265(b)~~) that require certain actions regarding a uniform fare policy.




**POLICY:**

- 29.1 A unified, single areawide fare structure and transfer system shall be maintained for all publicly subsidized operators.
  - 29.1.1 All publicly supported transit operators shall participate in the system to be eligible for public subsidy.
  - 29.1.2 Fare levels shall be uniform for similar types of service.
  - 29.1.3 All publicly supported transit operators shall use and accept regional fare media.
  - 29.1.4 Transfers between all routes shall be facilitated, with the cost of such transfer being related to any difference between the type of service and respective fare levels.
- 29.2 A fare pricing schedule shall be set that expects to meet or exceed specified farebox recovery requirements.

**Member Agencies:**

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

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- 29.2.1 The Board shall adopt a specific areawide farebox recovery ratio objective for each fiscal year, consistent with the requirements of Policy No. 18.
- 29.2.2 The annual average fare (per passenger) should generally increase to reflect annual increases in areawide operating cost indicators, not to exceed the rate of inflation.
- 29.2.3 Fare structure and/or pricing revisions should be oriented toward producing increases in fare revenue.
- 29.2.4 User-side subsidies (i.e., from social service agencies, etc.), joint development of property, and direct contributions should be encouraged as sources of operating revenue.
- 29.3 The fare pricing structure shall be set at levels equitable to the majority of patrons.
  - 29.3.1 Fare levels should generally increase in line with the distance traveled.
  - 29.3.2 Areawide fare discounts should generally be limited to elderly and handicapped patrons and prepaid fare programs; local service operators may establish other discount programs, unique to their systems, based upon special circumstances.
- 29.4 The fare structure and transfer system should be simple and easy to understand for users.
  - 29.4.1 The number of fare, transfer, and pass options should be as few as reasonably possible.
  - 29.4.2 The pricing structure shall be based on equal or easily identifiable coin increments.
- 29.5 Inconveniences to the individual transit operator should be minimized.
  - 29.5.1 The time involved for fare collection aboard a transit vehicle should be as expeditious as possible.
  - 29.5.2 Vehicle driver/operator involvement in the fare collection process on-board the transit vehicle should be minimized.
  - 29.5.3 Prepaid fares (e.g., monthly passes and multi-ride tickets) should be encouraged to speed the patron boarding process.
- 29.6 The fare structure, transfer system and pricing levels should be reviewed on an annual basis coincident with the annual budget and plan update process.

- 29.7 A proposed fare increase shall include public notice and a public hearing by MTDB on the proposed increase.

TFL:paw/SChamp  
POLICY.28  
3/11/04

Original Policy adopted on 8/22/85.  
Policy revised on 1/22/87.  
Policy revised on 3/11/04.

**Policies and Procedures****No. 3029****Subject:****Board Approval: 10/27/94 3/11/04****ATTENDANCE AT TRANSIT-RELATED CONFERENCES****PURPOSE:**

To establish a basis for budgeting Board member and employee attendance at transit-related conferences. Attendance at relevant industry and professional conferences is an important facet of Board member understanding of transit issues and state-of-the-art changes, and the ongoing professional development of staff.

**POLICY:**

- 30.1 Board Member Attendance. It is desirable and beneficial to MTDB and the constituents it represents that Board members actively participate in state and national transit-related association activities. Such activities are normally associated with the California Transit Association (CTA) and the American Public Transit Association (APTA). Each Board member is encouraged to attend one transit-related conference annually. Each year, the General Manager/Chief Executive Officer will survey the Board members to ascertain their interest in attending one of the following conferences:

CTA Annual	(November)
CTA Legislative	(March)
APTA Annual	(Fall)
APTA Rapid Transit	(June)
APTA Board Members Seminar	(July)
APTA Bus	(Spring)
APTA Legislative	(March)




- 30.2 Employee Attendance. Employees are encouraged to attend conferences related to transit in general (as listed above in 30.1) and/or their respective disciplines. Each year, the department directors will submit to the General Manager/Chief Executive Officer a list of desired conferences and other meetings to be attended. Upon return, employees attending conferences will submit a written trip report to the General Manager/Chief Executive Officer in order to share the knowledge obtained from their attendance.

- 30.3 Annual Budgeting. Board member and employee attendance will be funded (i.e., full reimbursement for travel expenses and conference fees in accordance with MTDB Policy No. 45) in the annual budget subject to the availability of funds and based on the survey results from 30.1 and 30.2 above. As part of this budgeting process, the General Manager/Chief Executive Officer of MTDB, and the General

**Member Agencies:**

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Managers of SDTC, and SDTI will meet and coordinate the lists of desired travel to out-of-town conferences resulting from 30.1 and 30.2. Their objectives will be to ensure minimum representation at key industry conferences, and to make sure that the cumulative attendance by the three boards at any one conference is not excessive.

- 30.4 Other Meetings. In addition to the above conferences and consistent with 30.1 through 30.2, full reimbursement will be provided to any Board member or employee who is active on a CTA or APTA committee for travel and expenses related to a committee meeting. In addition, other transit-related conferences or meetings may come up from time-to-time that deserve attendance. For such conferences or meetings, the Chairman (in the case of Board members) or the ~~General Manager~~ Chief Executive Officer (in the case of employees) will determine whether attendance is desirable, consider remaining available budget for travel, and decide who should attend. This definition includes meetings such as those of the California Transportation Commission or legislative hearings, for example.
- 30.5 Expense Reporting. Standard MTDB expense reports will be used for all out-of-town travel in accordance with MTDB Policy No. 45.
- 30.6 Maximum Board Member Attendance. The number of Board members attending any transit-related conference should not exceed seven (i.e., less than a quorum) unless this provision is specifically waived by the Board.
- 30.7 Board Member Travel Arrangements. Basic travel arrangements for a conference will be determined and Board members will be notified in advance of the details, such as: arrival and departure dates and times, cost of the trip, date that members need to notify MTDB of their interest in attending, and any potential cost impacts for changes made after that date. Board members desiring to attend a conference using the basic arrangements will notify MTDB. Board members desiring different travel arrangements will contact the Board's travel agent to make those arrangements and be financially responsible for any costs over and above those determined for the basic trip. Board members shall be notified in sufficient time to make changes with advance reservation discounts. If a Board member has a change in plans subsequent to having a basic trip arranged for him/her, the Board member will be responsible for contacting the Board's travel agent, handling the changes, and be financially responsible for any costs associated with the changes.
- 30.8 Board Member/Employee Financial Responsibility. If a Board member or employee initiates a change in plans, then the individual will equally share the financial responsibility with MTDB for the cost impacts of the changes, unless a medical/death emergency occurs personally or with the individual's immediate family. The "immediate family" is defined to include only husband/wife, children, brother, sister, father, mother, father-in-law, mother-in-law, or any of the aforementioned step or adopted relatives..
- 30.9 Travel by Board Member Alternate. Board alternates may attend one of the transit-related conferences conditioned on the following:

- a. He/she is attending in the place of the regular member.
- b. He/she attended 50 percent or more of the Board meetings in the past 12 months, or since appointment, whichever time is shortest.

DDarro/Dgunn/SChamp  
POLICY.29  
3/11/04

Original Policy was adopted on 8/22/85.  
Policy was amended on 12/8/88.  
Policy was amended on 10/27/94.  
Policy was amended on 4/29/99.  
Policy was amended on 3/11/04.

**Policies and Procedures****No. 3130**

Subject:

**Board Approval: 9/13/04 3/11/04****INVESTMENTS****PURPOSE:**

To identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy, and to organize and formalize investment-related activities.

The investment Policies and Procedures of MTDB are based on state law and prudent money management. All funds will be invested in accordance with the California Government Code, Sections 53600, 53601, and 53635, et. seq. and MTDB's Investment Policy.

**31.1 Scope**

It is intended that this policy cover surplus funds. Bond proceeds will be governed by relevant bond documents.

**31.2 Objectives**

The primary objectives, in priority order, of MTDB's investment activities shall be:

1. **Safety.** Safety of principal is the foremost objective of the investment program. MTDB's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
2. **Liquidity.** MTDB's investment portfolio will remain sufficiently liquid to enable MTDB to meet its cash flow requirements.
3. **Return On Investment.** MTDB's investment portfolio shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.




**31.3 Prudence**

Investments shall be made with judgment and care—under circumstances then prevailing—which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

**Member Agencies:**

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

Metropolitan Transit Development Board is Coordinator of the Metropolitan Transit System and the  Taxicab Administration

Subsidiary Corporations:  San Diego Transit Corporation,  San Diego Trolley, Inc., and  San Diego & Arizona Eastern Railway Company

For personal trip planning or route information, call 1-800-COMMUTE or visit our web site at [sdcommute.com](http://sdcommute.com)



The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. All persons investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds shall act with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of MTDB.

#### 31.4 Delegation of Authority

The management and oversight responsibility for the investment program is hereby delegated to the ~~Director of Finance and Administration~~ Finance Manager or other position designated by the Chief Executive Officer for a one-year period, renewable annually, who shall monitor and review all investments for consistency with this investment policy. No person shall engage in an investment transaction except as provided under the limits of this policy. The Board may delegate the day-to-day investment decision-making and execution authority to an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. The advisor shall follow the policy and such other written instructions as are provided.

#### 31.5 Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions. Officers and employees involved in the investment process shall abide by MTDB's Conflict of Interest Code, California Government Code Section 1090 et. seq., and the California Political Reform Act (California Government Code Section 81000 et. seq.)

#### 31.6 Internal Controls

The ~~Director of Finance and Administration~~ Finance Manager shall establish a set of internal controls. The internal controls will be reviewed with the independent auditor. The controls shall be designed to prevent employee error, misrepresentations by third parties, and imprudent actions by employees or officers of MTDB.

#### 31.7 Selection of Financial Institutions and Broker/Dealers

To provide for the optimum yield in MTDB's portfolio, MTDB's procedures shall be designed to encourage multiple bids and offers on investment transactions from an approved list of broker/dealers.

The ~~Director of Finance and Administration~~ Finance Manager, or MTDB's investment advisor, shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes, and it shall be the policy of MTDB to purchase securities only from those authorized institutions or firms. Purchases of investments through brokers, dealers, and financial institutions shall be permitted as stated in California Government Code Section 53635.5.

### 31.8 Authorized Instruments

1. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. Obligations issued by Banks for Cooperatives, Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, Federal Home Loan Banks, the Federal Home Loan Bank Board, the Federal Home Loan Mortgage Corporation, the Resolution Funding Corporation, or in obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise, or such agencies or enterprises which may be created.
3. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency; provided that the obligations are rated in one of the two highest categories by Moody's or Standard and Poor's.
4. Repurchase Agreements used solely as short-term investments not to exceed 90 days.

MTDB may enter into Repurchase Agreements with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in Section 31.8.1 and 2, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to MTDB's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each Repurchase Agreement must equal or exceed, 102 percent of the total dollar value of the money invested by MTDB for the term of the investment. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed at least weekly. Since the market value of the investments in repurchase agreements underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

Market value must be calculated each time there is a substitution of collateral.

MTDB, or its trustee, shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

MTDB will have properly executed a Public Securities Association (PSA) agreement with each counter party with which it enters into Repurchase Agreements.

5. Reverse Repurchase Agreements may be used only after prior approval by MTDB's Board of Directors. If a reverse repurchase agreement is authorized, it may be utilized only if the security to be sold on reverse repurchase agreement has been owned and fully paid for by MTDB for a minimum of 30 days prior to the sale; the total of all reverse repurchase agreements on investments owned by MTDB does not exceed 20 percent of the base value of the portfolio; and the agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of the security using a reverse repurchase agreement and the final maturity date of the same security. The proceeds of the Reverse Repurchase Agreement may not be invested in securities whose maturity exceeds the term of the Reverse Repurchase Agreement.

MTDB may enter into Reverse Repurchase Agreements only with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York.

MTDB will have properly executed as PSA agreement with each counter party with which it enters into Reverse Purchase Agreements.

6. Bankers' Acceptances issued by domestic or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by Moody's Investors Services or by Standard & Poor's Corporation.

Purchases of Bankers' Acceptances may not exceed 180 days maturity or 40 percent of MTDB's investment portfolio. No more than 10 percent of MTDB's investment portfolio may be invested in the Bankers' Acceptances of any one commercial bank.

7. Commercial paper rated in the highest short-term rating category, as provided by Moody's Investors Services, Inc. or Standard & Poor's Corporation; provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million and has an "A" or higher rating for its long-term debt, if any, as provided by Moody's or Standard & Poor's.

Purchases of eligible commercial paper may not exceed 180 days maturity and may not represent more than 10 percent of the outstanding paper of an issuing corporation.

Purchases of commercial paper may not exceed 15 percent of MTDB's investment portfolio. An additional 15 percent, or a total of 30 percent of MTDB's investment portfolio may be invested only if the dollar-weighted average of the entire amount does not exceed 31 days.

8. Medium-term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a rating category "A" or its equivalent by a nationally recognized rating service. If rated by more than one service, both ratings must meet the minimum credit standards.

Purchase of medium-term corporate notes may not exceed 30 percent of MTDB's investment portfolio.

9. FDIC insured or fully collateralized time certificates of deposit in financial institutions located in California, including U.S. branches of foreign banks licensed to do business in California. All time deposits must be collateralized in accordance with California Government Code section 53561, either at 150 percent by promissory notes secured by first mortgages and first trust deeds upon improved residential property in California eligible under section (m) or at 110 percent by eligible marketable securities listed in subsections (a) through (l) and (n) and (o). MTDB, at its discretion and by majority vote of the Board of Directors, on a quarterly basis, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.
10. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's.

Purchase of negotiable certificates of deposit may not exceed 30 percent of MTDB's investment portfolio and are limited to a maximum maturity of one year. No more than 10 percent of the portfolio may be invested in any one bank name.

11. State of California's Local Agency Investment Fund.

Investment in LAIF may not exceed the maximum amount allowed by LAIF.

12. San Diego County Investment Pool.

13. Insured savings account or money market account.

14. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Act of 1940. The company must have met either of the following criteria: (1) attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations or (2) retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

The purchase price of shares shall not exceed 15 percent of the investment portfolio of MTDB.

15. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-back certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond with a maximum effective maturity of five years. Eligible securities must be rated, by a nationally recognized rating service, as "AAA" and the issuer of the security must have an "A" or higher rating for its debt as provided by a nationally recognized rating service. These securities are further limited to fixed rate, publicly offered securities. The deal size must be a minimum of \$250 million, and the tranche size must be a minimum of \$25 million. No more than 10 percent of the agency's surplus funds may be invested in this type of security.

Credit criteria listed in this section 31.8 refers to the credit of the issuing organization at the time the security is purchased. MTDB may from time to time be invested in a security whose rating is downgraded. In the event a rating drops below "A," the ~~Director of Finance and Administration~~ Finance Manager shall immediately notify the ~~General Manager~~ Chief Executive Officer and will report to the Executive Committee, at its next regularly scheduled meeting, both the downgrade and an evaluation of possible actions that can be taken. The investment manager shall make a written recommendation to the ~~Director of Finance and Administration~~ Finance Manager as to whether this security should be held or sold.

Where this section 31.8 specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase.

#### 31.9 Diversification

No more than 10 percent of MTDB's portfolio shall be invested in any one bank or corporation.

#### 31.10 Maximum Maturity

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit the MTDB to meet all projected obligations.

Unless otherwise specified in this section, no investment shall be made in any security that has an effective maturity of more than five years from the date of purchase, unless the instrument is specifically approved by the Board.

The average duration of the externally managed funds subject to this policy shall not exceed 150 percent of the benchmark duration.

### 31.11 Ineligible Investments

MTDB shall not invest any funds in derivative securities, which is defined as any security that derives its value from an underlying instrument, index, or formula. The derivative universe includes, but is not limited to, structured and range notes, securities that result in zero interest accrual if held to maturity, variable rate, floating rate, or inverse floating rate investments, financial futures and options, and mortgage derived interest or, principal-only strips. Callable or putable securities with no other option features, securities with one interest rate step up feature, and inflation-indexed securities meeting all other requirements of this Policy are excluded from this ineligible list, as are fixed rate mortgage-backed securities and asset-backed securities.

MTDB shall not invest any funds in reverse repurchase agreements.

### 31.12 Sales Prior to Maturity

Securities shall not be purchased for the specific purpose of trading. However, sales prior to maturity are permitted under the following circumstances: (1) to meet an unanticipated disbursement, or (2) earn a higher overall rate of return by selling a security and reinvesting the proceeds. Certain investment opportunities may involve the recognition of value losses. Book value trading losses are permitted. Any trading loss greater than 1 percent of principal value of any investment holding requires the following: (1) explanation of source of loss, (2) rationale for transactions resulting in recognition of loss, (3) estimation of time necessary to recoup the loss.

### 31.13 Reporting Requirements

The ~~Director of Finance and Administration~~ Finance Manager shall render to the internal auditor, the ~~General Manager~~ Chief Executive Officer and the Board an investment report each quarter, which shall include, at a minimum, the following information for each individual investment:

- Type of investment instrument (i.e. Treasury Bill, medium-term note)
- Issuer name (i.e., General Electric Credit Corp.)
- Purchase date (trade and settlement date)
- Maturity date
- Par value
- Purchase price
- Current market value and the source of the valuation
- Overall portfolio yield based on cost

- Statement of compliance of the portfolio to the statement of investment policy or the manner in which the portfolio is not in compliance
- Description of any of MTDB's funds, investments or programs that are under the management of contracted parties, including lending programs
- Statement denoting the ability of MTDB to meet its expenditure requirements for the next six months, or an explanation as to why sufficient money shall or may not be available

This quarterly report shall be submitted within 30 days following the end of the quarter.

The ~~Director of Finance and Administration~~ Finance Manager shall annually render to MTDB a statement of investment policy, which MTDB shall consider at a public meeting.

#### 31.14 Safekeeping and Custody

All securities, whether negotiable, bearer, registered, or nonregistered, whether purchased for MTDB by the County or by financial advisors, consultants or managers, shall be delivered, either by book entry or physical delivery, to MTDB's third-party custodian, and held in MTDB's name.

#### 31.15 Benchmarks

External investment managers' performance shall be evaluated over a 3- to 5-year market cycle against the Merrill Lynch 1-3 year Govt/Corp Index (B1A0).

Ddarro/SChamp  
POLICY.30  
3/11/04

Attachment: Prudent Man Rule (Trust Standard of Care)

Original Policy accepted on 10/23/86.  
Policy revised on 9/23/93.  
Policy repealed and readopted 6/13/96.  
Policy revised on 12/11/97.  
Policy revised on 8/12/99.  
Policy revised on 8/10/00.  
Policy revised on 9/13/01.  
Policy revised on 3/11/04.

## **PROBATE CODE SECTION 16040-16042**

16040. (a) The trustee shall administer the trust with reasonable care, skill, and caution under the circumstances then prevailing that a prudent person acting in a like capacity would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the trust as determined from the trust instrument.

(b) The settlor may expand or restrict the standard provided in subdivision (a) by express provisions in the trust instrument. A trustee is not liable to a beneficiary for the trustee's good faith reliance on these express provisions.

(c) This section does not apply to investment and management functions governed by the Uniform Prudent Investor Act, Article 2.5 (commencing with Section 16045).

16041. A trustee's standard of care and performance in administering the trust is not affected by whether or not the trustee receives any compensation.

16042. (a) Notwithstanding the requirements of this article, Article 2.5 (commencing with Section 16045), and the terms of the trust, all trust funds that come within the custody of the public guardian who is appointed as trustee of the trust pursuant to Section 15660.5 may be deposited or invested in the same manner, and would be subject to the same terms and conditions, as a deposit or investment by the public administrator of funds in the estate of a decedent pursuant to Article 3 (commencing with Section 7640) of Chapter 4 of Part 1 of Division 7.

(b) Upon the deposit or investment of trust property pursuant to subdivision (a), the public guardian shall be deemed to have met the standard of care specified in this article and Article 2.5 (commencing with Section 16045) with respect to this trust property.

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## **Transit Workshop:**

### **Policy Review**



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#### **Transit Workshop: Policy Review**

- Analyze and review Policies 27 through 31.
- Purpose: eliminate unnecessary or obsolete policies following consolidation.

3/10/2004



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#### **Transit Workshop: Policy Review**

- Policy No. 27: "Disadvantaged Business Enterprise Program"
- Purpose: Encourage participation of disadvantaged businesses in federally funded MTDB contracts and projects.
- Recommendation: Retain indefinitely and make typographical changes.

3/10/2004



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**Transit Workshop: Policy Review**

- Policy No. 28: "Weighted Vote Procedure"
- Purpose: Codifies the provisions of the Public Utilities Code regarding majority and weighted vote procedures.
- Recommendation: Retain indefinitely.

3/10/2004



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**Transit Workshop: Policy Review**

- Policy No. 29: "Fare Setting"
- Purpose: Establishes a single policy regarding the development of a San Diego area equitable fare structure.
- Recommendation: Retain currently until SANDAG policy is finalized, return to the Board if necessary, make minor typographical changes.

3/10/2004



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**Transit Workshop: Policy Review**

- Policy No. 30: "Attendance at Transit Related Conferences"
- Purpose: Sets forth guidelines for budgeting Board member and employee attendance at transit related conferences.
- Recommendation: Retain indefinitely, make minor typographical changes.

3/10/2004



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**Transit Workshop: Policy Review**

- Policy No. 31: "Investments"
- Purpose: Establishes an investment policy for surplus funds consistent with state law and prudent money management techniques.
- Recommendations: Retain indefinitely, make minor typographical changes.

3/10/2004



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1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619/231-1466  
FAX 619/234-3407

## Agenda

## Item No. 32

Board of Directors Meeting

March 11, 2004

OPS 970.11, OPS 960.13,  
ADM 121  
(PC 40021, 30100)

**Subject:**

**YEAR-END MTS SECURITY REPORT (JANUARY – DECEMBER 2003)**

**RECOMMENDATION:**

That the Board of Directors receive this report for information.

**Budget Impact**

None, with the indicated recommendation.

**DISCUSSION:**

Statistics related to security incidents concerning the transit system are compiled by staff based on reports from a variety of sources including code compliance inspectors employed by SDTI, security officers contracted by SDTI from Transit Systems Security, local law enforcement agencies, citizens, and patrons of the transit system.

Compiled and summarized data is submitted to the Board of Directors. The final year-end report covers the period from January 1 through December 31, 2003.

Data is compiled and entered into the Transit Watch computerized database by SDTI's Crime Analyst's staff. Compiled statistics are summarized for review on Federal Transit Administration (FTA) Form 405 (Attachments A and B). Form 405 is a federal reporting requirement for all public transportation agencies that divides incidents into two major categories.




Part I incidents consist of eight specific categories of serious offenses committed against persons including patrons, employees, and others on transit system vehicles and properties, as well as property crimes.

Part II incidents detail occurrences in which violators are arrested for committing offenses on transit property and vehicles. These offenses include quality of life violations, property offenses, and minor offenses committed against patrons, employees, and others.

**Member Agencies:**

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

Metropolitan Transit Development Board is Coordinator of the Metropolitan Transit System and the  Taxicab Administration

Subsidiary Corporations:  San Diego Transit Corporation,  San Diego Trolley, Inc., and  San Diego & Arizona Eastern Railway Company

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### San Diego Trolley

Statistics compiled for calendar year 2003 indicate that Part I incidents decreased significantly compared to 2002. Much of the decrease can be attributed to 20 reported thefts during the third quarter of 2002 involving Coca-Cola vending machines located at trolley stations. Aside from those occurrences, overall, the number of Part I incidents decreased 16 percent during this reporting period in comparison to last year.

<u>PART I INCIDENTS</u>	<u>January - December 2002</u>	<u>January - December 2003</u>
Robbery	34	25
Theft*	82	42
Aggravated Assault	14	18
Motor Vehicle Theft	22	26
Burglary	00	00
Arson	00	00
TOTAL	152	111

\*20 incidents of theft in 2002 related to Coca-Cola vending machines located in trolley stations.

Arrests for nonfare-related Part II offenses remained nearly constant overall.

<u>PART II ARRESTS</u>	<u>January - December 2002</u>	<u>January - December 2003</u>
Other Assaults	68	44
Vandalism	64	61
Sex Offenses	03	01
Drug Abuse Violations	214	235
D.U.I.	03	04
Drunkenness	175	172
Disorderly Conduct	605	612
Trespassing	356	380
Curfew and Loitering	187	156
TOTAL	1,675	1,665

Excluding fare evasion, there were 1,665 arrests made during calendar year 2003, compared to 1,675 arrests made during calendar year 2002.

Fare evasion citations decreased approximately 6 percent from 25,438 in calendar year 2002 to 23,965 in calendar year 2003.

### Passenger Inspections

During calendar year 2003, the inspection rate was approximately 23 percent:

<u>Onboard Trains</u>	<u>Fare Paid Zones</u>	<u>Total Passengers Inspected</u>
2,836,180	3,094,825	5,931,005

Total Part I Incidents per 100,000 passengers compare as follows:

	<u>Passengers Carried</u>	<u>Part I Incidents/100,000</u>
January - December 2002	24,833,494	.61
January - December 2003	25,379,176	.44

Total Part II Arrests per 100,000 passengers is reflected below:

	<u>Passengers Carried</u>	<u>Part II Arrests/100,000</u>
January - December 2002	24,833,494	6.74
January - December 2003	25,379,176	6.56

In addition to the categories that appear on the FTA Form 405, over 1,400 additional arrests were made for other violations occurring systemwide (SDTI, San Diego Transit Corporation [SDTC], and Metropolitan Transit System [MTS]), the majority of which involved alcoholic beverages.

#### Special Enforcement Unit (SEU)

100 percent of passengers, at specially selected trolley stations and on trains passing through these stations, were inspected for fare compliance. As trains arrive in the station, up to 20 uniformed code compliance inspectors and security officers board each car of the train and inspect every passenger for fare compliance. While waiting for trains to arrive, inspectors and officers conduct fare paid zone inspections, parking lot checks, and discuss potential issues with station kiosk operators or vendors. Inspectors and officers remain at the station throughout an entire eight-hour shift, issuing citations to patrons who are not in possession of a valid fare.

During calendar year 2003, inspectors and officers contacted 122,851 passengers during 28 scheduled SEU "sweeps" systemwide. Of these, 3,808 passengers were not in compliance with the published fare structure. Of the 3,808 who were not in fare compliance, 2,021 were issued citations, 1,648 were allowed to purchase an upgraded fare in order to meet compliance requirements, and the remainder received verbal warnings. A total of \$1,400.45 in revenue was collected from patrons who were allowed to purchase or upgrade fares when found to be in noncompliance.

Annual statistics from these special fare evasion inspections indicate a fare evasion rate of only 3.1 percent.

In addition to fare compliance, officers are also making arrests for quality of life violations such as possession of alcohol and illegal substances. In 2003, there were 169 violations unrelated to fares discovered during these sweeps.

With the newly implemented "field" module of Transit Watch, SEUs are able to utilize laptop computers in the field to access the network database to identify repeat offenders. Should the database reveal no previous contacts for fare evasion or other violations, the offender is issued a warning rather than a citation.

In addition to the 100 percent SEU "sweeps," there are "mini-sweeps" conducted from time to time. Using fewer staff for a shorter amount of time, seven "mini-sweeps" were

conducted during 2003. During these "mini-sweeps," 14,776 patrons were contacted, 308 patrons were found to be in noncompliance of fare ordinances, and another 37 were in violation of other ordinances.

#### Other Security-Related Activity

Transit Enforcement personnel remained proactive during 2003. Personnel were involved with security-related Super Bowl activities, attended a San Diego Police Department (SDPD) tabletop exercise involving a "weapons of mass destruction" scenario, attended "weapons of mass destruction" training classes, and emergency preparedness seminars. Personnel assisted with law enforcement truancy sweeps and assisted La Mesa Police with open robbery cases. Personnel assisted the California Highway Patrol during its "Arrive Alive" DUI enforcement effort. Officers are assisting SDPD in an ongoing Public-Oriented Policing (P.O.P.) Project along the C Street Corridor, which was implemented in September 2003. SDPD and Transit Enforcement Department personnel are working together with the business owners to reduce crime along the C Street Corridor.

#### Transit Watch Program Enhancements

Implementation of the "field" module of the Transit Watch program was completed in September. This module allows inspectors and officers to prepare crime reports in the field and later synchronize those computerized reports with the main database.

Up to eight laptop computers are being utilized in the field for reporting purposes. Two mobile printers were recently acquired for report printing as necessary in the field.

In the latter part of 2003, the "field" module of Transit Watch was fine-tuned, streamlining processes used for reporting. The "field" module is currently operating as designed.

#### Terrorism Alerts

The SDTI Transit Enforcement Department responded throughout the year to increased security needs based on terrorism alerts issued by the Federal Bureau of Investigation (FBI) and the Office of Homeland Security. Staff initiated the Terrorist Alert Response Program (TARP) to effectively identify suspicious persons and packages. This alert process is necessary so the Transit Enforcement Department can respond to these notices in a timely fashion. TARP is activated when a credible report of possible terrorist activity is reported to the Transit Enforcement Department. The level of response is determined by:

- The credibility of the intelligence sent to SDTI
- Whether the threat specifically identifies the transportation field
- Whether it is a nationwide threat vs. a local threat

When it is determined that TARP must be initiated, the Director of Transit System Security selects the appropriate level of response and implements the program. The President-General Managers of SDTI, SDTC, and MTS are notified of the implementation of the program. Deployment schedules are distributed to all affected

departments within SDTI and SDTC. The level of response for TARP is in addition to all regularly scheduled personnel assigned to special events. Staff activated TARP, at different levels of response, four times during 2003. The activations were in March, May, and December, and the time periods ranged from one day to as long as 18 days, for a total of 38 days during 2003.

#### Multi-Agency Emergency Preparedness Drill

In October 2003, a "weapons of mass destruction (WMD)" drill was conducted at the Weld Street Station. The Exercise Design Committee developed a Multi-Agency Emergency Response Exercise. The Committee was comprised of personnel from San Diego Trolley and San Diego Transit, as well as representatives of East County Emergency Response Agencies such as the El Cajon Police and Fire Departments, El Cajon Paramedics, La Mesa Police Department, and San Diego County Sheriff's Office (including ASTREA and the bomb squad). Personnel from the American Medical Response Ambulance, CARE Medical Transport, Shaffer's Ambulance, and the FBI also participated. A tabletop exercise preceded the drill for the purpose of fine-tuning the approved script for the scenario. The script was a 19-step event, which was developed into a slide presentation. As the slide presentation progressed, each affected agency responded to each step of the exercise.

The script included a train derailment and a collision with an automobile resulting in severe injuries to automobile and train occupants, including the train operator. The script also included a bomb detonation threat onboard an occupied bus.

#### Closed-Circuit Television (CCTV)

CCTV is presently functioning at the Old Town Transit Center (12 cameras), Euclid Avenue Station (8 cameras), Fashion Valley Transit Center (5 cameras), Qualcomm Stadium Station (16 cameras), 47th Street Station (5 cameras), and the El Cajon Transit Center (2 cameras).

Investigators from various law enforcement agencies have worked in concert with code compliance and security in reviewing archived video of crime activity including a homicide case near the 47th Street Station, a fatal hit-and-run wherein the perpetrator parked the suspect vehicle at the Old Town Transit Center, and a suspected pipe bomb left at the Fashion Valley Transit Center.

Enhancements to the program will include a 16-camera system located at the San Diego State University Transit Center, scheduled to come on-line in early 2005, and continuing conversion to fiber-optic transmission by SBC. Currently, Old Town and Fashion Valley have been cut over to fiber. Further, a vendor has been contacted regarding "image enhancing" capability, which would allow magnification of selected images for investigative purposes; i.e., enlarging video of vehicle license plates and faces for identification.



San Diego Transit

Statistics compiled for calendar year 2003 indicate that Part I incidents against persons decreased considerably (34 percent) compared to calendar year 2002.

<u>INCIDENTS</u>	<u>January - December 2002</u>	<u>January - December 2003</u>
Motor Vehicle Theft	01	01
Robbery	09	06
Theft*	19	06
Aggravated Assault	06	09
Homicide	00	01
Forcible Rape	<u>00</u>	<u>00</u>
TOTAL	35	23

\*Late report of Theft received in February 2003 (for December 2002) and therefore not included in year-end report for 2002.

Arrests for Part II offenses fell compared to last year's figures. Including fare evasion, there were 308 arrests for Part II offenses during calendar year 2002, compared to 273 arrests made during calendar year 2003.

<u>PART II ARRESTS</u>	<u>January - December 2002</u>	<u>January - December 2003</u>
Other Assaults	17	13
Vandalism	46	40
Sex Offenses	01	00
Drug Abuse Violations	63	91
D.U.I.	00	00
Drunkenness	20	18
Disorderly Conduct	51	40
Trespassing	02	01
Fare Evasion	22	17
Curfew and Loitering	<u>86</u>	<u>53</u>
TOTAL	308	273



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Peter Tereschuck, 619.595.4949, peter.tereschuck@sdmts.com

SGreen  
32-04MAR11.PTERES  
3/4/04

Attachments: A. Board FTA 405 Reports (calendar year 2003)  
B. Board FTA 405 Reports (calendar year 2002) } **Board Only**

**BOARD 405 REPORT**☐ Form not applicableNTD ID ☐☐☐☐☐ Form 005 Included

Required from transit agencies serving UZAs of 200,000 or more population.

Mode ☐☐Type of Service ☐☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location SDTI</b>			
<b>Part I Offenses (Reports)</b>			
Violent Crime	Inc Inv	Arrests	
Homicide	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Forcible rape	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Robbery	25	6	
	Patrons 5	20	0
	Employees 0	0	0
	Others 0	0	0
Aggravated assault	18	6	
	Patrons 8	4	0
	Employees 0	1	0
	Others 2	5	2
Property Crime	Inc Inv	Arrests	
Burglary	0	0	
Larceny/theft	42	3	
	Patrons 5	6	21
	Employees 0	0	0
	Others 0	5	5
Motor vehicle theft	26	1	
	Patrons 0	0	23
	Employees 0	0	0
	Others 0	0	3
Arson	0	0	
	0	0	0
<b>Part II Offenses (Arrests)</b>			
Other assaults	79	44	
	10	30	4
Vandalism	128	61	
	23	37	1
Sex offenses	1	1	
	1	0	0
Drug abuse violations	231	235	
	37	187	11
Driving under the influence	4	4	
	0	0	4
Drunkenness	173	172	
	47	117	8
Disorderly conduct	649	612	
	199	388	25
Trespassing	403	380	
	0	27	353
Fare evasion	25,398	23,965	
	16,564	7,400	1
Curfew & loitering laws	175	156	
	0	153	3

Total Transit Property Damage

\$ 7,602.59

**Internal Use Only**

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:05:24PM

01/01/2003 To 12/31/2003

☐ Form not applicableNTD ID ☐☐☐☐☐ Form 005 Included**BOARD 405 REPORT**Required from transit agencies serving UZAs  
of 200,000 or more population.Mode ☐☐Type of Service ☐☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location SDTC</b>			
<b>Part I Offenses (Reports)</b>			
Violent Crime	Inc Inv	Arrests	
Homicide	1	1	
			Patrons 0 1 0
			Employees 0 0 0
			Others 0 0 0
Forcible rape	0	0	
			Patrons 0 0 0
			Employees 0 0 0
			Others 0 0 0
Robbery	6	0	
			Patrons 3 3 0
			Employees 0 0 0
			Others 0 0 0
Aggravated assault	9	0	
			Patrons 4 2 0
			Employees 1 0 1
			Others 3 0 1
Property Crime	Inc Inv	Arrests	
Burglary	0	0	
Larceny/theft	6	0	
			Patrons 1 0 0
			Employees 1 0 0
			Others 4 0 0
Motor vehicle theft	1	0	
			Patrons 0 0 0
			Employees 0 0 1
			Others 0 0 0
Arson	0	0	
			0 0 0
<b>Part II Offenses (Arrests)</b>			
	Inc Inv	Arrests	
Other assaults	60	13	
			5 8 0
Vandalism	133	40	
			27 13 0
Sex offenses	9	0	
			0 0 0
Drug abuse violations	83	91	
			2 81 8
Driving under the influence	0	0	
			0 0 0
Drunkenness	21	18	
			6 11 1
Disorderly conduct	185	40	
			18 22 0
Trespassing	4	1	
			0 1 0
Fare evasion	37	17	
			11 6 0
Curfew & loitering laws	55	53	
			0 38 15
<b>Total Transit Property Damage</b>			
		\$ 3,991.24	

**Internal Use Only**

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:05:24PM

01/01/2003 To 12/31/2003

☐ Form not applicableNTD ID ☐☐☐☐☐ Form 005 Included**BOARD 405 REPORT**Required from transit agencies serving UZAs  
of 200,000 or more population.Mode ☐☐Type of Service ☐☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location NCT</b>			
<b>Part I Offenses (Reports)</b>			
Violent Crime	Inc Inv	Arrests	
Homicide	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Forcible rape	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Robbery	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Aggravated assault	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Property Crime	Inc Inv	Arrests	
Burglary	0	0	
Larceny/theft	1	1	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	1
Motor vehicle theft	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Arson	0	0	
	0	0	0
<b>Part II Offenses (Arrests)</b>			
Other assaults	0	0	0
Vandalism	0	0	0
Sex offenses	0	0	0
Drug abuse violations	0	0	0
Driving under the influence	0	0	0
Drunkenness	0	0	0
Disorderly conduct	0	0	0
Trespassing	0	0	0
Fare evasion	0	0	0
Curfew & loitering laws	0	0	0
<b>Total Transit Property Damage</b>			
		\$ 0.00	

**Internal Use Only**

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:05:24PM

01/01/2003 To 12/31/2003

☐ Form not applicableNTD ID ☐☐☐☐☐ Form 005 Included**BOARD 405 REPORT**Required from transit agencies serving UZAs  
of 200,000 or more population.Mode ☐☐Type of Service ☐☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location MTS CONTRACT</b>			
<b>Part I Offenses (Reports)</b>			
Violent Crime	Inc Inv	Arrests	
Homicide	1	1	
			Patrons 0 1 0
			Employees 0 0 0
			Others 0 0 0
Forcible rape	0	0	
			Patrons 0 0 0
			Employees 0 0 0
			Others 0 0 0
Robbery	0	0	
			Patrons 0 0 0
			Employees 0 0 0
			Others 0 0 0
Aggravated assault	0	0	
			Patrons 0 0 0
			Employees 0 0 0
			Others 0 0 0
Property Crime	Inc Inv	Arrests	
Burglary	0	0	
Larceny/theft	0	0	
			Patrons 0 0 0
			Employees 0 0 0
			Others 0 0 0
Motor vehicle theft	0	0	
			Patrons 0 0 0
			Employees 0 0 0
			Others 0 0 0
Arson	0	0	
			0 0 0
<b>Part II Offenses (Arrests)</b>			
Other assaults	0	0	
Vandalism	4	3	
Sex offenses	0	0	
Drug abuse violations	1	1	
Driving under the influence	0	0	
Drunkenness	6	6	
Disorderly conduct	1	1	
Trespassing	0	0	
Fare evasion	3	3	
Curfew & loitering laws	13	13	
<b>Total Transit Property Damage</b>			
		\$ 1,661.50	

**Internal Use Only**

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:05:24PM

01/01/2003 To 12/31/2003

☐ Form not applicableNTD ID ☐☐☐☐☐ Form 005 Included**BOARD 405 REPORT**Required from transit agencies serving UZAs  
of 200,000 or more population.Mode ☐☐Type of Service ☐☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location CVT</b>			
<b>Part I Offenses (Reports)</b>			
Violent Crime	Inc Inv	Arrests	
Homicide	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Forcible rape	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Robbery	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Aggravated assault	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Property Crime	Inc Inv	Arrests	
Burglary	0	0	
Larceny/theft	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Motor vehicle theft	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Arson	0	0	
<b>Part II Offenses (Arrests)</b>			
	Inc Inv	Arrests	
Other assaults	1	0	
Vandalism	3	0	
Sex offenses	0	0	
Drug abuse violations	0	0	
Driving under the influence	0	0	
Drunkenness	2	1	
Disorderly conduct	4	2	
Trespassing	0	0	
Fare evasion	0	0	
Curfew & loitering laws	0	0	
<b>Total Transit Property Damage</b>			
		\$ 0.00	

**Internal Use Only**

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:05:24PM

01/01/2003 To 12/31/2003

☐ Form not applicableNTD ID ☐☐☐☐☐ Form 005 Included**BOARD 405 REPORT**Required from transit agencies serving UZAs  
of 200,000 or more population.Mode ☐☐Type of Service ☐☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location CTS</b>			
<b>Part I Offenses (Reports)</b>			
Violent Crime	Inc Inv	Arrests	
Homicide	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Forcible rape	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Robbery	1	0	
	Patrons	0	1
	Employees	0	0
	Others	0	0
Aggravated assault	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Property Crime	Inc Inv	Arrests	
Burglary	0	0	
Larceny/theft	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Motor vehicle theft	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Arson	0	0	
<b>Part II Offenses (Arrests)</b>			
	Inc Inv	Arrests	
Other assaults	2	1	
Vandalism	1	1	
Sex offenses	0	0	
Drug abuse violations	1	1	
Driving under the influence	0	0	
Drunkenness	0	0	
Disorderly conduct	2	0	
Trespassing	0	0	
Fare evasion	0	0	
Curfew & loitering laws	2	2	
<b>Total Transit Property Damage</b>			
		\$ 67.10	

**Internal Use Only**

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:05:24PM

01/01/2003 To 12/31/2003

**BOARD 405 REPORT**☐ Form not applicableNTD ID ☐☐ Form 005 IncludedRequired from transit agencies serving UZAs  
of 200,000 or more population.Mode ☐Type of Service ☐

Based on the Uniform Crime Reporting Handbook

Security Items			In Vehicle	In Station	Other Transit Prop.
<b>Location SDTI</b>					
<b>Part I Offenses (Reports)</b>					
Violent Crime	Inc Inv	Arrests			
Homicide	0	0	Patrons 0	0	0
			Employees 0	0	0
			Others 0	0	0
Forcible rape	0	0	Patrons 0	0	0
			Employees 0	0	0
			Others 0	0	0
Robbery	34	10	Patrons 9	24	0
			Employees 0	0	0
			Others 0	7	0
Aggravated assault	14	4	Patrons 3	4	0
			Employees 0	1	2
			Others 3	3	1
Property Crime	Inc Inv	Arrests			
Burglary	0	0	0	0	0
Larceny/theft	82	6	Patrons 4	8	29
			Employees 0	1	2
			Others 0	29	12
Motor vehicle theft	22	2	Patrons 0	0	17
			Employees 0	0	0
			Others 0	0	5
Arson	0	0	0	0	0
<b>Part II Offenses (Arrests)</b>					
	Inc Inv	Arrests			
Other assaults	94	68	22	44	2
Vandalism	186	64	22	36	6
Sex offenses	7	3	1	1	1
Drug abuse violations	208	214	37	170	7
Driving under the influence	3	3	0	0	3
Drunkenness	175	175	40	129	6
Disorderly conduct	623	605	252	338	15
Trespassing	363	356	2	42	312
Fare evasion	26,059	25,438	17,558	7,878	2
Curfew & loitering laws	177	187	2	182	3

Total Transit Property Damage

\$ 134,417.39

**Internal Use Only**

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:04:46PM

01/01/2002 To 12/31/2002



☐ Form not applicableNTD ID ☐☐☐☐☐ Form 005 Included**BOARD 405 REPORT**Required from transit agencies serving UZAs  
of 200,000 or more population.Mode ☐☐Type of Service ☐☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location SDTC</b>			
<b>Part I Offenses (Reports)</b>			
Violent Crime	Inc Inv	Arrests	
Homicide	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Forcible rape	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Robbery	9	3	
	Patrons 3	6	0
	Employees 0	0	0
	Others 0	1	0
Aggravated assault	6	2	
	Patrons 0	2	0
	Employees 2	1	0
	Others 1	0	0
Property Crime	Inc Inv	Arrests	
Burglary	0	0	
Larceny/theft	19	0	
	Patrons 7	1	0
	Employees 2	0	0
	Others 6	1	1
Motor vehicle theft	1	1	
	Patrons 0	0	0
	Employees 0	0	0
	Others 1	0	0
Arson	0	0	
	0	0	0
<b>Part II Offenses (Arrests)</b>			
	Inc Inv	Arrests	
Other assaults	45	17	
	9	8	0
Vandalism	150	46	
	34	12	0
Sex offenses	11	1	
	0	1	0
Drug abuse violations	58	63	
	7	55	1
Driving under the influence	0	0	
	0	0	0
Drunkenness	19	20	
	6	14	0
Disorderly conduct	188	51	
	20	30	1
Trespassing	3	2	
	0	1	1
Fare evasion	53	22	
	11	11	0
Curfew & loitering laws	85	86	
	0	76	10

Total Transit Property Damage

\$ 13,409.66

**Internal Use Only**

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:04:46PM

01/01/2002 To 12/31/2002

☐ Form not applicable  
 NTD ID ☐☐☐☐  
☐ Form 005 Included

# BOARD 405 REPORT

Required from transit agencies serving UZAs of 200,000 or more population.

Mode ☐

Type of Service ☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location NCT</b>			
<b>Part I Offenses (Reports)</b>			
Violent Crime	Inc Inv	Arrests	
Homicide	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Forcible rape	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Robbery	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Aggravated assault	1	0	
	Patrons 0	2	0
	Employees 0	0	0
	Others 0	0	0
Property Crime	Inc Inv	Arrests	
Burglary	0	0	
Larceny/theft	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Motor vehicle theft	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Arson	0	0	
	0	0	0
<b>Part II Offenses (Arrests)</b>			
Other assaults	0	0	
Vandalism	1	2	
Sex offenses	0	0	
Drug abuse violations	0	0	
Driving under the influence	0	0	
Drunkenness	0	0	
Disorderly conduct	0	0	
Trespassing	0	0	
Fare evasion	1	0	
Curfew & loitering laws	1	1	

Total Transit Property Damage

\$ 0.00

## Internal Use Only

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:04:46PM

01/01/2002 To 12/31/2002

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of 200,000 or more population.Mode ☐☐Type of Service ☐☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location MTS CONTRACT</b>			
<b>Part I Offenses (Reports)</b>			
Violent Crime	Inc Inv	Arrests	
Homicide	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Forcible rape	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Robbery	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Aggravated assault	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Property Crime	Inc Inv	Arrests	
Burglary	0	0	
Larceny/theft	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Motor vehicle theft	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Arson	0	0	
	0	0	0
<b>Part II Offenses (Arrests)</b>			
	Inc Inv	Arrests	
Other assaults	0	0	0
Vandalism	5	1	0
Sex offenses	3	1	0
Drug abuse violations	3	2	2
Driving under the influence	0	0	0
Drunkenness	2	2	1
Disorderly conduct	4	3	2
Trespassing	0	0	0
Fare evasion	3	4	0
Curfew & loitering laws	8	8	8

Total Transit Property Damage

\$ 150.00

**Internal Use Only**

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:04:46PM

01/01/2002 To 12/31/2002

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of 200,000 or more population.Mode ☐☐Type of Service ☐☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location CVT</b>			
<b>Part I Offenses (Reports)</b>			
<b>Violent Crime</b>	<b>Inc Inv</b>	<b>Arrests</b>	
Homicide	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Forcible rape	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Robbery	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Aggravated assault	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
<b>Property Crime</b>	<b>Inc Inv</b>	<b>Arrests</b>	
Burglary	0	0	
Larceny/theft	1	0	
	Patrons	0	0
	Employees	0	0
	Others	1	0
Motor vehicle theft	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Arson	0	0	
<b>Part II Offenses (Arrests)</b>			
	<b>Inc Inv</b>	<b>Arrests</b>	
Other assaults	2	1	
Vandalism	13	0	
Sex offenses	0	0	
Drug abuse violations	1	1	
Driving under the influence	0	0	
Drunkenness	1	0	
Disorderly conduct	5	0	
Trespassing	0	0	
Fare evasion	1	0	
Curfew & loitering laws	0	0	
<b>Total Transit Property Damage</b>			
		\$ 0.00	

**Internal Use Only**

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:04:46PM

01/01/2002 To 12/31/2002

☐ Form not applicableNTD ID ☐☐☐☐☐ Form 005 Included**BOARD 405 REPORT**Required from transit agencies serving UZAs  
of 200,000 or more population.Mode ☐☐Type of Service ☐☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location CTS</b>			
<b>Part I Offenses (Reports)</b>			
Violent Crime	Inc Inv	Arrests	
Homicide	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Forcible rape	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Robbery	1	0	
	Patrons	0	1
	Employees	0	0
	Others	0	0
Aggravated assault	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Property Crime	Inc Inv	Arrests	
Burglary	0	0	
Larceny/theft	2	1	
	Patrons	0	1
	Employees	0	0
	Others	0	1
Motor vehicle theft	0	0	
	Patrons	0	0
	Employees	0	0
	Others	0	0
Arson	0	0	
	0	0	
<b>Part II Offenses (Arrests)</b>			
Other assaults	2	2	
Vandalism	1	1	
Sex offenses	0	0	
Drug abuse violations	0	0	
Driving under the influence	0	0	
Drunkenness	1	1	
Disorderly conduct	1	0	
Trespassing	0	0	
Fare evasion	1	1	
Curfew & loitering laws	0	0	
<b>Total Transit Property Damage</b>			
		\$ 90.00	

**Internal Use Only**

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:04:46PM

01/01/2002 To 12/31/2002

☐ Form not applicable  
 NTD ID ☐  
☐ Form 005 Included

# BOARD 405 REPORT

Required from transit agencies serving UZAs of 200,000 or more population.

Mode ☐

Type of Service ☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location SDTI</b>			
<b>Part I Offenses (Reports)</b>			
Violent Crime	Inc Inv	Arrests	
Homicide	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Forcible rape	0	0	
	Patrons 0	0	0
	Employees 0	0	0
	Others 0	0	0
Robbery	34	10	
	Patrons 9	24	0
	Employees 0	0	0
	Others 0	7	0
Aggravated assault	14	4	
	Patrons 3	4	0
	Employees 0	1	2
	Others 3	3	1
Property Crime	Inc Inv	Arrests	
Burglary	0	0	
Larceny/theft	82	6	
	Patrons 4	8	29
	Employees 0	1	2
	Others 0	29	12
Motor vehicle theft	22	2	
	Patrons 0	0	17
	Employees 0	0	0
	Others 0	0	5
Arson	0	0	
	0	0	0
<b>Part II Offenses (Arrests)</b>			
	Inc Inv	Arrests	
Other assaults	94	68	2
Vandalism	186	64	6
Sex offenses	7	3	1
Drug abuse violations	208	214	7
Driving under the influence	3	3	3
Drunkenness	175	175	6
Disorderly conduct	623	605	15
Trespassing	363	356	312
Fare evasion	26,059	25,438	2
Curfew & loitering laws	177	187	3

Total Transit Property Damage

\$ 134,417.39

## Internal Use Only

Report Run Date

Report Run Time

Reporting Period

03/03/2004

04:04:46PM

01/01/2002 To 12/31/2002

# Annual Security Report

## Calendar Year 2003

Presented by William Burke  
Director of Transit System Security

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**SDTI**



# Terrorism Alert Response Program

## (TARP)

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**SDTI**



## Terrorism Alert Response Program (TARP)

- TARP activated four times due to heightened security alerts
    - 3/19/03 1 day
    - 5/21/03 to 5/29/03 9 days
    - 3/27/03 to 4/13/03 18 days
    - 12/22/03 to 12/31/03 10 days
- Total 2003: 38 days
- TARP deployment augmented standard coverage

SDTI 

## Terrorism Alert Response Program (TARP)



SDTI 



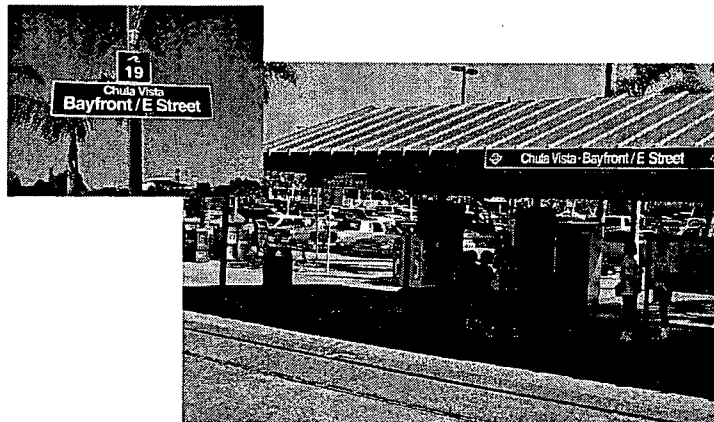
# Operation Weld

- Functional Tabletop Exercise  
October 2, 2003
- Full Scale Exercise  
October 25, 2003

SDTI



# Spring Drill – Chula Vista



SDTI



## Multi-Agency Programs

- Prisoner Bookings - 96
  - Public Drunkenness
  - Felony Warrants
  - Domestic Violence
- Agencies
  - County Jail
  - Las Colinas Detention Center
  - Juvenile Hall



SDTI



## Special Enforcement Unit

- Warning vs. Citation
  - Issued in some cases
  - Issued for 2<sup>nd</sup> offense
  - Repeat offenders determined by Transit Watch
- Revenue SEUs
  - Opportunity to purchase or upgrade
  - Relieves overcrowded courts
  - Extensive fines for repeat offenders

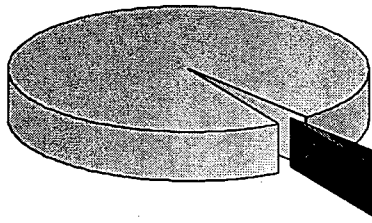


SDTI



## Special Enforcement Unit

■ 96.9%



SEU Fare Evasion

■ 3.1%

■ Patrons In Compliance 119,043

■ Patrons Not in Compliance 3,808

SDTI



## Closed-Circuit

## Television

SDTI



## Closed-Circuit Television (CCTV)

### Functioning at:

- Euclid Avenue
- Qualcomm Stadium
- Old Town Transit Center
- Fashion Valley
- 47th Street

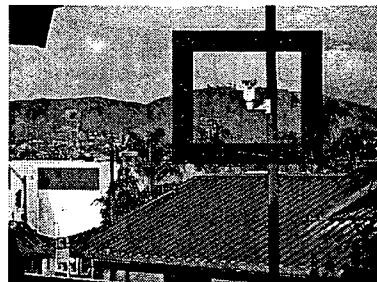
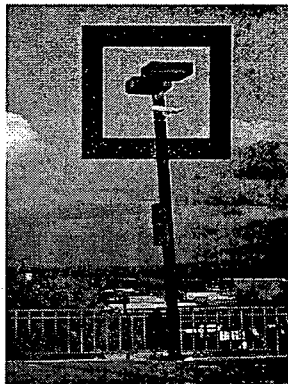
### Newest Station:

- El Cajon Transit Center

**SDTI**



## El Cajon Transit Center



**SDTI**



## 47th Street



SDTI



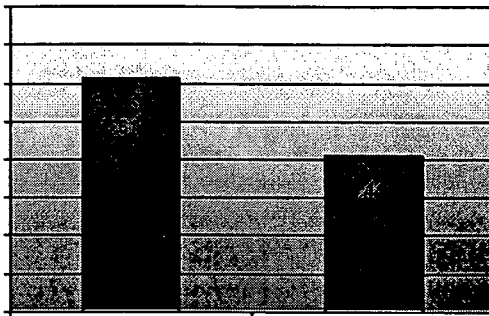
## Old Town Transit Center



SDTI



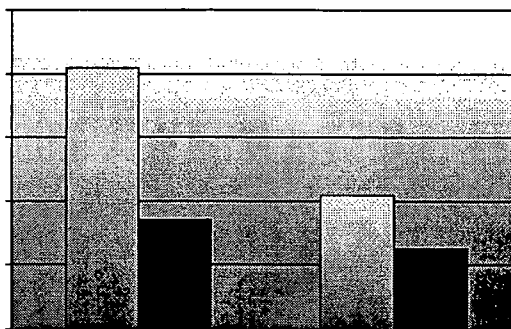
## Part I Incidents Per 100,000 Passengers



SDTI



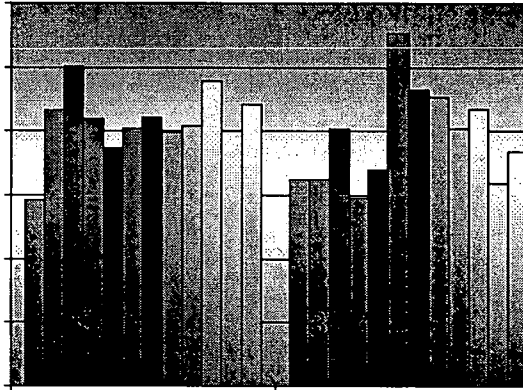
## Part I Incidents: Theft and Robbery



SDTI



## Fare Evasion



2003

Scaffold  
Incident

Substation  
Fire

Expanded  
TARP

SDTI



## SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

32

ORDER REQUEST RECEIVED

1

**\*\*PLEASE SUBMIT THIS COMPLETED FORM (AND YOUR WRITTEN STATEMENT) TO THE CLERK OF THE BOARD PRIOR TO DISCUSSION OF YOUR ITEM\*\***

## 1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Board (please attach your written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Board authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.

Date Peter WarnerName (PLEASE PRINT) PO BOX 2135Address NANFORD, CA 93232

Telephone \_\_\_\_\_

Organization Represented (if any) TRAC/AHS/TRAINERS RAILCOMSubject of your remarks: CITATION ISSUES

Agenda Item Number on which you request to speak \_\_\_\_\_

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At Public Hearings of the Board, persons wishing to speak shall be permitted to address the Board on any issue relevant to the subject of the Hearing.

## 3. DISCUSSION OF AGENDA ITEMS

The Chairman may permit any member of the public to address the Board on any issue relevant to a particular agenda item.

## 4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five (5) speakers with three (3) minutes each, under the Public Comment Agenda Item. Additional speakers will be heard at the end of the Board's Agenda.

**\*\*REMEMBER: Subjects of previous Hearings or agenda items may not again be addressed under General Public Comments.\*\***



1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
619/231-1466  
FAX 619/234-3407

## Agenda

**Item No. 45**

Chief Executive Officer's Report

ADM 121.7 (PC 30100)

March 11, 2004




A full report of minor contract actions, contract matters, and personnel matters will be provided at the March 25, 2004, Board of Directors meeting.

PSmith/Als  
45-04MAR11.PSMITH  
3/4/04

**Member Agencies:**

City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, County of San Diego, State of California

Metropolitan Transit Development Board is Coordinator of the Metropolitan Transit System and the  Taxicab Administration

Subsidiary Corporations:  San Diego Transit Corporation,  San Diego Trolley, Inc., and  San Diego & Arizona Eastern Railway Company

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## SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

47

ORDER REQUEST RECEIVED

1

**\*\*PLEASE SUBMIT THIS COMPLETED FORM (AND YOUR WRITTEN STATEMENT) TO THE CLERK OF THE BOARD PRIOR TO DISCUSSION OF YOUR ITEM\*\***

## 1. INSTRUCTIONS

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Date PETER WARNER

Name (PLEASE PRINT) \_\_\_\_\_

Address BOX 2135Newport CA 93232Telephone 619-347-10422

Organization Represented (if any) \_\_\_\_\_

Subject of your remarks: VARIOUS COMMENTS

Agenda Item Number on which you request to speak \_\_\_\_\_

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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