



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

****REVISED****

Agenda

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

May 27, 2004

9:00 a.m.

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

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ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes – Saturday, May 8, 2004
May 13, 2004 Approve
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.
4. Presentation of Employee Awards Receive



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

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|----|--|-----------------|
| 5. | <u>Closed Session Items</u> | Possible Action |
| a. | <p>MTDB: CONFERENCE WITH REAL PROPERTY NEGOTIATORS - <u>Tim Allison and Chip Willett, Government Code Section 54956.8: Regarding Lease of a Billboard on Assessor Parcel No. 340-050-14 (San Diego Metropolitan Development Board) Located in the City of San Diego. Negotiating Parties: State Department of Transportation. Instruction to Negotiators Will Include Price and Terms of Payment</u></p> | |
| b. | <p>MTDB: CONFERENCE WITH LEGAL COUNSEL - <u>Government Code Section 54956.9(a): Existing Litigation, MTDB v. Alpine Stained Glass, San Diego Superior Court Case No. GIC 814724</u></p> | |
| c. | <p>MTDB: CONFERENCE WITH LEGAL COUNSEL - <u>Government Code Section 54956.9(a): Existing Litigation, MTDB v. Maxwell, San Diego Superior Court Case No. GIC 811775-1</u></p> | |

Oral Report of Final Actions Taken in Closed Session

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

- | | | |
|---|---|---------|
| * | <p>6. <u>SDTI: Financial Report for February 2004</u></p> <p>Action would receive the following attachments:
 Summary of Cash in Treasury, Status of Revenue,
 Summary of FY 04 Appropriations and Expenditures,
 and San Diego Association of Governments
 (SANDAG) Ridership Summaries.</p> | Receive |
| * | <p>7. <u>SDTI: Financial Report for March 2004</u></p> <p>Action would receive the following attachments:
 Summary of Cash in Treasury, Status of Revenue,
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 and SANDAG Ridership Summaries.</p> | Receive |
| * | <p>8. <u>SDTI: Operations Status Report for February 2004</u></p> <p>Action would receive the following reports for San Diego Trolley, Inc. (SDTI): Transportation Department Summary, Monthly Performance Statistics for February 2004, Light Rail Vehicle (LRV) Maintenance Department Summary, and Wayside Maintenance Department Summary.</p> | Receive |

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| * | 10. | <u>MTDB: MTS Operators Budget Status Report for March 2004</u> | Receive |
| | | Action would receive the Metropolitan Transit System (MTS) Operators Budget Status Report for the month of March 2004. | |
| * | 11. | <u>MTDB: General Engineering Consultant (GEC) Contract Extension</u> | Approve |
| | | Action would authorize the CEO to execute an extension of the General Engineering Consultant (GEC) contract with Berryman & Henigar. This will allow Berryman & Henigar to continue to serve the needs of MTDB for the total contract amount within the five-year duration of the contract. | |
| * | 12. | <u>SDTI: Light Rail Vehicle Gear Box Bearings Procurement: Contract Award</u> | Approve |
| | | Action would authorize the Chief Executive Officer to execute a Standard Procurement Agreement with Applied Industrial Technologies, Inc., contingent upon Federal Transit Administration (FTA) approval of Buy America waiver, for LRV gear box bearings. | |
| * | 13. | <u>SDTC: Financial Report through March 2004</u> | Receive |
| | | Action would receive the SDTC Financial Report through March 31, 2004. | |
| * | 14. | <u>MTDB: Sorrento Valley Coaster Connection and Reverse Commute Poway Express Contract Amendments</u> | Approve |
| | | Action would authorize the CEO to execute contract amendments with: | |
| | 1. | Laidlaw Transit Services for operation of two new California Department of Transportation-funded routes, 981 and 982, part of MTS's Sorrento Valley Coaster Connection Service; and | |
| | 2. | Coach USA to provide reverse commute express service between Poway and San Diego. | |

- * 15. SDTI: First Quarter 2004 MTS Security Report (January through March 2004) Receive

Action would receive this report for information.

NOTICED PUBLIC HEARINGS

25. None

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

DISCUSSION ITEMS

30. MTDB: MTS Operators FY 05 Budget Workshop Follow-up Receive

Action would receive this report for information.

31. SDTC: Retirement Plans Actuarial Valuation as of January 1, 2004 Approve

Action would receive the Actuarial Valuation as of January 1, 2004, and approve the annual contribution rate for the San Diego Transit Corporation (SDTC) pension plans in FY 05 at 19.69 percent of payroll.

32. MTDB: Update on Border Patrol Operations on MTS Services Receive

Action would receive this report for information.

33. SDTI: Preliminary PETCO Park/Padres Service Report Receive

Action would receive this report for information.

34. SDTI: Request to Name the San Diego Trolley Building C Maintenance Facility in Honor of Langley C. Powell Approve

Action would approve the request as recommended by the Executive Committee.

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

Possible Action

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.**

50. Next Meeting Date – June 10, 2004

60. Adjournment

JGarde
A-BD-04MAY27
5/25/04



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50. Next Meeting Date – June 10, 2004

60. Adjournment

JGarde
A-BD-04MAY27
5/21/04

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 5/27/04

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

RECESS: 10:35 a.m.

RECONVENE: 10:40 a.m.

CLOSED SESSION: 9:10 a.m.

RECONVENE: 9:26 a.m.

ORDINANCES ADOPTED: N/A

ADJOURN: 11:38 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:09 a.m.	
CLABBY	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
INZUNZA	<input type="checkbox"/> (Ungab) <input type="checkbox"/>		
KALTENBORN	<input type="checkbox"/> (N/A) <input type="checkbox"/>		<input checked="" type="checkbox"/>
LEWIS, Charles	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		11:28 a.m.
LEWIS, Mark	<input checked="" type="checkbox"/> (Santos) <input type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		11:31 a.m.
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"/>	9:18 a.m. during Closed Session	
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:23 a.m. during Closed Session	11:14 a.m.
ROSE	<input type="checkbox"/> (Janney) <input checked="" type="checkbox"/>		
RYAN	<input checked="" type="checkbox"/> (Dale) <input type="checkbox"/>		
STERLING	<input type="checkbox"/> (Ewin) <input type="checkbox"/>		<input checked="" 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

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Gail Williams
Duffy Thompson

JOINT FY 05 FINANCE WORKSHOP OF THE BOARD OF DIRECTORS FOR THE
METROPOLITAN TRANSIT DEVELOPMENT BOARD, SAN DIEGO TRANSIT
CORPORATION, AND SAN DIEGO TROLLEY, INC.

May 8, 2004

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

MINUTES

1. Roll Call

Finance Chairman Rindone called the workshop to order at 9:04 a.m. Board members in attendance included Bob Emery, Ernest Ewin (alternate for Ruth Sterling), Mark Lewis, Phil Monroe, Jerry Rindone, Ron Roberts, Diane Rose, and Leon Williams. Ex officio board member Harry Mathis was also present.

CONSENT ITEMS

2. Operating Resources

Action would receive a report on MTS resources.

3. Fixed-Route Historical Trends

Action would receive a report on relevant MTS ridership, revenue, and cost trends.

Motion on Recommended Consent Items

Mr. Emery moved to approve Consent Agenda Item Nos. 2 and 3. Mr. Williams seconded the motion and the vote was 8-0 in favor.

DISCUSSION ITEMS

4. Preliminary FY 05 Operating Budgets

Mr. Jablonski thanked everyone for coming to the workshop on a Saturday and stated that he hoped to develop a budget process that blends into the regular meeting schedule and would eliminate the need for a special workshop. He stressed that the budget was developed without a finance department, per se, and with very extensive collaborative efforts by staff from MTS, SDTI and SDTC. He also extended thanks to the staff that coordinated these efforts.

Ms. Susan Hafner, Director of Multimodal Operations, presented a summary of the budget by category pointing out that over 84 percent of the budget consists of personnel, energy and purchased transportation costs. She reviewed charts and tables presenting the following information: Projected deficit amounts on a worst-case and best-case basis, operating revenues and funding sources for operating costs. Mr. Jablonski pointed out that the FY 09 projected deficit as depicted in the table (worst case) assumes that TransNet does not pass.

Mr. Jablonski reported that the SANDAG Board set aside \$5 million out of the \$20 million they projected as MTDB's share of TransNet. He reported that SANDAG originally intended to use that \$5 million for bus rapid transit studies; however, they are currently projecting the use of \$1.5 million. Mr. Monroe stated that he did not recall that the Transportation Committee took that particular action and did not realize that \$5 million was being removed from MTDB operating funding. In response to a comment by Mr. Roberts about the high dollar amount (\$5 million) for planning, Jack Limber of SANDAG stated that the MTD Board took action in May 03, when considering options for allocating the remaining TransNet revenues, to prioritize a number of projects. He stated that, based on those priorities, the work next year for planning for BRT and the Super Loop is estimated to cost \$5 million.

Ms. Hafner presented information on federal preventative maintenance funds used for operations. She stated that it is important to note that these funds come out of the same funding pool as the capital projects. She stated that it is the Board's policy decision to balance operating and capital needs. Elliot Hurwitz, Contract Services Administrator, then presented fare revenue projections for FY 05 and briefly discussed current ridership trends. In response to a question from Mr. Ewin, Mr. Hurwitz reviewed fluctuations in passenger loads and how the system copes with the fluctuations.

Mr. Hurwitz then presented information on costs for diesel and CNG fuel. Mr. Hurwitz stated that every penny change in diesel fuel prices equates to \$30,000. Mr. Jablonski pointed out that one gallon of diesel equates to 2.5 therms of CNG in terms of usage and, as MTS converts to CNG vehicles, costs will increase over time as a result. In response to a question from Mr. Mark Lewis, Ms. Hafner reported that staff reviews on a regular basis the feasibility of entering into fuel contracts. She stated that fuel contracts can stabilize costs but, when prices go down, MTS would find itself paying a premium price for fuel. Mr. Jablonski stated that this type of arrangement needs to be entered into when fuel prices are low in order for it to be economically advantageous. Cliff Telfer, SDTC Vice President of Finance & Administration, reported that SDTC has someone on staff that contacts fuel suppliers on a daily basis and purchases fuel for almost all the transit agencies in San Diego County. Mr. Telfer also reported that staff does regular comparisons with prices being paid by Orange County Transit and MTA in Los Angeles as well. Ms. Hafner reported that Contract Services handles CNG procurement through the maintainer of the CNG fueling facility. Staff also pointed out that MTS does not pay taxes on fuel.

Ms. Hafner reviewed the budget reductions made by each of the agencies and reported that each, along with the CEO, made significant efforts to identify efficiencies that would reduce costs.

John Davenport, Sr. Transportation Operation Specialist, reviewed cost changes in terms of percentages and the current, projected and proposed farebox recovery. In response to question from Mr. Roberts, Mr. Davenport reported that the 6-percent increase (\$2.5 million) in trolley costs associated with the start up of MVE is primarily personnel related. Mr. Tereschuck, General Manager of San Diego Trolley, reported that 70 to 75 employees will need to be hired for the start up of MVE. Mr. Tereshuck also reported that a \$900,000 contingency line item is included in that figure. Mr. Jablonski pointed out that approximately \$400,000 of the start-up cost is for marketing and signage. He added that the marketing budget was actually reduced by \$400,000 and that \$400,000 was then used to supplement MVE start-up funding and provide marketing for MVE. Mr. Rindone suggested that staff provide a report detailing the start-up costs. In response to a comment from Mr. Roberts about the substantial size of the contingency, Mr. Tereschuck responded that this contingency was established at a high level because, at the time, there wasn't significant information regarding an operating plan and other issues relative to staffing. He added that the contingency will be used to defray the expense of staffing and the overall cost for the operation. Mr. Roberts asked for a detailed report on this issue and stated that marketing efforts should be minimal because of all the natural publicity the opening of the line will get. Ms. Hafner stated that a later report will provide the Board with information on the funding sources for start-up and support of the operating budget.

In response to a question from Mr. Mark Lewis, Ms. Hafner stated that MTS will be identifying bus service that duplicates MVE service and changes will be made to reinstitute that bus service in a more local way. She further responded to Mr. Lewis' concern regarding staffing levels that any changes in this element would be achieved through attrition. Ms. Hafner reported that the results of the MVE bus study will be brought back to the Board once completed. Mr. Roberts stated that he would like to see details on the operating cost changes and revenue by each agency, and Mr. Rindone reiterated that request. Mr. Jablonski pointed out that costs are increasing at a slower rate than inflation. Mr. Rindone stated that information in staff's report would be more helpful if the dollar amounts were indicated alongside the percentages.

Mr. Davenport then reviewed MTS G&A Expenses. He reported that marketing expenses are being centralized in order to exert more control over the uniformity and quality of MTS ads. He also stated that Management Information Systems expenses include recurring software license fees and computer improvements to make it possible for employees to access the new computerized financial system. He pointed out that general expense decreased due to the smaller workforce, but increased as a result of relocation costs associated with the relocation of employees between agencies. Staff explained the process for determining cost-of-living increases for staff salaries at Mr. Lewis' request. In response to a question from Ms. Rose, staff explained that the Management Information Systems reference in the report consists of \$90,000 for conversion to the new financial system and \$7,000 for recurring licensing agreements. She requested that this be broken out in the final report. Mr. Roberts stated that he strongly felt that the budget presentation should include a quantitative perspective on the results of the consolidation and felt that there should be some resulting cost savings. He stated that both FY 2003 and FY 2004 can be included in this perspective if events occurred in both years, both organizationally and financially. Mr. Jablonski stated that,

while approximately 50 employees transferred to SANDAG, fixed costs were not affected. He added that consolidation of SDTI and SDTC with MTS is still in the beginning stages – that an overall structure has been developed, but details remain to be worked out. He stated that Human Resources will be consolidated shortly. He stated that he hopes to see some economies as a result of the consolidation, but felt it was too early to assess this factor. Mr. Roberts stated that he would accept at least a best estimate. Ms. Rose stated that she would like to see a category of expenses associated with the consolidation. Mr. Ewin stated that he respectfully disagreed and stated that he is sure there is an ongoing strategy. He felt that actions to date were fairly well reflected in staff's report. In response to a question from Mr. Ewin, Mr. Jablonski stated he just received a letter from CalPers stating that the pension plan at MTS and the independent pension plan at SDTC cannot coexist under CalPers. He stated that it appears that combining the agencies into one legal entity would be cost prohibitive.

Mr. Monroe asked if Mr. Jablonski has a timeline for the consolidation. Mr. Jablonski stated that this process requires a great deal of effort – that there are many details that must be addressed, e.g. creating departments, filling positions, making decisions regarding leadership positions within the departments, facility and contract elements, consolidating revenue functions, transitioning practices between the agencies, etc. Mr. Jablonski stated that the complexity of these issues depends on the function being studied and cited examples. Mr. Jablonski added that he is still negotiating with SANDAG regarding the planning function. Mr. Monroe stated that he didn't need that kind of detail but would like to see a blueprint of the new organization, e.g. how many people in certain positions, what areas would not be changed at all, etc.

Mr. Davenport then reviewed MTS operating expenses and the combined FY 2005 operating budget. He added that the MTS Operating Expenses includes \$2 million for the replenishment of the reserve fund.

Ms. Rose pointed out that staff's percentage numbers for subtotals and totals on attachment C3 are inaccurate. Staff stated that corrections will be made.

Mr. Monroe thanked Mr. Jablonski and staff who prepared the presentation as well as staff from the other agencies for their time and all of their efforts. In response to a question from Mr. Lewis, Ms. Hafner explained that the Coronado Ferry appears in the report because MTS subsidizes its operating costs in order to maintain a reasonable fare for commuter trips.

Action Taken

Mr. Williams moved to receive the preliminary FY 05 budgets for San Diego Trolley, San Diego Transit, MTS Contract Services, Chula Vista Transit, National City Transit, Coronado Ferry, and MTS General Fund. Mr. Emery seconded the motion and the vote was 8-0 in favor.

5. Balancing the Operating Budgets: Recommended Action Plan

Ms. Hafner reviewed the primary policy choices and factors of importance for the Board to consider relative to the FY 2005 budget. Staff reviewed Options A, B and C as presented in staff's presentation. Staff recommended Option A for balancing the FY 2005 budget, and stated that the next steps are formal approval of the action plan at the Board's May 27, 2004 meeting and a public hearing and final adoption in June.

Mr. Jablonski pointed out that the shortage of funding that MTS has been experiencing is compounding from year to year. He stated that CMAQ funds will only cover trolley operations for the first three years after start up. He stated that the Board, when it begins to cut service, will lose cost but also lose ridership and revenue. He added that, unless something happens to improve the revenue picture, he will recommend conducting a comprehensive operations analysis (COA), which would take approximately 12 to 15 months to complete. He suggested reorganizing the system in such a way that it lowers costs and maintains ridership by making the system quicker and more streamlined. He added that it will be hard to do and fairly traumatic to implement.

Mr. Ewin expressed support of Mr. Jablonski's comments. He stated that it will be very important after the election in November to assess where MTS service is, what its resources are, and how it should move forward. In response to questions from Mr. Ewin, staff reported that MTS would be challenged should reserves be exhausted and would have to turn to its partners to seek solutions. In response to another question from Mr. Ewin, staff advised Mr. Ewin that SDT just completed contract negotiations with its unions for three years. Mr. Rindone gave Mr. Ewin permission to direct further questions to Mr. Jablonski with a copy to Mr. Rindone in the interest of completing the meeting prior to losing a quorum.

Mr. Roberts expressed concern with the compounding projected deficit figures, the fact that farebox recovery is down, operating expenses are increasing, one-time funding sources are becoming scarcer, and ridership is not experiencing its usual recovery from fare increases. He stated that he felt a stronger strategy was needed. He stated that he does not favor Option A. He felt that service cuts need to be considered at an adequate level to put MTDB in position for next year. Mr. Jablonski agreed and stated that staff has already started looking at service cuts, but a review of the system as a whole is needed. He reminded everyone that service cuts also generate decreases in ridership and revenue. He added that a comprehensive operational analysis (COA) would help create a foundation to carry MTDB forward into the future.

Mr. Roberts stated that savings as a result of the consolidation should appear somewhere in staff's report, and he expressed dissatisfaction with waiting for 12 to 15 months for a plan to deal with these issues. Mr. Monroe expressed support of Mr. Robert's statements but also supported Mr. Jablonski's proposal for a COA. Mr. Emery stated that he didn't disagree but added that he thinks the Board has already taken steps toward building the foundation of a better system by hiring Mr. Jablonski. He stated that the first order of business should be for the Board to give Mr. Jablonski clear direction on how to go forward and give him the time to carry out the Board's mission. He added his support for the COA. Mr. Williams expressed support of a COA and

added that the Board will have to find the courage as political office holders to make hard decisions that may have negative affects on the public. He stated that the Board has not been doing that.

Action Taken

Mr. Rindone made a motion to direct staff to proceed with Option A: That the MTS Board of Directors adopt a balanced FY 05 financial plan for MTS transit operations and the MTS General Fund based on Option A as discussed in budget balancing options below that would: (A) Approve maintaining an operating reserve (MTS Contingency Reserve) at a level approximately 5 percent of the total operating budget (\$9.8 million), and use an additional \$2.9 million for the FY 05 budget above the previously approved \$12 million set aside for FY 04 and FY 05 operations. A total MTS FY 05 contingency reserve contribution to operations would be approximately \$8.1 million; (2) Approve use of TransNet funds as previously adopted in June 2003 in the amount of \$15.5 million (includes \$5.5 million in pass subsidies), and request the San Diego Association of Governments (SANDAG) for an additional amount of TransNet operations funds up to \$3.5 million from the bus rapid transit (BRT) project; (3) Authorize staff to issue Grant Anticipation Notes to fund FY 05 operations if the subsidy cash flow lags behind actual expenditures; (4) Approve a deposit to the liability claims reserve of \$2 million; (5) Delay implementation of any new subsidized services (other than Mission Valley East Light Rail Transit [MVE LRT]) until we are operating a sustainable level of service and authorize the Chief Executive Officer to work with SANDAG in seeking Congestion Mitigation and Air Quality (CMAQ) funds for the first three years of MVE LRT operations. He also moved to include direction to staff to come back to the Board with a comprehensive assessment (COA) of the whole system – bus and rail – and schedule a special meeting or two to educate members of the Board not present for the meeting and provide them with input, deliberation and comments from this meeting in order to educate them at the beginning of the COA process. Mr. Ewin seconded that motion. Mr. Monroe asked Mr. Rindone to split the motion into two parts with the first vote to cover the recommendation for Option A. Mr. Monroe seconded the motion and the vote failed by a 7-1 vote with Mr. Roberts dissenting.

Mr. Rindone made a motion for staff to come back to the Board with a proposal for a comprehensive operational analysis (COA) and provide a set of meetings to get full input of the Board. Mr. Jablonski offered to come back to a regular Board meeting with an agenda item and presentation regarding the COA. He explained that not much effort would be required to prepare for the initial presentation to the Board. There was no vote taken on this motion.

Mr. Roberts made a motion that staff proceed with a discussion with SANDAG on the \$3.5 million and direct staff to strengthen Option A. Mr. Monroe seconded the motion and the vote passed by an 8-0 vote.

Mr. Lewis was assured that minutes are being taken and the meeting recorded when he expressed concern that Board members who represent the City of San Diego were not present for this discussion. Mr. Rindone also reminded Mr. Lewis that the purpose of the workshop is to give direction to staff and the results of the meeting would be reported at the next general meeting. He stated that efforts will be made to bring the

remaining members up to date on current recommendations. Ms. Lorenzen reported that City representatives have aides present in the audience. Mr. Jablonski summarized by saying that he will address a reduction in the reserve request, provide dollar amounts for elements of the reorganization, review the contingency identified in staff's report for MVE, and provide numbers to use as a basis for discussion of service reductions. Mr. Rindone stated that any need for successive meetings to provide direction for the budget process can be recommended by the Board at its regular meeting.

6. Public Comments

There were no public comments.

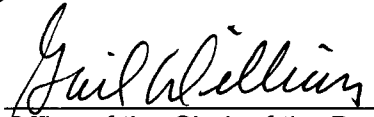
7. Adjournment

Finance Chair Rindone adjourned the meeting at 11:56 a.m.



Chairman
San Diego Metropolitan Transit
Development Board


Filed by:



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

GWilliams

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit
Development Board

Attachments: A. Roll Call Sheet

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 5/8/04

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:56 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
CLABBY	<input type="checkbox"/> (Jones) <input type="checkbox"/>		<input checked="" type="checkbox"/>
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
INZUNZA	<input type="checkbox"/> (Ungab) <input type="checkbox"/>		<input checked="" type="checkbox"/>
KALTENBORN	<input type="checkbox"/> (N/A) <input type="checkbox"/>		<input checked="" type="checkbox"/>
LEWIS, Charles	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
LEWIS, Mark	<input checked="" type="checkbox"/> (Santos) <input type="checkbox"/>		
MAIENSCHIN	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" 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"/>		
ROSE	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>		
RYAN	<input type="checkbox"/> (Dale) <input type="checkbox"/>		<input checked="" type="checkbox"/>
STERLING	<input type="checkbox"/> (Ewin) <input checked="" type="checkbox"/>		
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
ZUCCHET	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Gail Williams
Tiffany Horenz

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE METROPOLITAN TRANSIT
DEVELOPMENT BOARD, SAN DIEGO TRANSIT CORPORATION, AND SAN DIEGO
TROLLEY, INC.

May 13, 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 9:08 a.m. A roll call sheet is attached listing Board member attendance.

2. Approval of Minutes

Mr. Emery moved to approve the minutes of the April 29, 2004 Board of Directors meeting. Mr. Mark Lewis seconded the motion and the vote was 10-0 in favor.

3. Public Comment

Chuck Lungerhausen – Mr. Lungerhausen presented a written copy of his remarks. He stated that he will have to return to using MTS Access Paratransit if half-hour frequency is adopted on the Routes 955 and 34. He stated that he would rather ride the bus and added that forcing people back to paratransit services is not productive.

Clive Richard – Mr. Richard made statements regarding the County Board of Supervisors' proposed split of TransNet funds. He also made brief comments about the importance of transit in the San Diego area and stated that every effort should be made to maintain the split proposed by SANDAG.

Theresa Quiroz – Ms. Quiroz reported that, during the month of April, none of the buses she was expecting arrived on time. She added that some were early and some didn't arrive at all. She stated that is subjected to verbal harassment by the public as she is waiting for the bus. She also stated that there are inadequate or no shelters at some bus stops. She stated that no one with an alternative would choose this unreliable service.

Mr. Jablonski stated that everyone recognizes that on-time performance and quality of service are important, especially to those passengers who use the service every day. He stated that every effort is being made to address those issues. Mr. Monroe stated that Ms. Quiroz's experience during the month of April is not consistent with data the

Board has received that buses are running on time 75 to 80 percent of the time. He also stated that no buses should be running early. He asked that this discrepancy between the data and Ms. Quiroz's experience be investigated. Mr. Jablonski pointed out that the 75- to 80-percent on-time number is an average for the system, and there may be specific routes with more substantial on-time difficulties. Ms. Claire Spielberg, San Diego Transit Corporation (SDTC) General Manager, reviewed the details of a program currently underway at SDTC its employees, with some assistance from SANDAG, to do on-time performance surveys. She stated that this program should wrap up by the end of the week and, based on the information collected, schedules will be adjusted so that it becomes more feasible for buses to meet their schedules. Chairman Williams stated that this is a complex organization, and efforts are constantly being made to improve services where possible.

4. Presentation of Employee Awards

Leslie Rogers, FTA Administrator for Region 9, presented MTS with an Outstanding Transit Web Site Design Award for 2003. He pointed out that over 1,300 web sites were considered, and only three other web sites were given awards. The following employees were specifically recognized: Tim Sutherland, Alan Quach, Jessica Krieg, Mark Lowthian, Lisa Peters, Julie Andrews, Chris Bell, and Nancy Irwin.

San Diego Transit employees were presented with years-of-service pins as follows: Chris Corrales, an operator with 25 years of service, and John Cannady, a mechanic with 35 years of service.

5. Closed Session Items (ADM 122)

Public Speaker Lorenza Cesar, SDTC Operator: Mr. Cesar registered a complaint that operators were not given adequate opportunity to cast a vote for the proposed labor agreement for Amalgamated Transit Union, Local 1309. He stated that advance notice was inadequate, and many operators were working and therefore unable to vote. He requested that the Board table this item.

Public Speaker James Pangrazzi, SDTC Operator: Mr. Pangrazzi reiterated Mr. Cesar's comments. He also voiced a complaint about the wage progression for operators at San Diego Transit, and added that newly hired operators often don't complete training due to the low wage rate at which they are hired. Mr. Jablonski pointed out that it takes a number of years for operators to get to the top of their wage progression.

Public Speaker George Thompson, President of ATU, Local 1309: Mr. Thompson stated that it would have been more appropriate for Mr. Cesar and Mr. Pangrazzi to address these complaints to Union representatives. Mr. Thompson further stated that the vote was conducted according to the Union's constitution and bylaws. He further stated that out of 600 operators, only 74 were working at the time of the vote, and only 23 were working at the time the voting period ended.

The Board convened to Closed Session at 9:40 a.m. to provide instruction to SDTC negotiator, Jeff Stumbo regarding negotiations with Amalgamated Transit Union, Local 1309, Government Code Section 54957.6.

The Board reconvened to Open Session at 9:59 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported that the Board authorized the Interim General Manager of San Diego Transit Corporation to ratify a four year contract with the ATU, Local 1309. She reported that the vote was unanimous.

CONSENT ITEMS

6. MTDB: Fiber-Optic Cable Installation for Mission Valley East Segment
(CIP 10426/10498)

Action would ratify the approval of the Chairman of the Board authorizing the Chief Executive Officer (CEO) to execute Mission Valley East (MVE) Contract Change Order (CCO) No. 90, in an amount not to exceed \$427,000.00, to install fiber-optic cable along the MVE project. The Chairman authorized the CCO in order to realize substantial savings from combining fiber-optic cable work with signal cable work already underway.

7. MTDB: 12TH Avenue Park to Bay Link Project: Budget Transfer, Construction Contract Change Orders, Construction Contingency Increase, and Construction Management Consultant Work Order Amendment (CIP 10493)

Action would authorize the Chief Executive Officer (CEO) to: (1) Transfer \$1,500,000 from the 12th Avenue Corridor Improvements Project into the 12th Avenue Park to Bay Link Project, as shown in Attachment A; (2) Execute construction contract change order (CCO) No. 5, Supplement No. 2, with West Coast General (WCG) Corporation, in an amount not to exceed \$500,000, in substantially the same form as shown in Attachment B, to compensate the contractor for additional surface improvement for Market to G Street on the 12th Avenue Park to Bay Link Project (Contract LRT-10493), with WCG, for a total amount not to exceed \$1,600,000; (3) Transfer \$500,000 from the 12th Avenue Park to Bay Link Project Construction line item to the Construction Contingency; (4) Execute Work Order Amendment No. 2 (MTDB Doc. No. L0487.3-02) to Work Order No. 03.05, in substantially the same form as shown in Attachment C, with Berryman & Henigar (B&H) in an amount not to exceed \$99,000 for additional construction management services, and ratify the previous approval of Work Order Amendment No. 1 to Work Order No. 03.05, for a total amount not to exceed \$637,628; (5) Execute a work order amendment with B&H, in an amount not to exceed \$100,000, for additional construction management services associated with the relocation of traction power substations at City College Station (6) Execute a CCO with West Coast General Corporation, in an amount not to exceed \$800,000, to compensate the contractor for the relocation of traction power substations at City College Station.

8. MTDB: 25th and Commercial/Cesar E. Chavez Station Art Grant (CIP 10740)

Action would approve the initiation of a community-sponsored artwork grant proposal for the 25th and Commercial/Cesar E. Chavez Station for future art enhancement of the

station through a community art grant, with final approval of art elements and materials by the Board.

9. MTDB: South Bay Maintenance Facility Expansion Project: Contract Change Order (CIP 10485)

Action would authorize the Chief Executive Officer to execute Contract Change Order (CCO) No. 30, Supplement No. 2, with Randall Construction in substantially the same form as shown in Attachment A, for additional asphalt pavement in an amount not to exceed \$30,828.16, including \$80,861.62 previously approved by the Interim General Manager, for a total amount of \$111,689.77.

Motion on Recommended Consent Items

Mr. Mark Lewis moved to approve Consent Agenda Item Nos. 6, 7, 8, and 9. Mr. Emery seconded the motion and the vote was 13-0 in favor.

NOTICED PUBLIC HEARINGS

There were no public hearing items.

DISCUSSION ITEMS

AGENDA ITEM ADDED BY BOARD VOTE:
TransNet Ordinance and Expenditure Plan

Mr. Jablonski called the Board's attention to a copy of a letter that he sent to SANDAG regarding this matter. He stated that copies of this letter were placed on the table for each Board member and was also faxed to each Board member the night before. He stated that this letter was written as a result of the County Board of Supervisors' vote against support of this measure unless more funding is allocated within the measure for roads and highways. He stated that this matter came to his attention after the issuance of the Board agenda and requires immediate Board consideration.

Mr. Emery made a motion to find that the need for action for the above-mentioned item arose after the issuance of the agenda, that the item requires immediate Board consideration, and approve its addition to the agenda. That motion was seconded by Mr. Rindone and the vote was 13-0 in favor.

Mr. Jablonski stated that the alternative plan proposed by the County Board of Supervisors is significantly detrimental to transit. He stated that approval of the County Board of Supervisors' proposal would reduce funding for transit by 65 percent, would eliminate all future projects and capital expenditures, and also reduce funding to a level less than today for the operating budget. He added that, in terms of service, MTS would have to impose reductions approximating \$3 million. He suggested that the Board have a representative at the SANDAG Board meeting on May 14, 2004, to present its position on this matter. He reviewed speaking points that would be prepared for the Board's spokesperson, which would be as follows: Approval of the County's proposal would (1) decrease funding for transit from \$4,647,000,000 to \$1,625,000,000, or a 65-percent

reduction; (2) essentially eliminate all new major transit projects for the next 40 years; (3) result in 350,000 more vehicles on the highways and roads in the region with limited highway expansion capability without viable alternatives; (4) result in 600,000 more gallons of gasoline consumed every day costing nearly one-half of \$1 billion a year; and (5) result in 2.8 million lbs. of additional smog-forming pollution each year. He added that approving SANDAG's current proposed is very important to (1) provide for a future balanced program for highway and transit improvements along with funding for local road needs; (2) ensure the Mobility 2003 Plan reflects the policy goals : mobility, accessibility, reliability, efficiency, livability, sustainability and equity; (3) generate 47,500 jobs for every \$1 billion invested in transportation; and (4) generate \$6 of economic activity for every \$1 spent on transportation projects.

Mr. Emery thanked Mr. Roberts and Mr. Greg Cox for defending the currently proposed TransNet allocation to the Board of Supervisors. Ms. Atkins reiterated Mr. Emery's thanks to Mr. Roberts and Mr. Cox. She added that the Board of Supervisors' vote was particularly disheartening given that compromises were made at the beginning of this process to achieve a balance of allocations in the TransNet measure. In response to a question from Ms. Atkins, Mr. Roberts stated that he will continue to work with the Board of Supervisors in an attempt to persuade them to support the allocation as defined in the SANDAG proposal. He pointed out that the Board of Supervisors' current position could cause a failure of this measure to pass, which would result in no funding for anyone. He added that he would try to attend the SANDAG meeting to present the minority position from the Board of Supervisors.

Mr. Monroe encouraged board members to attend the SANDAG meeting and supported sending a strong letter to SANDAG from the Board on this matter. He also appealed to fellow Board members to go back to their mayors, city managers and communities to encourage them to oppose the Board of Supervisor's proposal. He expressed concern that disagreement on the allocation could cause the measure to be defeated. He stated that the current allocation is the result of a very thoughtful process and should be sustained.

Mr. Mathis expressed concern that the Board of Supervisors' actions may have already damaged the measure's potential to be passed by the voters. He stated that this issue is very important, and the Board should take a position. He added that the Board of Supervisors' threat to oppose this measure unless certain changes are made to the allocation is almost unprecedented. He stated that he would be at the SANDAG meeting to speak as a private citizen. He also expressed his thanks to Mr. Roberts and Mr. Cox.

Mr. Rindone applauded Mr. Jablonski for bringing this matter before the Board for discussion in such a timely fashion. He stated that it is essential for the Board to take a strong position. He stated that it is extremely important for there to be unanimity of public officials on this issue.

Action Taken

Mr. Rindone made a motion to approve the sending of a letter to the SANDAG Board and San Diego County Board of Supervisors stating support of the original allocation

and detailing the reasons as articulated by Mr. Jablonski. It was agreed that Mr. Williams would present the Board's letter to SANDAG. Mr. Emery seconded the motion and the vote was 13-0 in favor.

30. SDTI: Suzuki Rock 'N' Roll Marathon Trolley Service Adjustment Status Report
(OPS 970.2, PC 30102)

Mr. Doogan brought the Board up to date on discussions that have taken place between the Trolley and Elite Racing, who is handling the Suzuki Rock 'N' Roll Marathon. He reported that the Padres have moved their game to 2:00 p.m. He outlined the revised plan for operating service the day of the marathon, which included using buses at Qualcomm Stadium to provide direct express service to Petco Park for passengers arriving early. He then reviewed the recommendations outlined in the agenda item.

In response to a question from Mr. Mathis, Mr. Doogan reported that a routing that would not be affected by the race has been established for the buses. Mr. Mathis pointed out that this is a Band-Aid approach and will not work when Mission Valley East is opened.

Public Speaker: Mr. Tracey Sundgun, Elite Racing, thanked MTS staff and Board members for working with Elite Racing on this project. He reported that the negative publicity regarding this issue seems to be having a detrimental affect on the number of runners signing up for the race. He stated that he hopes today's decision will serve as a catalyst to reverse that trend. He added that Elite Racing is already working with the Trolley and the Padres in order to identify a better solution for future races.

Mr. Maienschein stated that he shared Mr. Mathis' concerns but pointed out that the race brings substantial revenue to the City. He stated that it is important to work together on such events so San Diego can continue to draw these types of activities.

Mr. Monroe expressed concern that trolley passengers will be required to cross through runners at the Friars and Napa location. Staff reported that additional security personnel as well as individuals from the Marine Corp will be assisting and protecting passengers as they pass through the runners. Mr. Roberts commended Mr. Tereschuck and Trolley staff for their efforts to make accommodations. He reviewed broadcasting rules that interfered with the Padres attempt to delay the start of the game any later than 2:00 p.m. He added that the Rock 'N' Roll Marathon not only brings revenue to the City, but generates in excess of \$84 million for charities. He stated that this is not a perfect solution, but a better solution can be sought for the race in future years.

In response to a question from Mr. Charles Lewis, staff stated that customers will be notified using flyers and Take Ones regarding the situation at Napa and Friars and will be encouraged to use Qualcomm Stadium. Mr. Jablonski stated that press releases may be issued as well. Mr. Sundgun stated that Elite Racing is doing direct mailers regarding a number of issues connected with the race, including this particular issue. Board members were also informed that fans using Qualcomm will be given the option of taking the bus directly to the ballpark, taking a later trolley that will not have to stop at Napa and Friars, or taking the earlier trolley that does make that stop.

Action Taken

Mr. Maienschein moved to receive this report and direct staff to proceed as follows: (1) For the upcoming June 6, 2004, Suzuki Rock 'N' Roll Marathon, coordinate supplemental, direct bus service to operate from Qualcomm Stadium to PETCO Park to accommodate the earliest baseball game passengers until light rail transit (LRT) through service is reestablished at the Napa/Friars Road crossing at 11:00 a.m. (2) Notify race promoter, Elite Racing, that it will be financially responsible for all extraordinary operating expenses incurred by SDTI on behalf of the marathon as a condition of maintaining the track closure at Napa/Friars Road until 11:00 a.m.; and (3) Require Elite Racing to comply with Policy No. 52 regarding right-of-entry permit applications as a part of the operating arrangement. Mr. Emery seconded the motion and the vote was 11-0 in favor.

32. MTDB: Transit Priority Treatments (SRTP 20286, PC 20286)

Ms. Toni Bates, SANDAG, provided the Board with a review of transit priority treatments that have been implemented over the last several years. She reported that these treatments were implemented to address survey results that indicated that a person's decision to take transit is based on travel speed and service reliability. She pointed out that the average speed of MTS buses is approximately 12 miles per hour, and general system on-time performance ranges from 75- to 87-percent on time. She showed examples of queue jumpers, bus-only lanes, and on-ramp bypass lanes. She provided the Board with information on future queue jumpers, the Old Town Transit Center Transit Priority Project and other proposed improvements. She also provided the Board with information on the I-15 Managed Lanes/Bus Rapid Transit Project and the Transit First Showcase Project at Park and El Cajon Boulevards.

Mr. Jablonski applauded transit priority treatments because they address traffic problems that operators are confronted with every day. Mr. Jablonski suggested that consideration be given to a signal priority on C Street for the Trolley and added that synchronized intersections on the Orange Line work very well. He added that a pilot program in off-peak hours could be used to determine the effectiveness of a signal priority at this location. Ms. Bates stated that this idea has been considered in the past, and stated that she would ask the engineers who have worked on this issue to come to the Board with a status report of options on C Street.

Ms. Rose complimented staff's report. In response to a concern she expressed regarding the shift of funding for Bus Rapid Transit (BRT) planning back to MTS, Mr. Jablonski stated that MTS is recommending leaving \$2 million in BRT planning for FY 2005 to keep those programs moving forward through that fiscal year. He added that the request to SANDAG asks that the remaining \$3.5 million be returned to MTS for this year's operating budget.

Ms. Bates pointed out that the queue jumper program, if SANDAG continues to partner with the cities, is a no-cost program other than staff time to design and coordinate the projects. In response to a question from Mr. Monroe, Ms. Bates stated that the jurisdictions are not aware of the 230 target opportunities for transit priority treatments

and agreed that they should be informed. In response to a comment by Ms. Sterling, Ms. Bates stated that all transit priority treatments are coordinated with traffic engineers who understand what signage is needed to ensure that motorists can safely navigate through these areas.

Action Taken

Mr. Emery moved to receive this report from SANDAG for information. Mr. Charles Lewis seconded the motion and the vote was 9-0 in favor.

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

Ms. Tiffany Lorenzen reviewed Policies 48 through 52, the purpose of each, and staff's recommendation regarding the disposition of each policy.

In response to a comment from Mr. Mark Lewis, Ms. Lorenzen reported that Policy #49, "Capital Project Budget and Schedule Revision", simply allows staff to adjust line items within the project without affecting the total. She added that any change orders over \$100,000 have to be approved by the Board, and any over \$2,500 must be signed by Mr. Jablonski.

Action Taken

Mr. Emery made a motion to receive this report reviewing MTD Board Policy Nos. 48 through 52 and approve the proposed changes to those policies as recommended by the Executive Committee. Ms. Sterling seconded the motion and the vote was 8-0 in favor.

44. Chairman's Report (ADM 121.7, PC 30100)

There was no Chairman's Report.

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

There was no Chief Executive Officer's Report.

46. Board Member Communications

Ms. Rose: In response to comment from Ms. Rose, Mr. Ryan stated that MTD Board meetings were changed to 9:00 a.m. from 8:00 a.m. in an effort to comply with Mayor Murphy's policy of minimizing traffic congestion. The Board agreed to continue conducting meetings at 9:00 a.m.

47. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

50. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, May 27, 2004, at 9:00 a.m. in the same location.

60. Adjournment

Chairman Williams adjourned the meeting at 11:29 a.m.




Chairman
San Diego Metropolitan Transit
Development Board

Filed by:



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

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit
Development Board

GWilliams

Attachments: A. Roll Call Sheet

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL**

MEETING OF (DATE): 5/13/04

CALL TO ORDER (TIME): 9:08 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:40 a.m.

RECONVENE: 9:59 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 11:29 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"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
INZUNZA	<input type="checkbox"/> (Ungab) <input type="checkbox"/>		<input checked="" type="checkbox"/>
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>	9:16 a.m. during Public Comment	10:25 a.m.
LEWIS, Charles	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		11:13 a.m.
LEWIS, Mark	<input checked="" type="checkbox"/> (Santos) <input type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:22 a.m. during Public Comment	10:49 a.m.
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		11:16 a.m.
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	10:08 a.m. at start of Discussion Items	
ROSE	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>	9:10 a.m. during Public Comment	
RYAN	<input checked="" type="checkbox"/> (Dale) <input type="checkbox"/>	9:29 a.m. during Public Comment	
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"/>		10:26 a.m.

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Gail Williams
Tiffany Harrison



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 6

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 970.5 (PC 30102)

May 27, 2004

Subject:

SDTI: FINANCIAL REPORT FOR FEBRUARY 2004

RECOMMENDATION:

That the Board of Directors receive the following attachments: Summary of Cash in Treasury, Status of Revenue, Summary of FY 04 Appropriations and Expenditures, and San Diego Association of Governments (SANDAG) Ridership Summaries (Attachment A).

Budget Impact

None (with the indicated recommendation).

DISCUSSION:

The financial report reflects cumulative operating revenues and expenditures made by San Diego Trolley, Inc. (SDTI), through February 29, 2004. Both fare revenue and operating expenditures are within revised budget projections at this time. Staff will be prepared to address questions regarding the attached financial reports.

Fare Recovery

Based on the attached reports, fare revenue for February is \$1,659,650.00 divided by operating expenses of \$3,281,314.00, equating to a farebox recovery rate of 50.6 percent.



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

Farebox Recovery Comparisons

	<u>February 04</u>	<u>February 03</u>	<u>February 02</u>
Month	50.6%	47.1%	62.1%
Fiscal Year Average	59.6%	59.7%	61.6%



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sandra Mann, 619.595.4903, sandra.mann@sdti.sdmnts.com

KET/JGarde
6-04MAY27.SMANN
5/10/04

Attachment: A. Financial and Ridership Summaries **(Board Only)**

SAN DIEGO TROLLEY, INC.

SUMMARY OF CASH IN TREASURY BY DEPOSITORY AND ACCOUNT

FEBRUARY 29, 2004

DEPOSITORY

CHECKING ACCOUNT

Bank of America (General Account)

\$1,144,772.49

TOTAL:

\$1,144,772.49

SAN DIEGO TROLLEY, INC.

FY 04 STATUS OF REVENUE

AS OF FEBRUARY 29, 2004

<u>REVENUE SOURCE</u>	<u>EIGHT-MONTH BUDGETED REVENUE</u>	<u>YEAR-TO-DATE STATUS OF REVENUE</u>
Passenger Revenue	\$ 16,027,550.00 (68.8%)	\$ 15,630,449.00 (67.1%)
Operating Subsidy	\$ 12,022,150.00	\$ 13,263,750.00
Miscellaneous Income	\$ <u>239,833.00</u>	\$ <u>231,889.00</u>
GRAND TOTAL	\$ <u>28,289,533.00</u>	\$ <u>29,126,088.00</u>

Both the projected and current status of passenger revenue figures are shown as a percentage of total FY 04 budgeted revenue of \$23,300,000.00. For comparative purposes, the month of February represents 68.8% of the FY 04 budgeted fare revenue vs. total actual fare revenue collected to date of 67.1%, as shown above.

SAN DIEGO TROLLEY, INC.
 APPROPRIATIONS AND EXPENDITURES
 AS OF FEBRUARY 29, 2004

BUDGET CATEGORY	FY 04 BUDGET APPROPRIATION	CUMULATIVE EXPENDITURES* ACTUAL DOLLARS/PERCENT	REMAINING BALANCE
Personnel ⁽¹⁾	\$ 22,300,775.00	\$ 14,725,213.00 66.0%	\$ 7,575,562.00
Outside Services	7,298,275.00	4,702,040.00 64.4%	2,596,235.00
Maintenance Parts & Supplies ⁽²⁾	3,113,675.00	1,566,260.00 50.3%	1,547,415.00
Energy	6,365,500.00	3,801,038.00 59.7%	2,564,462.00
Risk Management	2,320,225.00	1,316,371.00 56.7%	1,003,854.00
General & Office Expense	<u>294,525.00</u>	<u>136,293.00</u> <u>46.3%</u>	<u>158,232.00</u>
TOTAL	<u>\$ 41,692,975.00</u>	<u>\$ 26,247,215.00</u> 63.0%	<u>\$15,445,760.00</u>

*CUMULATIVE EXPENDITURES are shown as a percentage of total budgets for each category. For comparative purposes, the month of February represents 66.7% of the fiscal year vs. actual expenditures of 63%, as shown above.

⁽¹⁾ Cumulative expenditures have been offset by \$195,862.28 to reflect claim/expense recovery to date.

⁽²⁾ Cumulative expenditures have been offset by \$356,404.86 to reflect claim/expense recovery to date.

SAN DIEGO TROLLEY, INC.

SANDAG MONTHLY RIDERSHIP STATISTICS

	FEB 97 <u>FY 97</u>	FEB 98 <u>FY 98</u>	FEB 99 <u>FY 99</u>	FEB 00 <u>FY 00</u>	FEB 01 <u>FY 01</u>	FEB 02 <u>FY 02</u>	FEB 03 <u>FY 03</u>	FEB 04 <u>FY 04</u>
<u>BOARDINGS</u>								
Vended Tickets ^{(1) (2)}	668,917	663,980	651,625	689,854	675,798	590,260	523,230	496,021
Non-Vended Tickets	73,314	108,892	118,602	179,666	105,689	29,301	27,947	34,128
Regular Pass	272,145	357,146	308,466	422,451	443,755	447,378	371,878	409,755
Senior/Disabled Pass	217,669	257,760	248,051	340,263	338,364	328,332	314,923	357,698
Youth Pass	60,460	105,966	78,799	114,333	108,085	114,224	100,293	102,769
Day Tripper Tickets	5,051	28,348	30,828	37,898	47,769	112,046	124,694	162,268
Bus Transfer	161,591	191,783	177,746	281,941	223,138	189,178	158,977	156,275
Valid Free	45,120	58,344	53,724	96,057	68,534	64,190	55,753	54,342
No Fare	<u>10,438</u>	<u>47,008</u>	<u>19,781</u>	<u>112,727</u>	<u>83,145</u>	<u>79,736</u>	<u>72,819</u>	<u>79,761</u>
TOTAL	1,411,391	1,819,227	1,687,622	2,275,190	2,094,277	1,954,645	1,750,515	1,853,017

LINE BOARDINGS

Blue Line	1,043,172	1,266,031	1,171,104	1,538,297	1,394,611	1,293,294	1,175,598	1,290,753
Orange Line	<u>398,219</u>	<u>553,196</u>	<u>516,518</u>	<u>736,893</u>	<u>699,666</u>	<u>661,351</u>	<u>574,917</u>	<u>562,264</u>
TOTAL	1,441,391	1,819,227	1,687,622	2,275,190	2,094,277	1,954,645	1,750,515	1,853,017
Average Daily	51,478	64,972	60,272	78,455	74,796	69,809	62,518	63,897

(1) Includes trolley-to-trolley transfers, in each month:

Feb 97	40,594	Feb 01	24,840
Feb 98	18,288	Feb 02	28,169
Feb 99	16,119	Feb 03	29,172
Feb 00	21,203	Feb 04	24,065

(2) Includes insufficient fare-vended tickets:

Feb 01	33,265
Feb 02	26,935
Feb 03	17,699
Feb 04	25,178

SAN DIEGO TROLLEY, INC.

RIDERSHIP PERCENT/AVERAGE FARE COMPARISONS*

	<u>FY 97</u>		<u>FY 98</u>		<u>FY 99</u>		<u>FY 00</u>		<u>FY 01</u>		<u>FY 02</u>		<u>FY 03</u>		<u>FY 04**</u>	
Vended Tickets ^{(1) (2)}	41.60%	\$1.2834	36.14%	\$1.3081	36.50%	\$1.1895	31.25%	\$1.2634	32.96%	\$1.3505	31.18%	\$1.6114	30.97%	\$1.6479	28.09%	\$1.7989
Non-Vended Tickets	<u>4.69%</u>	<u>\$1.1350</u>	<u>8.18%</u>	<u>\$0.9131</u>	<u>8.64%</u>	<u>\$0.9810</u>	<u>9.67%</u>	<u>\$0.8559</u>	<u>5.04%</u>	<u>\$0.9455</u>	<u>2.14%</u>	<u>\$0.7163</u>	<u>1.84%</u>	<u>\$0.8392</u>	<u>2.19%</u>	<u>\$0.7863</u>
Subtotal	46.29%	\$1.2684	44.32%	\$1.2352	45.14%	\$1.1496	40.92%	\$1.1671	38.00%	\$1.2969	33.94%	\$1.5550	32.81%	\$1.6025	30.28%	1.7256
Regular Pass	18.62%	\$0.7522	18.63%	\$0.7341	18.07%	\$0.7526	18.34%	\$0.7146	19.88%	\$0.7380	21.40%	\$0.8472	21.02%	\$0.8655	21.55%	\$0.9416
Senior & Disabled Pass	14.56%	\$0.4416	14.19%	\$0.4223	14.14%	\$0.4150	14.68%	\$0.3979	15.46%	\$0.4098	16.72%	\$0.4235	17.49%	\$0.4189	18.03%	\$0.5225
Youth Pass	4.38%	\$1.0238	4.57%	\$0.9402	4.52%	\$0.9459	4.85%	\$0.9069	4.84%	\$0.9535	5.15%	\$1.0091	4.93%	\$0.9364	4.88%	\$1.4093
Day Tripper Tickets	<u>0.58%</u>	<u>\$1.0092</u>	<u>1.54%</u>	<u>\$0.5379</u>	<u>2.29%</u>	<u>\$0.3940</u>	<u>2.03%</u>	<u>\$0.4516</u>	<u>2.56%</u>	<u>\$0.5432</u>	<u>5.53%</u>	<u>\$0.5196</u>	<u>6.90%</u>	<u>\$0.5122</u>	<u>8.92%</u>	<u>\$0.5558</u>
Subtotal	38.14%	\$0.6706	38.93%	\$0.6375	39.04%	\$0.6320	39.90%	\$0.6088	42.74%	\$0.6320	48.80%	\$0.6820	50.34%	\$0.6817	53.38%	\$0.7783
Transfer	11.49%	\$0.0837	10.81%	\$0.0857	11.06%	\$0.0772	11.28%	\$0.0712	10.62%	\$0.0672	9.59%	\$0.1110	9.24%	\$0.0850	8.67%	\$0.0747
Valid Free	3.01%	\$0.0000	3.63%	\$0.0000	3.48%	\$0.0000	4.33%	\$0.0000	3.93%	\$0.0000	3.52%	\$0.0000	3.44%	\$0.0000	3.12%	\$0.0000
Invalid Free	<u>1.08%</u>	<u>\$0.0000</u>	<u>2.32%</u>	<u>\$0.0000</u>	<u>1.31%</u>	<u>\$0.0000</u>	<u>3.57%</u>	<u>\$0.0000</u>	<u>4.71%</u>	<u>\$0.0000</u>	<u>4.15%</u>	<u>\$0.0000</u>	<u>4.17%</u>	<u>\$0.0000</u>	<u>4.55%</u>	<u>\$0.0000</u>
	4.09%	\$0.0000	5.95%	\$0.0000	4.79%	\$0.0000	7.90%	\$0.0000	8.64%	\$0.0000	7.67%	\$0.0000	7.61%	\$0.0000	7.67%	\$0.0000
Average Fare		\$0.8553		\$0.8093		\$0.8195		\$0.7264		\$0.7700		\$0.8712		\$0.8767	100.00%	\$0.9444

* Excerpt from SANDAG monthly ridership reports

** Reflects eight months in FY 04

⁽¹⁾ Includes trolley-to-trolley transfers; percentage of total ridership in each year

⁽²⁾ Includes insufficient fare tickets vended beginning November 2000

FY 97	2.29%
FY 98	1.42%
FY 99	1.50%
FY 00	0.86%
FY 01	1.04%
FY 02	1.35%
FY 03	1.79%
FY 04	1.42%

FY 01	1.12%
FY 02	1.22%
FY 03	1.26%
FY 04	1.61%

SAN DIEGO TROLLEY, INC.

AVERAGE DAILY RIDERSHIP BY QUARTER

FYs 97, 98, 99, 00, 01, 02, 03, AND 04
(from SANDAG Reports)

	<u>FY 97*</u>	<u>FY 98*</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04**</u>
1st Quarter	51,708 ⁽¹⁾	55,823	70,579	74,758	89,082	74,588	70,104	72,352
2nd Quarter	45,874	56,964 ⁽²⁾	68,773	77,777	77,531	68,987	66,955	66,929
3rd Quarter	49,574	66,520	60,121	79,225	73,062	64,583	70,130	62,290
4th Quarter	53,269	72,593	69,679	82,397	76,772	70,458	68,722	---

ANNUAL AVERAGE DAILY	50,100	69,929	67,308	78,534	79,138	69,679	68,972	67,833
ANNUAL TOTAL	18,286,616	22,969,209	24,567,479	28,743,326	28,885,554	25,432,952	25,174,788	-----

* Segment Openings:

⁽¹⁾ Old Town

⁽²⁾ Mission Valley West

** Reflects eight months in FY 04



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 7

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 970.5 (PC 30102)

May 27, 2004

Subject:

SDTI: FINANCIAL REPORT FOR MARCH 2004

RECOMMENDATION:

That the Board of Directors receive the following attachments: Summary of Cash in Treasury, Status of Revenue, Summary of FY 04 Appropriations and Expenditures, and SANDAG Ridership Summaries (Attachment A).

Budget Impact

None (with the indicated recommendation).

DISCUSSION:

The financial report reflects cumulative operating revenues and expenditures made by San Diego Trolley, Inc. (SDTI), through March 31, 2004.

Both fare revenue and operating expenditures are within revised budget projections at this time.

Staff will be prepared to address questions regarding the attached financial reports.

Fare Recovery

Based on the attached reports, fare revenue for March is \$1,935,198.00 divided by operating expenses of \$3,484,187.00, equating to a farebox recovery rate of 55.5 percent.



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

Farebox Recovery Comparisons

	<u>March 04</u>	<u>March 03</u>	<u>March 02</u>
Month	55.5%	50.7%	51.4%
Fiscal Year Average	59.1%	58.7%	60.4%



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sandra Mann, 619.595.4903, sandra.mann@sdti.sdmts.com

KET/JGarde/Global/A_Is/
7-04MAY27.SMANN
5/12/04

Attachment: A. Financial and Ridership Summaries **(Board Only)**

SAN DIEGO TROLLEY, INC.

SUMMARY OF CASH IN TREASURY BY DEPOSITORY AND ACCOUNT

March 31, 2004

DEPOSITORY

CHECKING ACCOUNT

Bank of America (General Account)

\$<54,145.48>

TOTAL:

\$<54,145.48>

SAN DIEGO TROLLEY, INC.

FY 04 STATUS OF REVENUE

as of March 31, 2004

<u>REVENUE SOURCE</u>	<u>Nine Month BUDGETED REVENUE</u>	<u>Year-to-Date STATUS OF REVENUE</u>
Passenger Revenue	\$ 18,065,275.00 (77.5%)	\$ 17,565,648.00 (75.4%)
Operating Subsidy	\$ 13,524,919.00	\$ 14,471,250.00
Miscellaneous Income	\$ <u>269,812.00</u>	\$ <u>259,075.00</u>
GRAND TOTAL	\$ <u>31,860,006.00</u>	\$ <u>32,295,973.00</u>

Both the projected and current status of passenger revenue figures are shown as a percentage of total FY 04 budgeted revenue of \$23,300,000.00. For comparative purposes, the month of March represents 77.5% of the FY 04 budgeted fare revenue vs. total actual fare revenue collected to date of 75.4%, as shown above.

SAN DIEGO TROLLEY, INC.

APPROPRIATIONS AND EXPENDITURES

as of March 31, 2004

<u>Budget Category</u>	<u>FY 04 Budget Appropriation</u>	<u>Cumulative Expenditures* Actual Dollars/Percent</u>	<u>Remaining Balance</u>
Personnel ⁽¹⁾	\$ 22,300,775.00	\$ 16,484,297.00 73.9%	\$ 5,816,478.00
Outside Services	7,298,275.00	5,504,853.00 75.4%	1,793,422.00
Maintenance Parts & Supplies ⁽²⁾	3,113,675.00	1,812,047.00 58.2%	1,301,628.00
Energy	6,365,500.00	4,194,330.00 65.9%	2,171,170.00
Risk Management	2,320,225.00	1,574,554.00 67.9%	745,671.00
General & Office Expense	<u>294,525.00</u>	<u>161,321.00</u> <u>54.8%</u>	<u>133,204.00</u>
TOTAL	<u>\$ 41,692,975.00</u>	<u>\$ 29,731,402.00</u> 71.3%	<u>\$11,961,573.00</u>

*CUMULATIVE EXPENDITURES are shown as a percentage of total budget for each category. For comparative purposes, the month of March represents 75.0% of the fiscal year vs. actual expenditures of 71.3%, as shown above.

⁽¹⁾ Cumulative expenditures have been offset by \$223,147.69 to reflect claim/expense recovery to date.

⁽²⁾ Cumulative expenditures have been offset by \$358,634.84 to reflect claim/expense recovery to date.

SAN DIEGO TROLLEY, INC.

SANDAG MONTHLY RIDERSHIP STATISTICS

	Mar 97 <u>FY 97</u>	Mar 98 <u>FY 98</u>	Mar 99 <u>FY 99</u>	Mar 00 <u>FY 00</u>	Mar 01 <u>FY 01</u>	Mar 02 <u>FY 02</u>	Mar 03 <u>FY 03</u>	Mar 04 <u>FY 04</u>
<u>BOARDINGS</u>								
Vended Tickets ^{(1) (2)}	666,706	705,241	738,450	778,011	760,100	625,918	602,325	613,900
Non-Vended Tickets	85,697	175,588	125,336	186,245	105,307	43,603	31,882	35,522
Regular Pass	301,770	391,954	367,472	528,622	519,381	453,177	430,813	556,661
Senior/Disabled Pass	234,129	301,585	279,833	390,991	393,886	343,455	388,816	460,103
Youth Pass	74,886	103,341	102,071	142,193	129,711	101,991	112,603	135,098
Day Tripper Tickets	11,938	42,490	43,278	50,600	62,241	130,168	135,485	209,189
Bus Transfer	178,187	225,552	231,704	285,612	250,490	172,594	204,008	218,802
Valid Free	51,403	78,532	57,226	100,544	88,952	60,449	65,948	73,815
No Fare	<u>14,916</u>	<u>61,471</u>	<u>23,411</u>	<u>121,387</u>	<u>97,315</u>	<u>73,876</u>	<u>84,976</u>	<u>99,503</u>
TOTAL	1,619,632	2,085,754	1,968,781	2,584,205	2,407,383	2,005,231	2,056,856	2,402,593
<u>LINE BOARDINGS</u>								
Blue Line	1,170,034	1,442,989	1,371,487	1,760,074	1,624,933	1,288,857	1,366,429	1,628,308
Orange Line	<u>449,598</u>	<u>642,765</u>	<u>597,294</u>	<u>824,131</u>	<u>782,450</u>	<u>716,376</u>	<u>690,427</u>	<u>774,285</u>
TOTAL	1,619,632	2,085,754	1,968,781	2,584,205	2,407,383	2,005,231	2,056,856	2,402,593
Average Daily	52,246	67,282	63,509	83,361	77,658	64,685	66,350	77,503

(1) Includes trolley-to-trolley transfers, in each month:

Mar 97	43,153	Mar 01	28,754
Mar 98	34,561	Mar 02	31,874
Mar 99	32,015	Mar 03	69,841
Mar 00	23,808	Mar 04	29,091

(2) Includes insufficient fare vended tickets:

Mar 01	35,230
Mar 02	28,754
Mar 03	22,872
Mar 04	27,119

SAN DIEGO TROLLEY, INC.

RIDERSHIP PERCENT/AVERAGE FARE COMPARISONS*

	<u>FY 97</u>		<u>FY 98</u>		<u>FY 99</u>		<u>FY 00</u>		<u>FY 01</u>		<u>FY 02</u>		<u>FY 03</u>		<u>FY 04**</u>	
Vended Tickets ^{(1) (2)}	41.60%	\$1.2834	36.14%	\$1.3081	36.50%	\$1.1895	31.25%	\$1.2634	32.96%	\$1.3505	31.18%	\$1.6114	30.97%	\$1.6479	27.77%	\$1.7984
Non-Vended Tickets	<u>4.69%</u>	<u>\$1.1350</u>	<u>8.18%</u>	<u>\$0.9131</u>	<u>8.64%</u>	<u>\$0.9810</u>	<u>9.67%</u>	<u>\$0.8559</u>	<u>5.04%</u>	<u>\$0.9455</u>	<u>2.14%</u>	<u>\$0.7163</u>	<u>1.84%</u>	<u>\$0.8392</u>	<u>2.10%</u>	<u>\$0.8368</u>
Subtotal	46.29%	\$1.2684	44.32%	\$1.2352	45.14%	\$1.1496	40.92%	\$1.1671	38.00%	\$1.2969	33.94%	\$1.5550	32.81%	\$1.6025	29.87%	1.7308
Regular Pass	18.62%	\$0.7522	18.63%	\$0.7341	18.07%	\$0.7526	18.34%	\$0.7146	19.88%	\$0.7380	21.40%	\$0.8472	21.02%	\$0.8655	21.76%	\$0.9232
Senior & Disabled Pass	14.56%	\$0.4416	14.19%	\$0.4223	14.14%	\$0.4150	14.68%	\$0.3979	15.46%	\$0.4098	16.72%	\$0.4235	17.49%	\$0.4189	18.17%	\$0.4853
Youth Pass	4.38%	\$1.0238	4.57%	\$0.9402	4.52%	\$0.9459	4.85%	\$0.9069	4.84%	\$0.9535	5.15%	\$1.0091	4.93%	\$0.9364	4.97%	\$1.2992
Day Tripper Tickets	<u>0.58%</u>	<u>\$1.0092</u>	<u>1.54%</u>	<u>\$0.5379</u>	<u>2.29%</u>	<u>\$0.3940</u>	<u>2.03%</u>	<u>\$0.4516</u>	<u>2.56%</u>	<u>\$0.5432</u>	<u>5.53%</u>	<u>\$0.5196</u>	<u>6.90%</u>	<u>\$0.5122</u>	<u>8.89%</u>	<u>\$0.5608</u>
Subtotal	38.14%	\$0.6706	38.93%	\$0.6375	39.04%	\$0.6320	39.90%	\$0.6088	42.74%	\$0.6320	48.80%	\$0.6820	50.34%	\$0.6817	53.79%	\$0.7501
Transfer	11.49%	\$0.0837	10.81%	\$0.0857	11.06%	\$0.0772	11.28%	\$0.0712	10.62%	\$0.0672	9.59%	\$0.1110	9.24%	\$0.0850	8.73%	\$0.0729
Valid Free	3.01%	\$0.0000	3.63%	\$0.0000	3.48%	\$0.0000	4.33%	\$0.0000	3.93%	\$0.0000	3.52%	\$0.0000	3.44%	\$0.0000	3.12%	\$0.0000
Invalid Free	<u>1.08%</u>	<u>\$0.0000</u>	<u>2.32%</u>	<u>\$0.0000</u>	<u>1.31%</u>	<u>\$0.0000</u>	<u>3.57%</u>	<u>\$0.0000</u>	<u>4.71%</u>	<u>\$0.0000</u>	<u>4.15%</u>	<u>\$0.0000</u>	<u>4.17%</u>	<u>\$0.0000</u>	<u>4.49%</u>	<u>\$0.0000</u>
	4.09%	\$0.0000	5.95%	\$0.0000	4.79%	\$0.0000	7.90%	\$0.0000	8.64%	\$0.0000	7.67%	\$0.0000	7.61%	\$0.0000	7.61%	\$0.0000
Average Fare		\$0.8553		\$0.8093		\$0.8195		\$0.7264		\$0.7700		\$0.8712		\$0.8767	100.00%	\$0.9268

* Excerpt from SANDAG monthly ridership reports

** Reflects nine months in FY 04

⁽¹⁾ Includes trolley-to-trolley transfers; percentage of total ridership in each year

⁽²⁾ Includes insufficient fare tickets vended beginning November 2000

FY 97	2.29%
FY 98	1.42%
FY 99	1.50%
FY 00	0.86%
FY 01	1.04%
FY 02	1.35%
FY 03	1.79%
FY 04	1.39%

FY 01	1.12%
FY 02	1.22%
FY 03	1.26%
FY 04	1.55%

SAN DIEGO TROLLEY, INC.

AVERAGE DAILY RIDERSHIP BY QUARTER
FY 97, FY 98, FY 99, FY 00, FY 01, FY 02, FY 03, AND FY 04
 (from SANDAG Reports)

	<u>FY 97*</u>	<u>FY 98*</u>	<u>FY 99</u>	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>FY 04**</u>
1 st Quarter	51,708 ⁽¹⁾	55,823	70,579	74,758	89,082	74,588	70,104	72,352
2 nd Quarter	45,874	56,964 ⁽²⁾	68,773	77,777	77,531	68,987	66,955	66,929
3 rd Quarter	49,574	66,520	60,121	79,225	73,062	64,583	70,130	67,472
4 th Quarter	53,269	72,593	69,679	82,397	76,772	70,458	68,722	---

ANNUAL AVERAGE DAILY	50,100	69,929	67,308	78,534	79,138	69,679	68,972	69,428
ANNUAL TOTAL	18,286,616	22,969,209	24,567,479	28,743,326	28,885,554	25,432,952	25,174,788	-----

* Segment Openings:

⁽¹⁾ Old Town

⁽²⁾ Mission Valley West

** Reflects nine months in FY 04



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 8

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 970.2 (PC 30102)

May 27, 2004

Subject:

SDTI: OPERATIONS STATUS REPORT FOR FEBRUARY 2004

RECOMMENDATION:

That the Board of Directors receive the following reports for San Diego Trolley, Inc. (SDTI): Transportation Department Summary, Monthly Performance Statistics for February 2004, Light Rail Vehicle (LRV) Maintenance Department Summary, and Wayside Maintenance Department Summary (Attachment A).

Budget Impact

None (with the indicated recommendation).

DISCUSSION:

The SDTI Operations Status Report highlights the activities of the Transportation, LRV Maintenance, and Wayside Maintenance Departments.

Staff will be prepared to address questions regarding the attached SDTI Operations Summaries.

Paul G. Jablonski
Chief Executive Officer

Key Staff Contact: Wayne Terry, 619.595.4906, wayne.terry@sdti.sdmmts.com

RGA/JGarde/Global/A_I
8-04MAY27.WTERRY
5/3/04

Attachment: A. Monthly Performance Statistics for February 2004 (**Board Only**)



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

SAN DIEGO TROLLEY, INC.

TRANSPORTATION DEPARTMENT SUMMARY

RIDERSHIP

During the month of February, according to statistical information provided by the San Diego Association of Governments (SANDAG), average daily ridership was fixed at 63,897. This represents an increase of 5.1 percent in comparison to January (63,897 vs. 60,786). Ridership increased on weekdays (+6,139), decreased on Saturdays (-11,448), and increased on Sundays (+3,134). Additionally, the average weekday ridership was fixed at 73,041.

When the current total monthly ridership level is compared with the same reporting period as last fiscal year (1,853,017 vs. 1,750,515), an increase of 5.8 percent is realized.

SPECIAL EVENTS SERVICE

Mardi Gras in the Gaslamp

The annual Mardi Gras event was held in the Gaslamp Quarter on Tuesday, February 24, 2004. The venue was contained within an expanded block of official activity; however, it is estimated that thousands more were in the Gaslamp Quarter outside the venue. This year's event attracted an estimated crowd of over 36,000. Revenue generated from manual ticket sales increased 24 percent (\$16,142 vs. \$13,059). The majority of ridership came from the Mission Valley/Old Town corridors via Green Line service; however, extra service was also operated on the Blue and Orange Lines to accommodate the estimated 9,000 riders using the trolley to access the Mardi Gras celebration.

PERFORMANCE

During the month of February, there were 9,486 regular train trips scheduled and 9,482 were operated, representing a schedule adherence of 99.99 percent. Of the trips operated, 439 trains were delayed in excess of five minutes. Excluding contractor-related delays and those associated with multiple wheelchair use, the adjusted number of late trains was 128 with an on-time performance level of 98.7 percent. See *Monthly Performance Statistics* report for the month of February (A-3).

ACCIDENTS

LRV/Truck/Automobile: Total = 2

On February 13, 2004, at 9:24 a.m., westbound Train No. 12 was approaching the intersection of Seventh Avenue and C Street when an automobile traveling eastbound swerved around a stationary truck and into the path of the approaching train. The operator applied the emergency brake but was unable to stop. No injuries were reported, and only minimal damage was sustained by both the automobile and LRV. This incident resulted in a minor service delay. The accident was considered to be unavoidable.

On February 14, 2004, at 2:29 p.m., eastbound Train No. 52 was approaching the intersection of Tenth Avenue and C Street when an automobile traveling adjacent to the train attempted to make an illegal right turn in front of the train. The operator applied the emergency brake but was unable to stop. No injuries were reported, and only moderate damage was sustained by both the automobile and LRV. This incident resulted in a minor service delay. The accident was considered unavoidable.

LRV/Pedestrian/Trespasser: Total = 0

LRV/Other: Total = 0

Personal Injuries/Medical Problems: Total = 21

Of the 21 injuries reported, 17 were slips, trips, falls, or other injuries occurring on trains or transit property. There were two incidents involving personal medical problems that were not trolley-related, and two incidents involving SDTI employee or security officer injuries.

Summary

During FY 2004 (commencing July 1, 2003), there have been 1,749,341 train miles operated. The total number of accidents in this fiscal year to date is ten, representing 0.68 accidents per 100,000 miles operated.

LIFT SERVICE

In February, there were 4,765 wheelchairs carried compared to 4,962 in January. During the February reporting period, there was one failure (0.0002 percent of total uses) and 228 delays due to excessive boarding/deboarding time involving multiple wheelchairs. In February, 116 wheelchair passengers were bypassed due to insufficient room on board. There were five consecutive bypasses.

Monthly Performance Statistics – February 2004

Date	Trips Scheduled	Trips Operated	Trips Annulled			Trips Late						L	A
			Total	C/R	Other	Total	C/R	SDGE	S/E	S/D	Other		
02/01/04	254	254	0	0	0	11	0	11	0	0	0	L1	
02/02/04	361	360	1	0	1	32	0	0	0	8	24	L2	A1
02/03/04	361	361	0	0	0	14	0	0	0	11	3	L3	
02/04/04	361	361	0	0	0	22	0	0	0	18	4	L4	
02/05/04	361	361	0	0	0	12	0	0	0	6	6	L5	
02/06/04	361	361	0	0	0	21	0	0	0	18	3	L6	
02/07/04	276	276	0	0	0	34	32	0	0	2	0	L7	
02/08/04	254	254	0	0	0	1	0	0	0	0	1		
02/09/04	361	361	0	0	0	19	0	0	0	12	7	L8	
02/10/04	361	360	1	0	1	15	0	0	0	11	4	L9	A2
02/11/04	361	360	1	0	1	29	0	0	0	24	5	L10	A3
02/12/04	361	361	0	0	0	17	0	0	0	14	3	L11	
02/13/04	361	361	0	0	0	24	0	0	0	15	9	L12	
02/14/04	276	276	0	0	0	5	0	0	0	5	0		
02/15/04	254	254	0	0	0	3	0	0	0	1	2		
02/16/04	253	257	0	0	0	5	0	0	0	1	4		
02/17/04	361	361	0	0	0	18	0	0	0	16	2	L13	
02/18/04	361	361	0	0	0	15	0	0	0	6	9	L14	
02/19/04	361	361	0	0	0	0	0	0	0	0	0		
02/20/04	361	361	0	0	0	21	0	0	0	18	3	L15	
02/21/04	276	276	0	0	0	18	11	0	0	6	1	L16	
02/22/04	254	254	0	0	0	0	0	0	0	0	0		
02/23/04	361	360	1	0	1	6	0	0	0	2	4		A4
02/24/04	361	361	0	0	0	30	0	0	19	9	2	L17	
02/25/04	361	361	0	0	0	12	0	0	0	10	2	L18	
02/26/04	361	361	0	0	0	3	0	0	0	3	0		
02/27/04	361	361	0	0	0	22	0	0	0	9	13	L19	
02/28/04	276	276	0	0	0	28	23	0	0	0	5	L20	
02/29/04	254	254	0	0	0	2	0	0	0	1	1		
TOTAL	9,486	9,482	4	0	4	439	66	11	19	226	117		

TRIPS OPERATED AS A PERCENTAGE OF TRIPS SCHEDULED = 100.0%

TRIPS ON TIME AS A PERCENTAGE OF TRIPS OPERATED = 99.99%

Excluding delays for special events, senior/disabled riders, and contractor-related activity:

ADJUSTED TRIPS ON TIME AS A PERCENTAGE OF TRIPS OPERATED = 98.7%

L = Explanation of late trains

A = Explanation of annulled trips

C/R = Contractor-related

SDGE = San Diego Gas & Electric

S/E = Special events

S/D = Senior/Disabled

Other = Not the result of an outside force

Unusual Occurrences Resulting in Significant Numbers of Late Trains – February 2004

L1	02/01/04	11 trains operated late due to an SDG&E regional power outage.
L2	02/02/04	16 trains operated late due to regional law enforcement searching for an escaped murder suspect. 3 trains operated late due to S/D lift use, passengers activating emergency mag-latch release levers, and the timing out of a route request. 2 trains operated late due to S/D lift use, a mechanical door problem, and main breaker trip indications. 1 train operated late due to penalty stop and S/D lift use. 8 trains operated late due to S/D lift use only.
L3	02/03/04	3 trains operated late due to S/D lift use and mechanical door problems. 11 trains operated late due to S/D lift use only.
L4	02/04/04	2 trains operated late due to electronic failure indications. 1 train operated late due to a mechanical door problem and a fare saturation check. 1 train operated late due to S/D lift use and an unscheduled cut. 18 trains operated late due to S/D lift use only.
L5	02/05/04	3 trains operated late due to a passenger claiming injury and requesting paramedics. 1 train operated late due to S/D lift use and false emergency alarm. 1 train operated late due to waiting for passenger transfers and a bicycle blocking the doorway. 1 train operated late due to operator being unable to adjust a mirror. 6 trains operated late due to S/D lift use only.
L6	02/06/04	2 trains operated late due to S/D lift use and door problems. 1 train operated late due to door problems. 18 trains operated late due to S/D lift use only.
L7	02/07/04	32 trains operated late due to single-track operations to realign the westward main track on 12th Avenue. 2 trains operated late due to S/D lift use only.
L8	02/09/04	5 trains operated late due to S/D lift use and opposing end cab left active. 1 train operated late due to an electronic failure indication. 1 train operated late due to S/D lift use and restricted wayside signal. 12 trains operated late due to S/D lift use only.
L9	02/10/04	2 trains operated late due to track closure by SDPD Bomb Squad to remove suspicious object. 1 train operated late due to following a late train through downtown and a door problem. 12 trains operated late due to S/D lift use only.
L10	02/11/04	4 trains operated late due to S/D lift use, fare saturation check and traffic signal sequencing. 1 train operated late due to S/D lift use and a door problem. 24 trains operated late due to S/D lift use only.
L11	02/12/04	1 train operated late due to S/D lift use and door problems. 1 train operated late due to door problems. 1 train operated late due to S/D lift use and false emergency alarm. 14 trains operated late due to S/D lift use only.
L12	02/13/04	3 trains operated late due to an LRV/auto accident. 3 trains operated late due to a passenger holding doors open. 2 trains operated late due S/D lift use and following a late train downtown. 1 train operated late due to an electronic failure indication. 15 trains operated late due to S/D lift use only.
L13	02/17/04	1 train operated late due to S/D lift use and door problems. 1 train operated late due to passengers activating emergency mag-latch release levers. 16 trains operated late due to S/D lift use only.
L14	02/18/04	5 trains operated late due to S/D lift use and a crossing gate arm caught in the catenary. 2 trains operated late due to door problems. 1 train operated late due to inclement weather. 1 train operated late due to S/D lift use and door problems. 6 trains operated late due to S/D lift use only.
L15	02/20/04	2 trains operated late due to S/D lift use and boarding a group of disabled passengers. 1 train operated late due to improper routing displayed at signal. 18 trains operated late due to S/D lift use only.
L16	02/21/04	11 trains operated late due to single-track operations to realign the eastward main track on 12th Avenue. 1 train operated late due to improper route alignment at Switch No. 3. 6 trains operated late due to S/D lift use only.
L17	02/24/04	1 train operated late due to passengers activating emergency mag-latch release levers. 1 train operated late due to S/D lift use and following a late train through downtown. 9 trains operated late due to S/D lift use only.
L18	02/25/04	1 train operated late due to a pantograph problem and an electronic failure problem. 1 train operated late due to an electronic failure problem and disc brake odor. 10 trains operated late due to S/D lift use only.
L19	02/27/04	6 trains operated late due to door problems. 2 trains operated late due to the manual operation of a main line track switch. 3 trains operated late due to S/D lift use and door problems. 1 train operated late due to following a late train through downtown. 1 train operated late due to S/D lift use and traffic signal sequencing downtown. 8 trains

L20 02/28/04 operated late due to S/D lift use only.
23 trains operated late due to single-track operations to realign the westward main track on 12th Avenue. No following problems resulted in more than one late train. 5 trains operated late due to a combination of the following: S/D lift use, door problems, a passenger altercation, a brake fault indication, and an auto stuck blocking the tracks.

Descriptions of Unusual Occurrences Resulting in Annulled Trips – February 2004

A1 02/02/04 1 trip was annulled due to a door problem.

A2 02/10/04 1 trip was annulled due to the SDPD Bomb Squad removing a suspicious object near right-of-way (see L9 above).

A3 02/11/04 1 trip was annulled due to a door problem.

A4 02/23/04 1 trip was annulled due to an auto stuck on the tracks at Anita Street.

SAN DIEGO TROLLEY, INC.

LRV MAINTENANCE DEPARTMENT SUMMARY

LIGHT RAIL VEHICLES

LRV-related performance indicators for the month of February were maintained at the levels indicated below. Both categories failed to meet the goal level established by the LRV Maintenance Department:

	<u>Actual</u>	<u>Goal</u>
Train Miles between Service Failures	14,776	18,000
Car Miles between Service Failures	38,540	44,600

During this reporting period, the following LRV service failures occurred requiring field response:

- Eight electronic failures.
- One brake fault indication.
- Two blower failures.
- One LRV door-clear failure.
- One static inverter failure.
- One HVAC failure.

LRV Painting

The painting program continued during February, with LRV No. 1051 being painted. This program will continue until all 71 U-2 LRVs are painted. A total of 19 LRVs have been painted to date.

Miscellaneous Other Activity

The following miscellaneous activities occurred during the month of February:

- Monthly safety classes were held involving all LRV personnel.
- City College courses and in-house LRV I class started for the spring semester.
- The Siemens U-2 step retrofit to inhibit step activation at raised platforms began in February. To date, three LRVs have been retrofitted.

SAN DIEGO TROLLEY, INC.

WAYSIDE MAINTENANCE DEPARTMENT SUMMARY

WAYSIDE/SIGNALS

All track switches, signals, crossing gates, and substations were inspected in accordance with Public Utilities Commission- (PUC-) and Federal Railroad Administration-required inspection intervals. Additional activities included the following:

- Monthly lighting inspections completed and repairs were made.
- Monthly public address system inspection completed and repairs were made.
- Monthly and quarterly grade crossing inspections were completed.
- Monthly and quarterly switch lock inspections were completed.
- Monthly and quarterly Power Switch Machine (PSM) inspections were completed.
- Monthly apprentice appraisals were completed.
- Nearside crossing download inspections were completed.
- Quarterly substation inspections begun.
- Weekly safety meetings were held for all shifts.

R.J. DONOVAN WAYSIDE CREW

- Removed weeds and brush from Euclid Avenue and MP 4.25.
- Completed the retaining wall near Hill Street in El Cajon and set riprap to protect slope and shoulder erosion.

TRACK

The track crew completed 100 percent of FRA-required monthly inspections. Their work also included the following:

- Machine-tamped various locations, totaling 5.1 miles of track.
- Replaced wood ties at multiple locations on the Blue Line.



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 9

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 970.2 (PC 30102)

May 27, 2004

Subject:

SDTI: OPERATIONS STATUS REPORT FOR MARCH 2004

RECOMMENDATION:

That the Board of Directors receive the following reports for San Diego Trolley, Inc. (SDTI): Transportation Department Summary, Monthly Performance Statistics for March 2004, Light Rail Vehicle (LRV) Maintenance Department Summary, and Wayside Maintenance Department Summary (Attachment A).

Budget Impact

None (with the indicated recommendation).

DISCUSSION:

The SDTI Operations Status Report highlights the activities of the Transportation, LRV Maintenance, and Wayside Maintenance Departments. Staff will be prepared to address questions regarding the attached SDTI operations summaries.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Wayne Terry, 619.595.4906, wayne.terry@sdti.sdmts.com

RGA/JGarde/Global/A_Is/
9-04MAY27.WTERRY
5/7/04

Attachment: A. Monthly Performance Statistics for March 2004 **(Board Only)**



SAN DIEGO TROLLEY, INC.

TRANSPORTATION DEPARTMENT SUMMARY

RIDERSHIP

During the month of March, according to statistical information provided by the San Diego Association of Governments (SANDAG), average daily ridership was fixed at 77,503. This represents an increase of 21 percent in comparison to February (77,503 vs. 63,897). Ridership increased on weekdays (+11,260), Saturdays (+18,102), and Sundays (+10,246). Additionally, the average weekday ridership was fixed at 84,301.

When the current total monthly ridership level is compared with the same reporting period last fiscal year (2,402,593 vs. 2,056,856), an increase of 16.8 percent is realized.

Note: The Aztec Invitational Baseball Tournament was played at PETCO Park from March 11, 2004, through March 14, 2004. Approximately 18,000 fans used the trolley to attend the inaugural March 11, 2004, game. Total system ridership on that day was recorded at 211,246 (fourth all-time highest).

SPECIAL EVENTS SERVICE

Aztec Invitational Baseball Tournament

The 2004 Aztec Invitational Baseball Tournament, featuring eight college teams from across the United States, was played at PETCO Park from Thursday, March 11, 2004, through Sunday, March 14, 2004. The sold-out March 11, 2004, game had approximately 18,000 fans using the trolley, while total system ridership for the day was 211,246 (fourth all-time highest). The remaining three days of the tournament also recorded significantly higher ridership than normal, at 108,655, 81,512, and 57,497, respectively.

PERFORMANCE

During the month of March, there were 10,423 regular train trips scheduled and 10,415 were operated, representing a schedule adherence of 99.9 percent. Of the trips operated, 670 trains were delayed in excess of five minutes. Excluding contractor-related delays and those associated with multiple wheelchair use, the adjusted number of late trains was 234 with an on-time performance level of 97.7 percent. See *Monthly Performance Statistics* report for the month of March (A-3).

ACCIDENTS

LRV/Truck/Automobile: Total = 0

LRV/Pedestrian/Trespasser: Total = 0

LRV/Other: Total = 1

On March 8, 2004, at 11:32 a.m., eastbound train No. 53 was operating within a construction site and struck a skip loader that was in close proximity to the main track at the intersection of Park Boulevard and J Street. No injuries were reported, and only minimal damage was sustained by the light rail vehicle (LRV). This incident resulted in little disruption to service. The accident was considered avoidable.

Personal Injuries/Medical Problems: Total = 19

Of the 19 injuries reported, 12 were slips, trips, falls, or other injuries occurring on trains or transit property. There were two incidents involving personal medical problems that were not trolley-related, and five incidents involving San Diego Trolley, Inc. (SDTI) employee or security officer injuries.

Summary

During FY 2004 (commencing on July 1, 2003), there were 1,976,334 train miles operated. The total number of accidents in this fiscal year to date is 13, representing 0.66 accidents per 100,000 miles operated.

LIFT SERVICE

In March, there were 6,890 wheelchairs carried compared to 4,765 in February. During the March reporting period, there were 6 failures (0.087 percent of total uses) and 327 delays due to excessive boarding/deboarding time involving multiple wheelchairs. In March, 176 wheelchair passengers were bypassed due to insufficient room onboard. There were five consecutive bypasses.

Monthly Performance Statistics – March 2004

Date	Trips Scheduled	Trips Operated	Trips Annulled			Trips Late						L	A
			Total	C/R	Other	Total	C/R	SDGE	S/E	S/D	Other		
03/01/04	361	361	0	0	0	24	0	0	0	15	9	L1	
03/02/04	361	361	0	0	0	7	0	0	0	4	3		
03/03/04	361	361	0	0	0	39	0	0	0	19	20	L2	
03/04/04	361	361	0	0	0	11	0	0	0	5	6	L3	
03/05/04	361	361	0	0	0	39	5	1	0	20	13	L4	
03/06/04	276	276	0	0	0	13	0	0	0	8	5	L5	
03/07/04	254	254	0	0	0	15	0	0	1	11	3	L6	
03/08/04	361	361	0	0	0	24	0	0	0	7	17	L7	
03/09/04	361	360	1	0	1	55	0	0	0	25	30	L8	A1
03/10/04	361	359	2	0	2	48	0	0	0	40	8	L9	A2
03/11/04	361	361	0	0	0	60	0	0	33	20	7	L10	
03/12/04	361	361	0	0	0	19	0	0	0	16	3	L11	
03/13/04	276	276	0	0	0	9	0	0	7	2	0		
03/14/04	254	254	0	0	0	4	0	0	0	3	1		
03/15/04	361	361	0	0	0	23	0	0	0	13	10	L12	
03/16/04	361	361	0	0	0	18	0	0	0	10	8	L13	
03/17/04	361	361	0	0	0	36	0	0	7	16	13	L14	
03/18/04	361	361	0	0	0	19	8	0	0	3	8	L15	
03/19/04	361	361	0	0	0	39	17	0	0	8	14	L16	
03/20/04	276	275	1	0	1	5	0	0	0	1	4		A3
03/21/04	254	254	0	0	0	6	0	0	0	1	5		A4
03/22/04	361	361	0	0	0	11	0	0	0	9	2	L17	
03/23/04	361	361	0	0	0	15	0	0	0	12	3	L18	
03/24/04	361	359	2	0	2	35	0	0	0	24	11	L19	A5
03/25/04	361	360	1	0	1	19	0	0	0	13	6	L20	A6
03/26/04	361	361	0	0	0	9	0	0	0	7	2		
03/27/04	276	276	0	0	0	15	13	0	0	0	2	L21	
03/28/04	254	254	0	0	0	6	0	0	0	1	5		
03/29/04	361	360	1	0	1	12	0	0	0	5	7	L22	
03/30/04	361	361	0	0	0	23	0	0	0	16	7	L23	
03/31/04	361	361	0	0	0	12	0	0	0	10	2	L24	
TOTAL	10,423	10,415	8	0	8	670	43	1	48	344	234		

TRIPS OPERATED AS A PERCENTAGE OF TRIPS SCHEDULED = 99.9%

TRIPS ON TIME AS A PERCENTAGE OF TRIPS OPERATED = 93.6%

Excluding delays for special events, senior/disabled riders, and contractor-related activity:

ADJUSTED TRIPS ON TIME AS A PERCENTAGE OF TRIPS OPERATED = 97.7%

L = Explanation of late trains

A = Explanation of annulled trips

C/R = Contractor-related

SDGE = San Diego Gas & Electric

S/E = Special events

S/D = Senior/Disabled

Other = Not the result of an outside force

Unusual Occurrences Resulting in Significant Numbers of Late Trains – March 2004

- L1 03/01/04 2 trains operated late due to S/D lift use and a mechanical door problem. 2 trains operated late due to S/D lift use and a restroom break for the operator. 1 train operated late due to SD lift use and a coupling problem. 1 train operated late due to a police search for a robbery suspect. 1 train operated late due electronic failure indications. 13 trains operated late due to S/D lift use only.
- L2 03/03/04 5 trains operated late due to S/D lift use and several door problems. 4 trains operated late due to a vehicle blocking the tracks. 3 trains operated late due to passengers activating the emergency latches. 2 trains operated late due to electronic failure indications and mechanical door problems. No other problems resulted in more than one late train. 6 trains operated due to combinations of an S/D lift use, unscheduled cuts, mechanical door problems, switch alignment, and train congestion. 19 trains operated late due to S/D lift use only.
- L3 03/04/04 2 trains operated late due to an LRV/auto accident. No other problems resulted in more than one late train. 4 trains operated late due to a combination of S/D lift use, mechanical door problems, a broken gate, the Park and Market Station opening, San Diego and Imperial Valley (SD&IV) Railroad delays, and passengers tampering with emergency latches. 5 trains operated late due to S/D lift use only.
- L4 03/05/04 5 trains operated late due to a passenger's request for paramedics. 4 trains operated late due to track rehabilitation project. 2 trains operated late due to mechanical door problems. 2 trains operated late due to train congestion downtown and aligning track switch by hand. No other problems resulted in more than one late train. 6 trains operated late due to a combination of improper switch alignment, unscheduled cut, passengers blocking doors, and waiting for passenger transfers. 17 trains operated late due to S/D lift use only.
- L5 03/06/04 2 trains operated late due to S/D lift use and mechanical door problems. No other problems resulted in more than one late train. 3 trains operated late due to a combination of S/D lift use, mechanical door problems, train congestion downtown, and a false passenger emergency alarm. 8 trains operated late due to S/D lift use only.
- L6 03/07/04 No problems resulted in more than one late train. 4 trains operated late due to S/D lift use, SD&IV on main line, passengers tampering with emergency latches, PETCO Park's open house, and train congestion downtown. 10 trains operated late due to S/D lift use only.
- L7 03/08/04 6 trains operated late due to an LRV/skip loader accident. 2 trains operated late due to S/D lift use and mechanical door problems. No other problems resulted in more than one late train. 9 trains operated late due to a combination of S/D lift use, running over debris, SD&IV on main tracks, mechanical door problems, Federal Railroad Administration (FRA) testing, and unscheduled cuts. 8 trains operated late due to S/D lift use only.
- L8 03/09/04 1 trip was annulled and 1 train operated late due to S/D lift use and red signals. 9 trains operated late due to a break in the catenary wire. 8 trains operated late due to a track switch replacement project. 5 trains operated late due to electronic failure indications. 2 trains operated late due to flat spots on the wheels. No other problems resulted in more than one late train. 5 trains operated late due to a combination of S/D lift use, SDPD suspect search, unscheduled cut, train congestion downtown, and waiting for passenger transfers. 24 trains operated late due to S/D lift use only.

- L9 03/10/04 1 trip was annulled and 6 trains operated late due to S/D lift use and mechanical door problems. 1 trip was annulled due to SD&IV operating late on main tracks. 3 trains operated late due to a passenger requesting paramedics. 2 trains operated late due to SD lift use and mechanical door problems. No other problems resulted in more than one late train. 3 trains operated late due to a combination of S/D lift use, mechanical door problems, red signals, and hand lining track switches. 24 trains operated late due to S/D lift use only.
- L10 03/11/04 33 trains operated late due to passenger congestion attending the Aztec baseball tournament. 3 trains operated late due to S/D lift use and waiting for passenger transfers. 2 trains operated late due to S/D lift use and mechanical door problems. 2 trains operated late due to track switches lined for the wrong route. 20 trains operated late due to S/D lift use only.
- L11 03/12/04 1 train operated late due to loss of traction power to the train. 1 train operated late due to S/D lift use and false passenger emergency alarm. 1 train operated late due to loss of traction power to the train. 16 trains operated late due to S/D lift use only.
- L12 03/15/04 6 trains operated late due to brakes locking up. 3 trains operated late due to mechanical door problems. 1 train operated due to passengers tampering with emergency latches. 13 trains operated late due to S/D lift use only.
- L13 03/16/04 3 trains operated late due to mechanical door problems and single-track restrictions. No other problems resulted in more than one late train. 4 trains operated late due to a combination of S/D lift use, mechanical door problems, substation maintenance, and passengers tampering with emergency latches. 11 trains operated late due to S/D lift use only.
- L14 03/17/04 11 trains operated late due to S/D lift use and mechanical door problems. 7 trains operated late due to the Shamrock event in the Gaslamp Quarter. 1 train operated due to passengers holding doors open. 1 train operated due to mechanical door problems. 16 trains operated late due to S/D lift use only.
- L15 03/18/04 8 trains operated late due to contractor's activities. 3 trains operated late due to traffic congestion downtown. No other problem resulted in more than one late train. 5 trains operated late due to a combination of S/D lift use, passengers holding doors, false passenger emergency alarm, and mechanical door problems. 3 trains operated late due to S/D lift use only.
- L16 03/19/04 3 trains operated late due Electronic failure indications. 3 trains operated late due to S/D lift use and large group of school children. 2 trains operated late due passenger requesting paramedics. 2 trains operated late due to plastic sheeting becoming entangled in catenary. 2 trains operated late due to S/D lift, door problems and unscheduled cut. 1 train operated due to a false report of a passenger requesting paramedics. 7 trains operated late due to S/D lift use only.
- L17 03/22/04 2 trains operated late due to S/D lift use and electronic failure indications. 9 trains operated late due to S/D lift use only.
- L18 03/23/04 1 train operated late due to mechanical door problems. 1 train operated late due to following a late train through downtown. 1 train operated late due to S/D lift use and passengers tampering with door sensors. 12 trains operated late due to S/D lift use only.

- L19 03/24/04 1 trip was annulled and 4 trains operated late due to an electronic failure and unscheduled cut. 1 trip was annulled and 2 trains operated late due to S/D lift use and a gap in an interlocking switch point. 2 trains operated late due to mechanical door problems. 2 trains operated late due to TWC problems. 1 train operated late due to the operator accepting the wrong route. 23 trains operated late due to S/D lift use only.
- L20 03/25/04 5 trains operated late due to a passenger's request for paramedics. 4 trains operated late due to track rehabilitation project. 2 trains operated late due to mechanical door problems. 2 trains operated due to train congestion downtown and aligning track switch by hand. No other problems resulted in more than one late train. 6 trains operated late due to a combination of improper switch alignment, unscheduled cut, passengers blocking doors, and waiting for passenger transfers. 17 trains operated late due to S/D lift use only.
- L21 03/27/04 13 trains operated late due to contractor activities. 1 train operated late due to S/D lift use and electronic failure indications. 1 train operated late due to S/D lift use and mechanical door problems.
- L22 03/29/04 1 trip was annulled and 1 train operated late due to a truck stuck blocking the right-of-way. 2 trains operated late due to S/D lift use and a passenger holding doors open. No problems resulted in more than one late train. 3 trains operated late due to S/D lift use, mechanical door problems, main breaker trip, the smell of brakes dragging, and track switch lined for improper route. 5 trains operated late due to S/D lift use only.
- L23 03/30/04 3 trains operated late due to electronic failure indications. 2 trains operated late due to red signals with improper track switch alignment. 2 trains operated late due to S/D lift use and passenger congestion. 16 trains operated late due to S/D lift use only.
- L24 03/31/04 1 train operated late due to S/D lift use and mechanical door problems. 1 train operated late due to passengers tampering with emergency latches. 10 trains operated late due to S/D lift use only.

Descriptions of Unusual Occurrences Resulting in Annulled Trips – March 2004

- A1 03/09/04 1 trip was annulled due to S/D lift use and mechanical door problems (see L8 above). 1 trip was annulled due to a door problem.
- A2 03/10/04 1 trip was annulled due to S/D lift use and mechanical door problems (see L9 above). 1 trip was annulled due to SD&IV freight clearing main tracks late (see L9 above).
- A3 3/20/04 1 trip was annulled due to battery static converter failure.
- A4 3/21/04 1 trip was annulled due to the SDPD Bomb Squad responding to a suspicious package.
- A5 3/24/04 1 trip was annulled due to unscheduled cut and electronic failure (see L19 above). 1 trip was annulled due to a gap in switch point alignment (see L19 above).
- A6 3/25/04 1 trip was annulled due to SD&IV late clearing due to mechanical switch alignment problems (see L20 above).

SAN DIEGO TROLLEY, INC.

LRV MAINTENANCE DEPARTMENT SUMMARY

LIGHT RAIL VEHICLES

The LRV-related performance indicator for the month of March was maintained at the level indicated below, and met the goal established by the LRV Maintenance Department:

	<u>Actual</u>	<u>Goal</u>
Car Miles Between Service Failures	46,659	44,600

During this reporting period, the following LRV service failures occurred requiring field response:

- Nine electronic failures.
- One brake fault indication.
- One disc brake failure.
- One blower failure.
- One static inverter failure.

LRV Painting

The current contract for the painting program concluded in March, with no additional LRVs being painted. A total of 19 LRVs have been painted to date.

Miscellaneous Other Activity

The following miscellaneous activities occurred during the month of March:

- Monthly safety classes were held involving all LRV personnel.
- City College courses and in-house LRV I classes continued.
- The Siemens U-2 step retrofit to inhibit step activation at raised platforms continued in March, with six LRVs being completed since the program began.

SAN DIEGO TROLLEY, INC.

WAYSIDE MAINTENANCE DEPARTMENT SUMMARY

WAYSIDE/SIGNALS

All track switches, signals, crossing gates, and substations were inspected in accordance with Public Utilities Commission (PUC)- and Federal Railroad Administration (FRA)-required inspection intervals.

Additional activities included the following:

- Monthly public address system inspection was completed and repairs made.
- The Front Street Substation Breaker Modification Project began.
- Sixty feet of contact wire was replaced at J Street.
- Monthly and quarterly grade crossing inspections were completed.
- Monthly and quarterly switch lock inspections were completed.
- Monthly and quarterly Power Switch Machine (PSM) inspections were completed.
- Monthly apprentice appraisals were completed.
- Weekly safety meetings were held for all shifts.
- Davy Tree Service removed excessive growth between Horton and 43rd Streets.
- Systemwide contact wire measurements were completed.

R.J. DONOVAN WAYSIDE CREW

- Began work on the Anita Street (Chula Vista) Drainage Project.

TRACK

The track crew completed 100 percent of FRA-required monthly inspections. Their work also included the following:

- Machine-tamped at various locations totaling 14 miles of track.



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 10

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

FIN 310 (PC 30100)

May 27, 2004

Subject:

MTDB: MTS OPERATORS BUDGET STATUS REPORT FOR MARCH 2004

RECOMMENDATION:

That the Board of Directors receive the Metropolitan Transit System (MTS) Operators Budget Status Report for the month of March 2004.

Budget Impact

None at this time.

DISCUSSION:

The MTS Board-adopted budget includes all of the metropolitan area transit operators. The budget is being monitored by the use of key performance indicators on a monthly basis, and a full budget-to-actual comparison on a quarterly basis will be included in the next Quarterly MTS Operations Report. This report contains information that may become part of the effort to consolidate performance reporting into one uniform reporting format, as indicated in Agenda Item No. C1 at the April 22, 2004, Executive Committee meeting.

This is the monthly report for March 2004, which includes ridership results and budget-to-actual comparisons for energy costs and fare revenue. Mid-year budget amendments were approved at the February 12, 2004, Board Meeting, which allowed the transit operators to adjust the adopted budget to meet their current estimates, provided they remained at or above the "Net Operating Cost" amounts in their adopted budget. Consequently, monthly and year-to-date budget variances should be small for the remainder of the year. This report also includes budget-to-actual comparisons for cost



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

per revenue mile/hour for February 2004. These key performance indicators take longer to compile, therefore, they are reported for the previous month.

MARCH RESULTS

Energy

Compressed natural gas (CNG) and diesel fuel costs are based on the results of San Diego Transit Corporation (SDTC) and MTS Contract Services, as these operators are the largest users of CNG and diesel fuel. For the month of March 2004, CNG costs decreased \$.045 over the previous month to \$.92, while the year-to-date average remained at \$0.91 per therm, which exceeds the adjusted budget amount of \$0.90. The adopted budget projected the CNG rate to be \$.80 per therm. Cost per gallon for diesel fuel rose again to \$1.28, compared to the previous month of \$1.24 and the unadjusted budget of \$1.05. The year-to-date average increased \$.015 from last month to \$1.14. Since the decision to leave diesel fuel rates at the original budget level, prices have increased steadily, creating a substantial risk to meeting current budget projections. Year-to-date costs per kilowatt-hour (kWh) are still favorable at \$0.14 per kWh compared to the budgeted amount of \$0.15. Electricity costs are based on the results of traction power at San Diego Trolley, Inc. (SDTI), and were revised downward at mid-year from \$.165.

Fare Revenue

Fare revenue for the month of March 2004 was \$5,214,942 compared to the amended budget estimate of \$5,091,686, or 2.4 percent above the March estimate. Year-to-date fare revenue is \$51.0 million, or .7 percent above the year-to-date adjusted budget estimate (Attachment A). While average fare per passenger has increased slightly this year due to the fare increase, the loss in ridership has resulted in the mid-year downward adjustment to fare revenue budgets by \$2.3 million, with a corresponding reduction in budgeted expenses to compensate for the shortfall.

Ridership

Ridership on the MTS system for the month of March 2004 was 6.8 million, which is 4.4 percent above March 2003. Year-to-date ridership is 55.7 million, which represents a 3.7 percent decline compared to the same period last year. This represents an improvement over last month's year-to-date decline of 4.8 percent. Ridership estimates have been adjusted downward for the remainder of the year, with the overall decline related to several factors, including the wildfires, disruption of service due to the scaffolding accident at the 12th and Imperial Transfer Station, fare increases, and service reductions. Although moving averages only portray a part of the picture, February and March results support the contention that ridership declines have bottomed out.

Fixed-Route Services: Cost Per Revenue Mile

Because cost per revenue mile information takes longer to compile, this key performance indicator is reported for the previous month, February 2004 (Attachment B). All transit operators are at or below their adjusted FY 2004 budget estimates.

SDTC's year-to-date cost per revenue mile was \$6.77, compared to the revised budget estimate of \$6.93, which is 2.3 percent under budget. Costs for February were \$7.55, which is 8.9 percent above budget. SDTC's operating costs for the month were higher than expected, due to implementation of the aggressive preventive maintenance program and its start-up costs. Workers' compensation and paid absences were under budget. These higher costs are made even worse when divided by revenue miles, which were nearly 10 percent below an average month, due to two fewer days and an extra weekend day. Preliminary March figures are under budget.

SDTI was over its cost per revenue mile budget of \$6.01 by 3.5 percent for the month, but remains 3.7 percent under for the year-to-date.

MTS Contract Services are performing 1-2 percent over budget for the month, reflecting a surge in engine and transmission overhauls, as well as higher diesel costs. Year-to-date performance remains 2-3 percent under budget, with no significant variances overall.

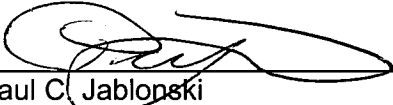
Chula Vista Transit's (CVT's) year-to-date cost per revenue mile of \$4.42 was 4.5 percent under the budget estimate of \$4.63, with the month of March rising slightly to \$4.47.

National City Transit's (NCT's) year-to-date cost per revenue mile was \$5.33, compared to the budget estimate of \$6.07, or 12.2 percent less than the amount budgeted for the fiscal year. As indicated last month, the January spike in costs appears to have been a one-time occurrence, with the month of February dropping to \$5.10, which is below the year-to-date average.

Demand-Responsive Services: Cost Per Revenue Hour

Because cost per revenue hour information also takes longer to compile, this key performance indicator is reported for the previous month, February 2004 (see Attachment B). MTS Contract Services Americans with Disabilities Act (ADA) cost per revenue hour is within 1 percent of the FY 2004 revised budget estimates for the year, and 3 percent overall for the month. This performance is attributable to fewer revenue hours of service, somewhat offset by revenue that exceeded budget and expenses that were under budget. ADA Suburban's year-to-date performance has eroded more noticeably in the last three months, such that it is 9.6 percent over budget on a year-to-date basis.

The majority of its operating costs are on a contractual basis. February costs were lower than January, but still 5.2 percent over the revised budget. ADA Suburban is currently investigating the downward trend of revenue hours relative to high fixed costs to determine how this key indicator can be brought back closer to budget by year's end.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tim Watson, 619.699.1966, twatson@sandag.org

PSmith
10-04MAY27.TWATSON
5/12/04

Attachments: A. Key Performance Indicators – Fare Revenue
B. Key Performance Indicators – Energy, Unit Costs, and Ridership } **Board Only**

MTS OPERATORS FISCAL YEAR 2004 KEY PERFORMANCE INDICATORS MARCH 2004

Fare Revenue

<u>Current Month</u>	<u>MARCH 2004</u> <u>Actual</u>	<u>MARCH 2004</u> <u>Budget</u>	<u>Over (Under)</u> <u>MARCH 2004</u> <u>Budget</u>	<u>Percent</u> <u>Over (Under)</u> <u>MARCH 2004</u> <u>Budget</u>
San Diego Transit	\$1,707,801	\$1,774,164	(\$66,363)	-3.7%
San Diego Trolley	\$1,917,642	\$1,810,200	\$107,442	5.9%
MTS Contract Services - 800 Series	\$337,148	\$303,000	\$34,148	11.3%
MTS Contract Services - ADA Suburban	\$49,449	\$41,000	\$8,449	20.6%
MTS Contract Services - 900 Series	\$839,800	\$790,000	\$49,800	6.3%
MTS Contract Services - ADA	\$71,341	\$76,231	(\$4,890)	-6.4%
Chula Vista Transit - Fixed Route	\$193,503	\$188,758	\$4,745	2.5%
National City Transit	\$98,258	\$108,333	(\$10,075)	-9.3%
Total	\$5,214,942	\$5,091,686	\$123,256	2.4%

<u>Year To Date</u>	<u>Actual</u> <u>YTD</u>	<u>FY 04</u> <u>Budget</u> <u>YTD</u>	<u>Over (Under)</u> <u>Budget YTD</u>	<u>Percent</u> <u>Over (Under)</u> <u>Budget YTD</u>
San Diego Transit	\$17,487,550	\$17,405,250	\$82,300	0.5%
San Diego Trolley	\$17,546,196	\$17,580,865	(\$34,669)	-0.2%
MTS Contract Services - 800 Series	\$3,278,863	\$3,180,885	\$97,978	3.1%
MTS Contract Services - ADA Suburban	\$376,411	\$377,982	(\$1,572)	-0.4%
MTS Contract Services - 900 Series	\$8,625,103	\$8,428,956	\$196,147	2.3%
MTS Contract Services - ADA	\$732,850	\$704,363	\$28,488	4.0%
Chula Vista Transit - Fixed Route	\$1,938,031	\$1,935,432	\$2,599	0.1%
National City Transit	\$1,035,320	\$1,040,425	(\$5,105)	-0.5%
Total	\$51,020,325	\$50,654,158	\$366,166	0.7%

Att. A, AI 10, 5/27/04, FIN 310

**MTS OPERATORS
FISCAL YEAR 2004
KEY PERFORMANCE INDICATORS
MARCH 2004**

Att. B, AI 10, 5/27/04, FIN 310

Energy

	MARCH 2004 Estimate	FY 04 YTD Estimate	FY 04 Adjusted Budget	Over (Under) Budget YTD	Percent Over (Under) Budget YTD
Per Therm *	\$0.920	\$0.910	\$0.900	\$0.01	1.1%
Per Gallon *	\$1.280	\$1.140	\$1.050	\$0.09	8.6%
Per Kilowatt **	\$0.140	\$0.130	\$0.150	(\$0.02)	-13.3%

* Diesel fuel cost per gallon and CNG cost per therm is based on results of San Diego Transit Corporation (SDTC) and MTDB Contract Services as these operators are the largest users of diesel and CNG fuel.

** Electricity results are compared to the FY 04 amended budget estimate for traction power of 15 cents, which is down from the adopted budget of 16.5 cents

Ridership

	MARCH 2004	March-03	FY 04 YTD	FY 03 YTD	YTD CHANGE	Percent Change YTD
<u>Fixed Route</u>						
San Diego Transit	2,290,383	2,404,798	19,205,402	22,079,824	(2,874,422)	-13.0%
San Diego Trolley	2,402,593	2,056,856	18,953,790	18,921,105	32,685	0.2%
MTS Contract Services - 800 Series	432,539	414,458	3,354,038	3,491,979	(137,941)	-4.0%
MTS Contract Services - 900 Series	1,221,426	1,163,777	10,158,009	9,155,294	1,002,715	11.0%
Chula Vista Transit	289,462	304,253	2,377,261	2,508,339	(131,078)	-5.2%
National City Transit	155,385	161,260	1,305,477	1,382,041	(76,564)	-5.5%
Coronado Ferry	10,174	6,270	65,852	66,858	(1,006)	-1.5%
Total Fixed Route	6,801,962	6,511,672	55,419,829	57,605,440	(2,185,611)	-3.8%
<u>Paratransit</u>						
MTS Contract Services ADA	19,227	19,840	151,714	147,236	4,478	3.0%
MTS Contract Services ADA Suburban	13,339	12,263	104,963	91,845	13,118	14.3%
Total Paratransit	32,566	32,103	256,677	239,081	17,596	7.4%
Total MTS Ridership	6,834,528	6,543,775	55,676,506	57,844,521	(2,168,015)	-3.7%

Costs

	February 2004 Estimate	FY 04 YTD Estimate	FY 04 Adjusted Budget	Over (Under) Budget YTD	Percent Over (Under) Budget YTD	FY 04 Adopted Budget
<u>Cost Per Revenue Mile - Fixed Route ***</u>						
San Diego Transit	\$7.55	\$6.77	\$6.93	(\$0.16)	-2.3%	\$6.98
San Diego Trolley	\$6.22	\$5.79	\$6.01	(\$0.22)	-3.7%	\$6.14
MTS Contract Services - 800 Series	\$4.40	\$4.22	\$4.35	(\$0.13)	-3.0%	\$4.40
MTS Contract Services - 900 Series	\$4.53	\$4.31	\$4.44	(\$0.13)	-2.9%	\$4.32
Chula Vista Transit	\$4.47	\$4.42	\$4.63	(\$0.21)	-4.5%	\$4.64
National City Transit	\$5.10	\$5.33	\$6.07	(\$0.74)	-12.2%	\$6.07
<u>Cost Per Revenue Hour - Paratransit ***</u>						
MTS Contract Services ADA	\$46.52	\$45.52	\$45.20	\$0.32	0.7%	\$44.94
MTS Contract Services ADA Suburban	\$45.74	\$43.45	\$39.63	\$3.82	9.6%	\$41.71

*** Cost per revenue mile and cost per revenue hour results are presented for the previous month because of the amount of time necessary to compile this data

\$45.72
\$41.71



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466, FAX 619.234.3407

Agenda

Item No. 11

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

ADM 130 (PC 10900)

May 27, 2004

Subject:

MTDB: GENERAL ENGINEERING CONSULTANT (GEC) CONTRACT EXTENSION

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute an extension of the General Engineering Consultant (GEC) contract with Berryman & Henigar (MTDB Doc. No. L0606.0-02), in substantially the same form as shown in Attachment A. This will allow Berryman & Henigar to continue to serve the needs of MTDB for the total contract amount within the five-year duration of the contract.

Budget Impact

None at this time for the contract extension. Expenditures for GEC work orders and amendments would be encumbered from the respective project budgets.

DISCUSSION:

Since September 2002, Berryman & Henigar has provided GEC services for MTDB on a variety of projects, including the Mission Valley East (MVE) Light Rail Transit (LRT) Project and many of MTDB's other capital projects. Berryman & Henigar has performed admirably as an extension of MTDB's own engineering staff and has provided resources on short notice to allow MTDB's projects to stay on schedule. Currently, Berryman & Henigar is providing staff support for the Mission Valley East LRT Project, and engineering design for miscellaneous capital improvement projects.

The original GEC contract was limited to \$4 million for the first two years with 3 one-year options valued at \$2 million each, for a total of \$10 million for the entire five-year contract period. This amendment would exercise the remaining three options of the contract now. To date, MTDB and the San Diego Association of Governments (SANDAG) have

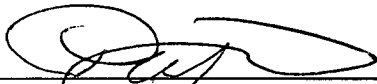


Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

authorized all of the original \$4 million contract capacity and would not be able to continue writing work orders for GEC services without further Board approval. This amendment would approve expenditures up to the entire contract amount of \$10 million within the next three years, if needed.

At our current rate of GEC services, the total \$10 million contract value would be committed by Board-approved work orders by the end of the fourth contract year, at which time, a new GEC contract would be awarded. This contract amendment allows MTDB to have continued GEC design staff support for the MVE LRT Project and other miscellaneous capital projects, regardless of workload, up to the contract limit.

The GEC Equal Opportunity Program (EOP) Workforce Report is provided as Attachment B.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Mike Ruth, 619.557.4539, Mike.Ruth@sdmts.com

PSmith
14-04MAY27.MRUTH
5/12/04

Attachments: A. Amendment No. 4 to MTDB Doc. No. L0606.0-02
B. GEC EOP Workforce Report } **Board Only**

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

Att. A, AI 11, 5/27/04, ADM 130

DRAFT

May 27, 2004

MTDB Doc. No. L0606.4-02
ADM 125.2 (PC 10900)

Mr. Scott Kvandal
President
Berryman & Henigar
11590 West Bernardo Court, Suite 100
San Diego, CA 92127

Dear Mr. Kvandal:

Subject: AMENDMENT NO. 4 TO DOCUMENT NO. L0606.0-02, GENERAL ENGINEERING
CONSULTANT SERVICES

This letter will serve as Amendment No. 4 to the General Engineering Consultant (GEC) Services agreement (reference MTDB Document No. L0606.0-02) with Berryman & Henigar for general engineering consultant (GEC) services.

A copy of the original contract is enclosed. New work orders issued under this amendment shall be bound by the same terms and conditions of the original contract.

SCOPE

This amendment will exercise option years one, two, and three to extend the GEC Services Agreement with Berryman & Henigar, for the maximum five-year duration of the contract.

This amendment also serves to assign a maximum dollar value to the MTDB GEC Services Agreement. This contract was initially a two-year base contract valued at \$4 million, with 3 one-year options, valued at \$2 million each, for a total contract value of \$10 million.

Due to agency consolidation between MTDB and the San Diego Association of Governments (SANDAG), the original MTDB GEC contract was assigned to SANDAG, effectively creating a separate contract for each agency. The initial dollar value of each contract was not initially established, yet the total value of both contracts was valued at \$4 million for the two-year base period, with a total value of \$10 million for the maximum contract duration of five years.

This amendment will establish a value of \$3 million for the MTDB GEC contract for the maximum duration of five years, leaving a balance of \$7 million to be assigned to the SANDAG GEC contract.

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!

Mr. Scott Kvandal
May 27, 2004
Page 2

Consistent with the terms of the original MTDB GEC contract, the GEC will be entitled to adjust its fee schedule at the end of each contract year, beginning on September 17, 2004, and upon each subsequent anniversary date thereafter. These adjustments to the GEC fee schedules will be covered under separate contract amendments.

SCHEDULE

This contract amendment shall remain in effect from the execution of this amendment to MTDB Document No. L0606.0-02, expiring on September 17, 2007.

PAYMENT

The total dollar value of the contract, including this amendment, shall not exceed \$3,000,000 without prior written approval from MTDB.

All other conditions of MTDB Doc. No. L0606.0-02 shall remain unchanged. If you agree with the above, please sign below and return the copy marked "original" to the Contracts Administrator at MTDB in the enclosed self-addressed stamped envelope. The remaining copy is for your records.

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Scott Kvandal
Berryman & Henigar

PSmith
ATTA-11-04MAY27.MRUTH

Date: _____

Enclosures: MTDB Doc. No. L0606.0-02
Self-Addressed Stamped Envelope

}

Not Enclosed

cc: Mike Ruth, Project Manager
Tiffany Lorenzen, Interim General Counsel



EQUAL OPPORTUNITY PROGRAM WORKFORCE REPORT

The Metropolitan Transit Development Board (MTDB) enforces an Equal Employment Opportunity (EEO) program established under policies and procedures No. 26. This program prohibits discrimination in employment and requires MTDB contractors to be equal opportunity employers. You may submit a copy of the Employer Information Report, EEO-1, in lieu of this form.

PLEASE COMPLETE ALL SECTIONS OF THIS FORM.

A. NAME OF COMPANY: Berryman & Henigar Inc.

B. AKA/DBA: Berryman & Henigar Inc.

C. ADDRESS OF ESTABLISHMENT LOCATED IN SAN DIEGO COUNTY (if different from above):

11590 W. Bernardo Ct Suite 100 San Diego, CA 92127-1622

D. If there is no office in San Diego County, or if there are less than 15 employees in that office, include an address for your regional office that will oversee the work under MTDB's contract.

City _____ County _____ State _____ Zip _____

E. EMPLOYMENT DATA

Include the employees located in San Diego County only, unless your firm employs fewer than 15 people locally. In that event, you should list the workforce of the regional office that will oversee the work under MTDB's contract. Report all permanent full-time and part-time employees including apprentices and on-the-job trainees. Blank spaces will be considered as zeros.

Occupational Category	African American		Hispanic		Asian or Pacific Islander		Native American		Other		Overall Total
	M	F	M	F	M	F	M	F	M	F	
Executive/Managerial	0	0	2	1	0	1	0	1	7	4	16
Engineers/Architects/Surveyors	0	0	0	0	0	0	0	0	0	0	0
Professionals (N.E.C.)	0	0	2	0	3	1	0	0	29	4	39
Technicians	1	0	1	1	0	1	0	0	11	2	17
Sales	0	0	0	0	0	0	0	0	0	0	0
Administrative Support	1	3	1	2	0	2	0	0	1	14	24
Protective Services	0	0	0	0	0	0	0	0	0	0	0
Services (N.E.C.)	0	0	0	0	0	0	0	0	0	0	0
Craft Workers (Skilled)	0	0	0	0	0	0	0	0	0	0	0
Machine Operators, Assemblers and Inspectors	0	0	0	0	0	0	0	0	0	0	0
Transportation and Material Moving	0	0	0	0	0	0	0	0	0	0	0
Laborers (Unskilled)	0	0	0	0	0	0	0	0	0	0	0
Totals For Each Column	2	3	6	4	3	5	0	1	48	24	96

Indicate by gender and ethnic code the number of the above workforce which are persons with disabilities.

Disabled											
----------	--	--	--	--	--	--	--	--	--	--	--

F. THE UNDERSIGNED HEREBY CERTIFIES THAT THE FOREGOING DATA CONTAINED HEREIN IS TRUE AND CORRECT.

AUTHORIZED SIGNATURE _____

Sherry Hennes Director of Human Resources January 28, 2004
NAME OF SIGNEE TITLE DATE

G. NAME, ADDRESS AND PHONE NUMBER OF PERSON TO CONTACT REGARDING THIS REPORT.

Tammy Johnson 11590 W. Bernardo Ct. Suite 100 San Diego, CA 92127-1622

LTorio/WORKFORCE/5-02



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 12

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 970.6 (PC 30102)

May 27, 2004

Subject:

**SDTI: LIGHT RAIL VEHICLE (LRV) GEAR BOX BEARINGS PROCUREMENT:
CONTRACT AWARD**

RECOMMENDATION:

That Board of Directors authorize the Chief Executive Officer to execute a Standard Procurement Agreement (Attachment A) with Applied Industrial Technologies, Inc., contingent upon Federal Transit Administration (FTA) approval of Buy America waiver, for LRV gear box bearings, in an amount not to exceed \$122,266.49.

Budget Impact

A total of \$122,266.49 would be charged to the appropriate LRV Maintenance line item of the FY 05 San Diego Trolley, Inc. (SDTI), operating budget.

DISCUSSION:

The LRV Maintenance Department routinely replaces worn bearings on LRV gear boxes. The current inventory of bearings is very low and needs to be replenished. On April 9, 2004, an Invitation for Bids (IFB) was sent to known suppliers and advertised in newspapers. On April 30, 2004, five (5) bids were received (Attachment B). The low responsive bid was submitted by Applied Industrial Technologies, Inc.

Compliance with federal conditions was required for this procurement since federal money is used in the SDTI operating budget. All five bidders signed noncompliance with the Buy America requirement form. A waiver from the Buy America requirement has



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

been filed with the FTA, and approval is expected in a few weeks. Therefore, SDTI recommends awarding the procurement contract to Applied Industrial Technologies, Inc., contingent upon receiving a waiver of the Buy America requirement from the FTA.

The Workforce Report for Applied Industrial Technologies, Inc., is attached for information (Attachment C).



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Russ Desai, 619.595.4908, Russ.Desai@sdti.sdmts.com

KET/JGarde – Global/A_I
12-04MAY27.RDESAI
5/10/04

Attachments: A. Standard Procurement Agreement
B. Bid Summary
C. Workforce Report for Applied Industrial Technologies, Inc.

} **Board Only**

DRAFT

STANDARD PROCUREMENT AGREEMENT

CONTRACT NUMBER _____

FILE NUMBER(S) _____

THIS AGREEMENT is entered into this _____ day of _____, 20____, in the state of California by and between San Diego Trolley, Inc. (Board), and the following contractor, hereinafter referred to as "Contractor":

Name: Applied Industrial Technologies, Inc. Address: 630 Bay Boulevard

Form of Business: Corporation Chula Vista, CA 91910
(Corporation, partnership, sole proprietor, etc.) Telephone: (619) 425-2005

Authorized person to sign contracts: Mr. Jerry D. Brock Regional Manager
Name Title

The attached Standard Conditions are part of this Agreement. The Contractor agrees to furnish to the Board services and materials, as follows:

Furnish light rail vehicle (LRV) gear box bearings as described in the Invitation For Bid (IFB) dated April 9, 2004, and in accordance with federal requirements and the attached cost proposal.

This contract shall not exceed \$122,266.49, including tax and freight.

SAN DIEGO TROLLEY, INC.		CONTRACTOR AUTHORIZATION
By: _____ President-General Manager		Firm: _____
Approved as to form:		By: _____ Signature
By: _____ General Counsel		Title: _____
AMOUNTS ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$ 122,266.49	LRV Maintenance	2005

By: _____
Director of Finance and Administration Date

(Continued on ____ sheets, each bearing contract number)

SA-
1/2/03

BID SUMMARY

LIGHT RAIL VEHICLE (LRV) GEARBOX BEARINGS PROCUREMENT

BIDS DUE TO SDTI: APRIL 30, 2004

Bidder	Bid Amount
1. Applied Industrial Technologies	\$122,266.49 ^{1, 2}
2. Voith Turbo, Inc.	\$124,067.55 ^{2, 3}
3. Kaman Industrial Technologies, Inc.	\$137,091.01 ²
4. Siemens Transportation Systems, Inc.	\$165,202.30 ²
5. Hi Tec, Inc.	\$193,509.31 ²

¹ Low bid

² Buy America noncompliance

³ Math errors-corrected amount shown



EQUAL OPPORTUNITY PROGRAM WORKFORCE REPORT

The Metropolitan Transit Development Board (MTDB) enforces an Equal Employment Opportunity (EEO) established under policies and procedures No. 26. This program prohibits discrimination in employment and MTDB contractors to be equal opportunity employers. You may submit a copy of the Employer Information EEO-1, in lieu of this form.

PLEASE COMPLETE ALL SECTIONS OF THIS FORM.

A. NAME OF COMPANY:

Applied Industrial Technologies CA-LLC

B. AKA/DBA:

C. ADDRESS OF ESTABLISHMENT LOCATED IN SAN DIEGO COUNTY (if different from above):

630 Bay Blvd Suite 106
Chula Vista CA 91910

D. If there is no office in San Diego County, or if there are less than 15 employees in that office, include an for your regional office that will oversee the work under MTDB's contract.

1 Applied Plaza
Cleveland OH 44115

City Cleveland County _____ State OH Zip 44115

Include the employees located in San Diego County only, unless your firm employs fewer than 15 people. In that event, you should list the workforce of the regional office that will oversee the work under MTDB's contract. Report all permanent full-time and part-time employees including apprentices and on-the-job trainees. Blank cells will be considered as zeros.

Indicate by gender and ethnic code the number of the above workforce which are persons with disabilities

Disabled

AUTHORIZED SIGNATURE

NAME OF SIGNEE

TITLE

DATE _____

G. NAME, ADDRESS AND PHONE NUMBER OF PERSON TO CONTACT REGARDING THIS REPORT.

BARD GEMERY, ONE APPLIED PLAZA, CLEVELAND OH 44115-5011

~~216~~ 216-426-4693



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 13

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 960.3 (PC 30101)

May 27, 2004

Subject:

SDTC: FINANCIAL REPORT THROUGH MARCH 2004

RECOMMENDATION:

That the Board of Directors receive this report.

Budget Impact

None.

DISCUSSION:

The San Diego Transit Corporation FY 04 financial comparison to budget through March 31, 2004 shows operating revenues of \$18,119,000 (\$14,000, or .1 percent, over the amended budget). Operating expenses for the period amounted to \$52,781,000 (\$1,000,000, or 1.9 percent, under the amended budget). This combined for a net subsidy amount of \$34,662,000 (\$1,014,000 less than budget). Attachment A summarizes the financial comparison. Following is an explanation of the budget developments. All compare against the amended budget.



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

Operating Statistics

Attachment B shows some of the more important operating statistics for the nine months ending March 31, 2004.

Our farebox recovery ratio stood at 33.1 percent compared to 34.7 percent for the same time last year. Most of this was driven by the drop in ridership and related revenue. This was evidenced by our cost per revenue mile of \$6.77. This was only 3.7 percent above the \$6.53 cost per revenue mile for the same time last year.

Our cost per total passenger for the fiscal year to date was \$2.76 compared against \$2.43 for the same time period last year. This large increase stemmed from spreading more fixed costs amongst a smaller base of riders.

The trend in ridership has dropped our total passengers per revenue mile to 2.46.

Revenue/Ridership

The first component of operating revenue is passenger fares. Through March 2004 passenger fares were up \$83,000, or 0.5 percent, compared with the amended budget (see Attachment A). Attachment C and the graph in Attachment D compare the fares to FY 03. All fare categories (with the exception of tickets and senior and disabled cash) were down compared to last year. Full fare cash as well as pass fares, particularly full fare and youth, showed the largest declines.

Comparative ridership information is presented in Attachment E and on the graph on Attachment F. SDTC carried a total of 19,205,000 passengers through March 2004. This was 2,874,000,000 less than the same time period last year (a decline of 13.0 percent). The loss of Route 55 began in March 2003. Without Route 55, the decline to FY 03 was 9.5 percent. We have reduced the downward trend with the third quarter of FY 04 at 7.3 percent below FY 03 and the month of March at 4.7 percent below FY 03 (without the Route 55). A more detailed discussion of ridership can be found in the operations report.

SDTC's average fare per passenger in FY 04 was \$.91 compared to \$.846 last year. This 7.6 percent increase showed the effect of the price increase. This was also why the passenger fare revenue dropped 6.4 percent when ridership dropped 13.0 percent.

Advertising revenue was \$515,000 against a budget of \$605,000. Advertising for the past several months has declined sharply. This appears to be due to consolidations amongst radio stations. We are currently getting more contracts and expect revenues closer to budget in the fourth quarter.

Expenses

FY 04 expenses through March 31, 2004, were \$1,000,000, or 1.9 percent, under budget (Attachment A and the graph in Attachment G). This is primarily related to lower-than-anticipated workers' compensation costs, lower paid-absence costs, and the timing of a variety of service costs in progress.

Personnel. Total personnel costs were \$388,000, or 1.0 percent, under budget (see Attachment H). This is due primarily to four items. Workers' compensation costs came in lower than budgeted (shown in the graph in Attachment I) by \$424,000. Paid absences (such as sick, vacation, and holiday) came in \$422,000 lower and were related to estimates on the timing of when those would be paid. Some of this related to those costs being lower than estimated in the budget and some related to the timing of those costs. Fringe benefit costs were \$169,000 higher than budgeted and related to medical and dental expenses coming in higher than anticipated. SDTC is self-insured on management and retirees health and welfare costs. Wages were \$289,000 higher than budgeted primarily due to operators and mechanics overtime.

Outside Services. These costs were \$224,000 (7.8 percent) less than budgeted. The largest area, other outside services, was \$230,000 below budget. This area included legal expenses, general professional services, temporary help, contract services, custodial services, and the printing of schedules. The difference from budget resulted in timing on a variety of services in progress and reductions in spending in these areas to cover overages in other areas. Engines and transmissions were over budget by \$66,000 and related to timing as SDTC finished a large number in February. This line item will even out by the close of the year to finish on budget.

Materials and Supplies. This area was \$30,000 under budget (1.0 percent). This was primarily from lower supplies usage earlier in the fiscal year.

Energy. Diesel fuel was slightly above budget at \$1.09 per gallon (\$1.05 in the budget). Diesel prices for the last 12 months are illustrated in the graph on Attachment J. CNG for the fiscal year through March was \$.92 per therm (amended budget of \$.90). The pricing for CNG can be seen on the graph on Attachment K.

We have seen very high diesel prices recently. Our cost for the month of March was \$1.25 per gallon. Recent deliveries have been at \$1.70. Attachment L shows the possible effects of higher prices for the fourth quarter of FY 04 and the current budget proposal for FY 05.

Risk Management. We finished March under budget by \$200,000. This was primarily the result of lower-than-anticipated claims and timing of legal and other related costs that lagged.

The individual departments' expenses against the amended budget are captured on Attachment M. They reflect, in varying degrees, the situation discussed above.

Executive Administration. This area was \$54,000 under budget due primarily to an unfilled position.

Transportation. This area was \$252,000 under budget. The two large factors involved here were the lower-than-budgeted workers' compensation costs offset by higher operator overtime costs.

Maintenance. This area was \$293,000 over budget due to a combination of higher energy cost (diesel and CNG), higher supplies costs, the timing for higher engines and transmissions costs, and higher mechanics overtime. These were offset somewhat by lower workers' compensation costs.

Passenger Services. This area was \$83,000 under budget due primarily to unfilled positions in telephone information services.

Administrative Services. This area was \$193,000 under budget. This was due primarily to outside services as discussed above and temporarily unfilled positions.

Risk Management Services. This area was \$174,000 under budget as discussed above in Risk Management.

Human Resources and Training. This area was \$103,000 under budget due primarily to unfilled positions in the training area.

Quality Assurance/Storeroom. This area was \$92,000 under budget due to unfilled positions earlier in the fiscal year.

Safety. This area was \$12,000 under budget due to the timing of payments for fees and licenses.

General Expense. This area was \$330,000 under budget primarily due to lower legal costs, lower electrical usage, and the timing of sick and vacation payouts.

Net Subsidy

Overall, we gained \$14,000 against the amended budget in revenue. We gained \$1,000,000 of lower expenses, a significant portion of which is of a timing nature. The net subsidy amount for fiscal year-to-date March was \$34,662,000 compared to an amended budget of \$35,676,000 for a difference of \$1,014,000 less subsidy (see the graph in Attachment N).




Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Claire Spielberg, 619.238.0100, Ext. 400, claire.spielberg@sdmts.com

JGarde/13-04MAY27.CSPIEL
5/12/04

Attachments: A. Financial Comparison to Budget
B. Comparative Fares
C. Operating Statistics
D. Passenger Fares
E. Comparative Ridership
F. Ridership
G. Operating Expenses
H. Personnel Costs
I. Workers' Compensation Costs
J. Monthly Average Diesel Price
K. Monthly CNG Price
L. Impact of Diesel Fuel Prices
M. Departmental Expenses
N. Net Subsidy Cost



Board Only

SAN DIEGO TRANSIT CORP
FINANCIAL COMPARISON TO AMENDED BUDGET - FY04
MARCH 2004
(in \$000's)

	NINE MONTHS ENDING MARCH 31, 2004				FULL YEAR	
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
REVENUE						
Passenger Fares	17,488	17,405	83	0.5%	22,600	5,112
Advertising	515	605	(90)	-14.9%	800	285
Contracted Service Revenue	17	17	0	0.0%	25	8
Other	99	78	21	26.9%	100	1
Total Operating Revenue	18,119	18,105	14	0.1%	23,525	5,406
Operating Support	34,756	34,756	0	0.0%	48,123	13,367
Total Revenue	52,875	52,861	14	0.0%	71,648	18,773
<u>Personnel</u>	40,160	40,548	388	1.0%	53,927	13,767
<u>Outside Services</u>						
Marketing	167	167	0	0.0%	222	55
Security	697	723	26	3.6%	964	267
Repair/Maintenance Services	368	435	67	15.4%	582	214
Engine and Transmission Rebuild	511	412	(99)	-24.0%	640	129
Other Outside Services	899	1,129	230	20.4%	1,446	547
Purchased Transportation			-	-		
Other Contracted Bus Services			-	-		
Total Outside Services	2,642	2,866	224	7.8%	3,854	1,212
<u>Materials & Supplies</u>						
Lubricants	82	90	8	8.9%	120	38
Tires/Tubes	472	459	(13)	-2.8%	604	132
Other Materials and Supplies	2,491	2,525	34	1.3%	3,358	867
Total Main. Parts and Supplies	3,045	3,074	29	0.9%	4,082	1,037

Att. A, AI 13, 5/27/04, OPS 960.3

SAN DIEGO TRANSIT CORP
FINANCIAL COMPARISON TO AMENDED BUDGET - FY04
MARCH 2004
(in \$000's)

	NINE MONTHS ENDING MARCH 31, 2004				FULL YEAR	
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
<u>Energy</u>						
Diesel Fuel	1,550	1,511	(39)	-2.6%	2,014	464
CNG	2,426	2,422	(4)	-0.2%	3,229	803
Fuel and Electricity for Facilities	359	441	82	18.6%	592	233
Total Energy	4,335	4,374	39	0.9%	5,835	1,500
<u>Risk Management</u>	2,315	2,515	200	8.0%	3,432	1,117
<u>General and Administrative</u>	284	404	120	29.7%	518	234
OPERATING EXPENSES	52,781	53,781	1,000	1.9%	71,648	18,867
TOTAL REVENUE LESS OPERATING EXPENSES	94	(920)	1,014	-110.2%	0	(94)
OPERATING REVENUE LESS OPERATING EXPENSES	(34,662)	(35,676)	1,014	-2.8%	(48,123)	(13,461)

SAN DIEGO TRANSIT CORP
OPERATING STATISTICS FY04/FY03
MARCH 2004

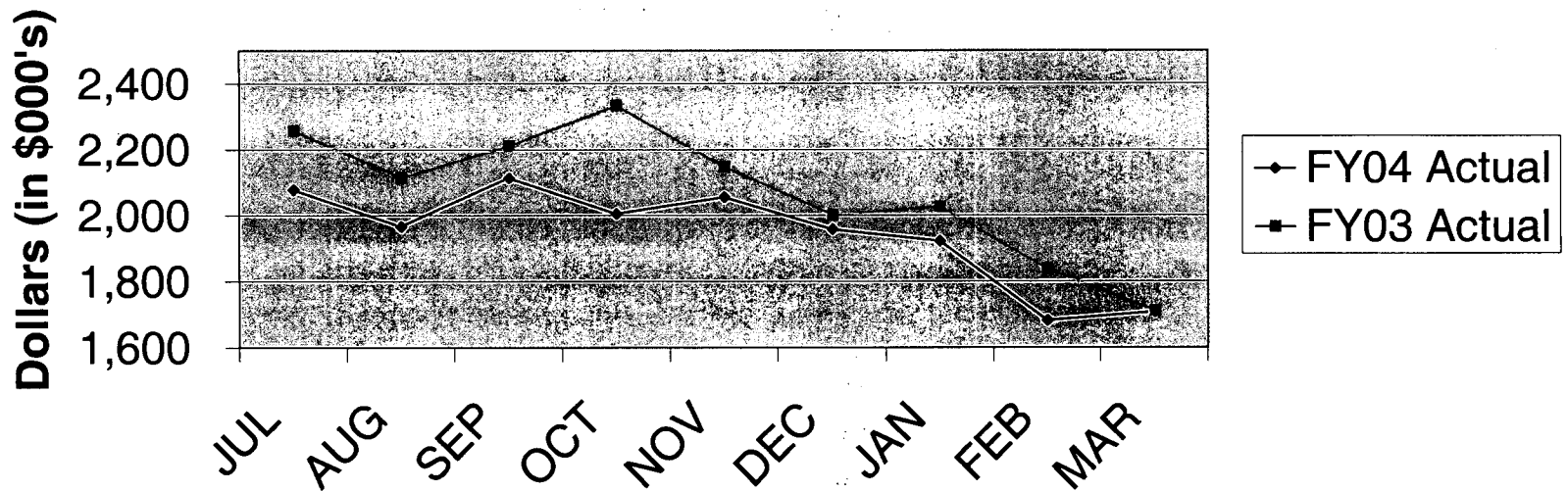
FARE CATEGORY	NINE MONTHS ENDING MARCH 31, 2004		FULL YEAR FY04 AMENDED BUDGET
	FY04 ACTUAL	FY03 ACTUAL	
Farebox Recovery %	33.1%	34.7%	31.5%
Cost per Revenue Mile	\$6.77	\$6.53	\$6.93
Cost per Total Passenger	\$2.76	\$2.43	\$2.84
Average Fare per Total Passenger	\$0.910	\$0.846	\$0.897
Total Passengers per Revenue Mile	2.46	2.68	2.44
Total Employees (FTEs)	885	935	901

Att. B, AI 13, 5/27/04, OPS 960.3

SAN DIEGO TRANSIT CORP
COMPARATIVE FARES FY04/FY03
MARCH 2004
(in \$000's)

FARE CATEGORY	NINE MONTHS ENDING MARCH 31, 2004			
	FY04	FY03	VARIANCE	% VAR
Full Fare Cash	7,291	7,818	(527)	-6.7%
Senior and Disabled Cash	386	372	14	3.8%
Full Fare Pass	3,748	4,061	(313)	-7.7%
Senior and Disabled Pass	2,618	2,821	(203)	-7.2%
Youth Pass	2,266	2,500	(234)	-9.4%
Trippers and Tickets	934	820	114	13.9%
Tokens	245	288	(43)	-14.9%
Fare Box Revenue	<u>17,488</u>	<u>18,680</u>	<u>(1,192)</u>	<u>-6.4%</u>

**San Diego Transit Corp
Passenger Fares
FY04 Actual vs FY03 Actual
Nine Months Ending March 31, 2004**

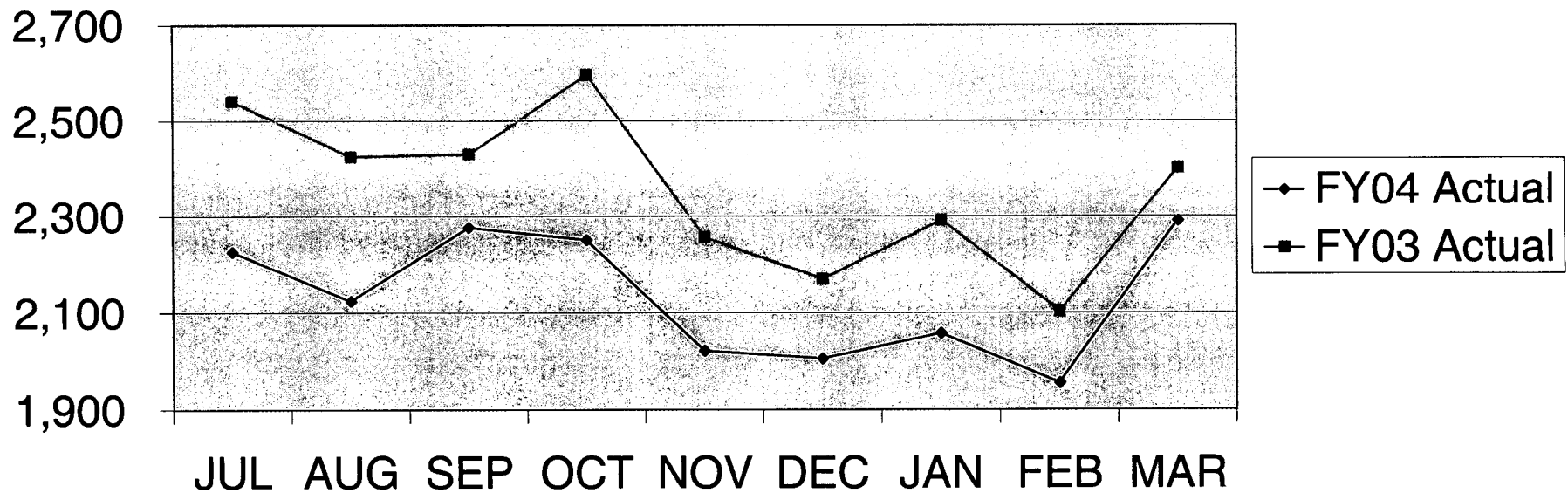


SAN DIEGO TRANSIT CORP
COMPARATIVE RIDERSHIP FY04/FY03
MARCH 2004
(in 000's of passengers)

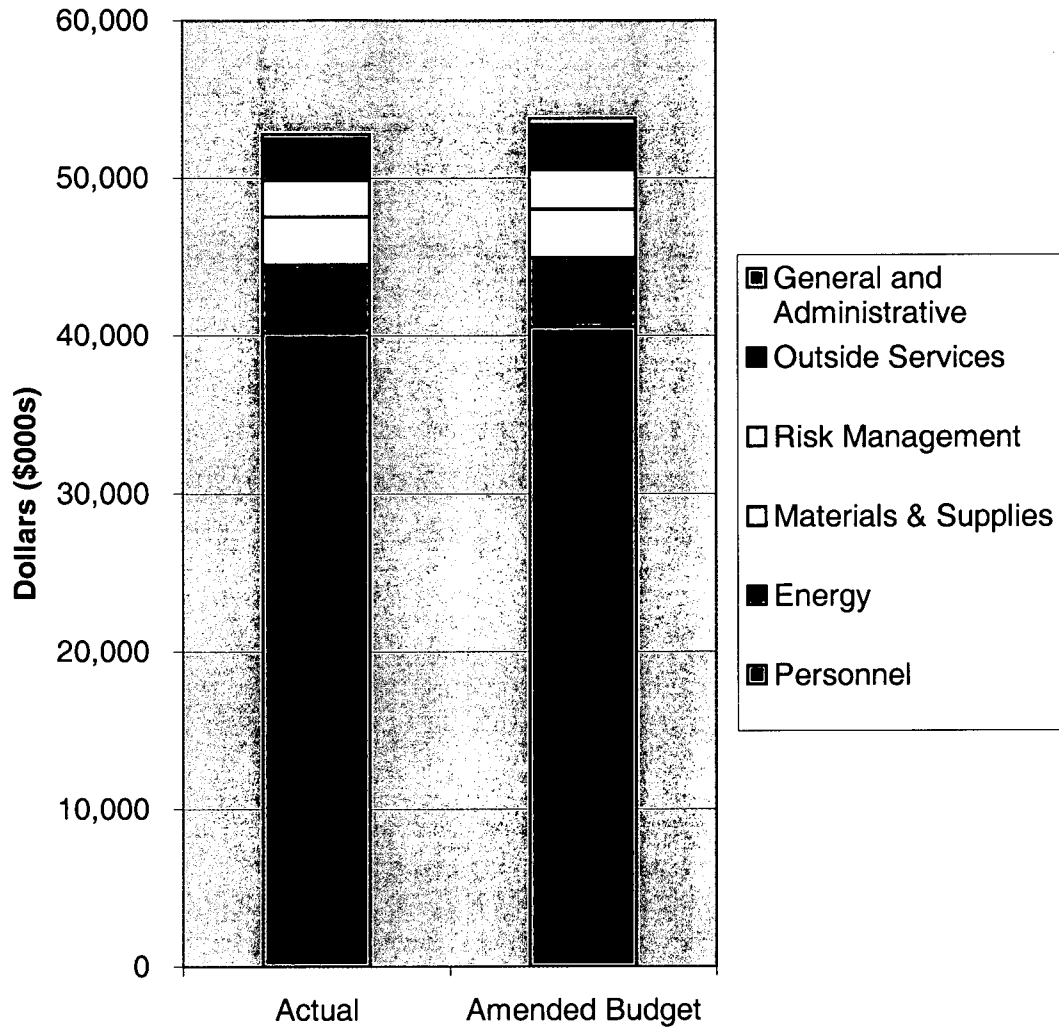
PASSENGER CATEGORY	NINE MONTHS ENDING MARCH 31, 2004			
	FY04	FY03	VARIANCE	% VAR
Full Fare Cash	3,193	3,837	(644)	-16.8%
Senior and Disabled Cash	385	372	13	3.5%
Full Fare Pass	4,038	4,750	(712)	-15.0%
Senior and Disabled Pass	5,332	5,780	(448)	-7.8%
Youth Pass	1,741	2,104	(363)	-17.3%
Trippers and Tickets	479	516	(37)	-7.2%
Tokens	120	163	(43)	-26.4%
Revenue Passengers	<u>15,288</u>	<u>17,522</u>	<u>(2,234)</u>	<u>-12.7%</u>
Transfers	3,072	3,587	(515)	-14.4%
Non Revenue	<u>845</u>	<u>970</u>	<u>(125)</u>	<u>-12.9%</u>
Total Passengers	<u><u>19,205</u></u>	<u><u>22,079</u></u>	<u><u>(2,874)</u></u>	<u><u>-13.0%</u></u>

Att. E, AI 13, 5/27/04, OPS 960.3

**San Diego Transit Corp
Ridership
(Without Route 55)
FY04 Actual vs FY03 Actual
Nine Months Ending March 31, 2004**



**San Diego Transit Corp
Operating Expenses
FY04 Actual vs FY04 Amended Budget
Nine Months Ending March 31, 2004**

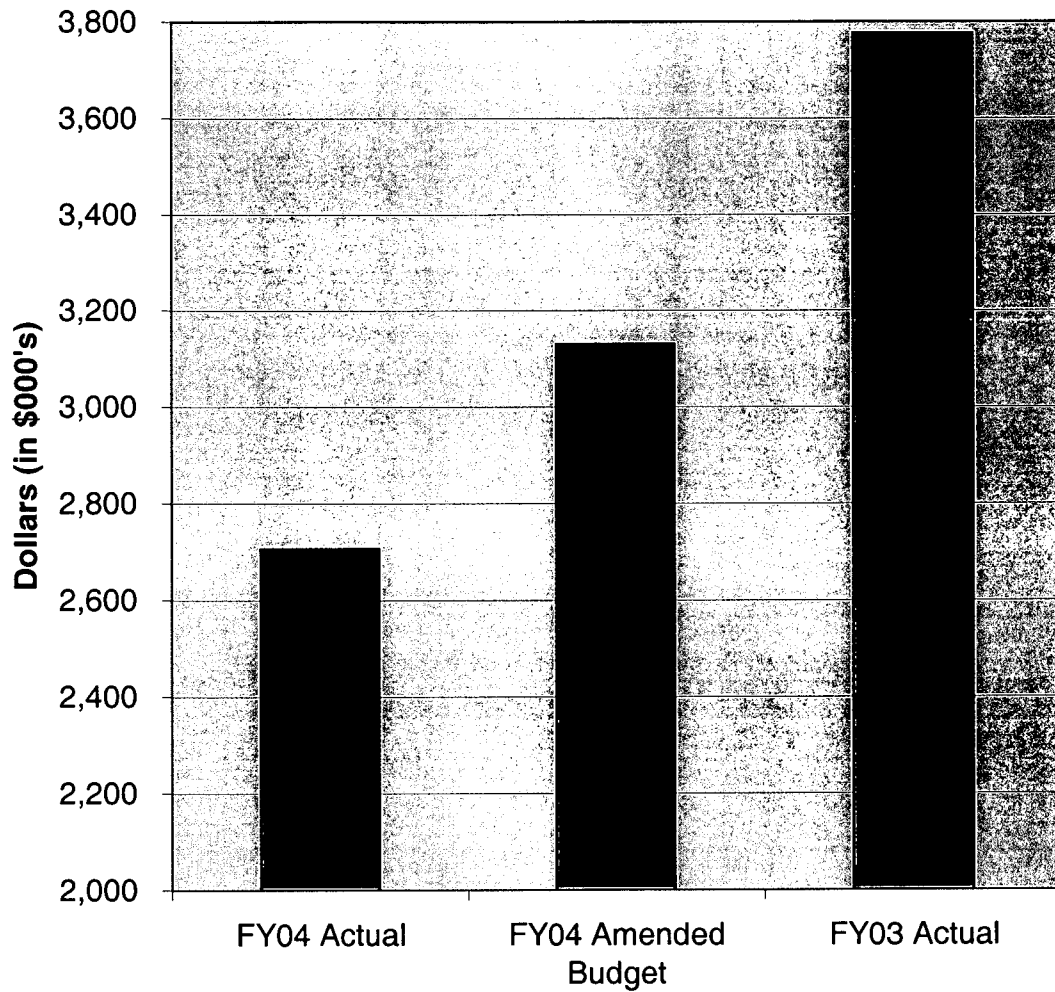


SAN DIEGO TRANSIT CORP
FY04 PERSONNEL COST
MARCH 2004
(in \$000's)

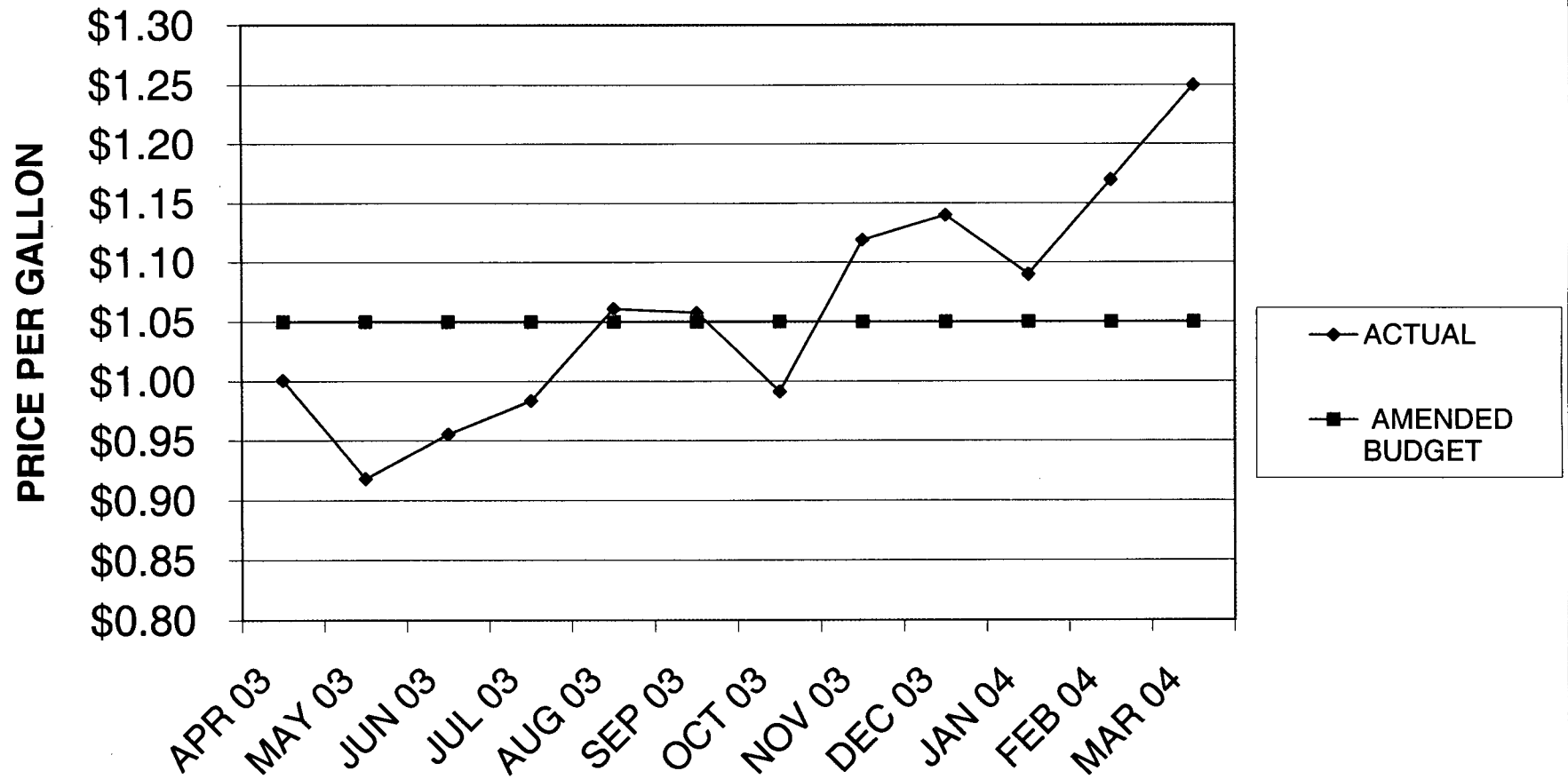
DEPARTMENT	NINE MONTHS ENDING MARCH 31, 2004				FULL YEAR	
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
Wages	23,802	23,513	(289)	-1.2%	31,367	7,565
Paid Absences	3,535	3,957	422	10.7%	5,124	1,589
Workman's Compensation	2,706	3,130	424	13.5%	4,180	1,474
Fringes	6,732	6,563	(169)	-2.6%	8,686	1,954
Pension	3,985	3,985	0	0.0%	5,319	1,334
Cost Recovery	(600)	(600)	0	0.0%	(749)	(149)
Total Personnel Costs	<u>40,160</u>	<u>40,548</u>	<u>388</u>	<u>1.0%</u>	<u>53,927</u>	<u>13,767</u>

Att. H, AI 13, 5/27/04, OPS 960.3

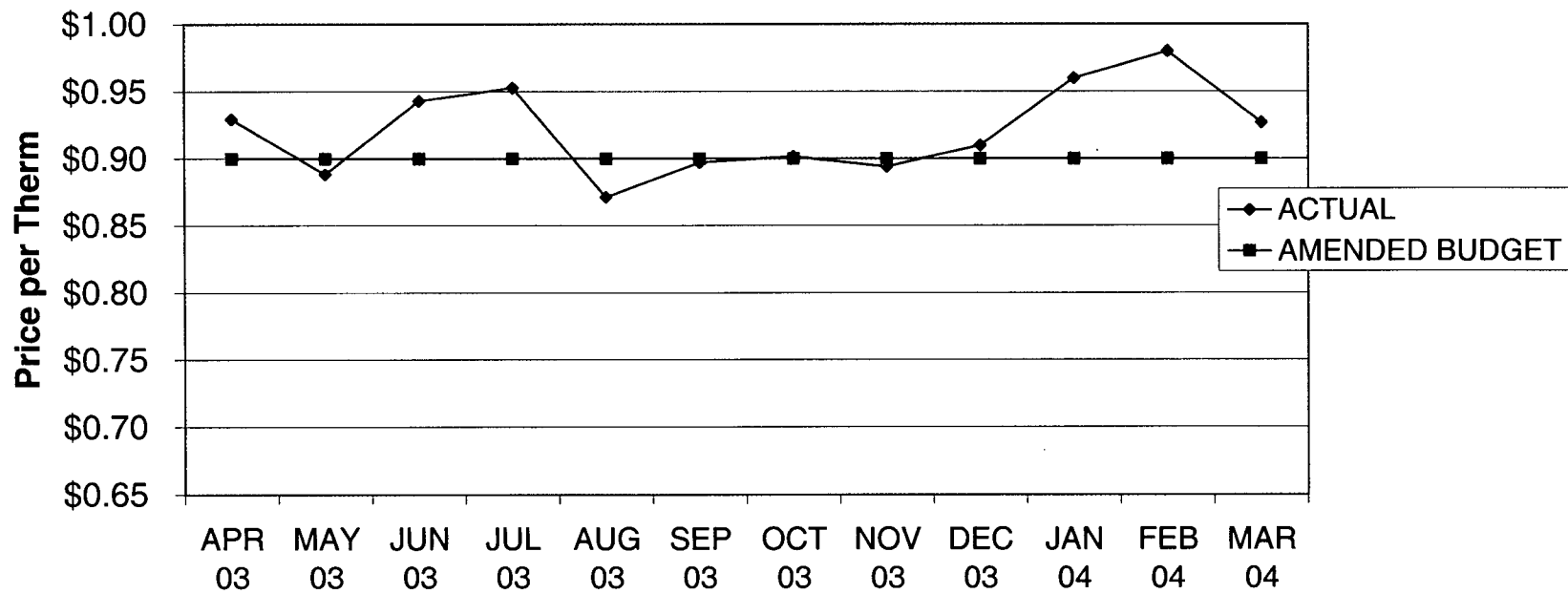
**San Diego Transit Corp
Workers' Compensation Costs
FY04/03 Actual and FY04 Amended Budget
Nine Months Ending March 31, 2004**



**San Diego Transit Corp
Monthly Average Diesel Price
April, 2003 - March, 2004**



**San Diego Transit Corp
Monthly CNG Price
April, 2004 - March, 2004**



SAN DIEGO TRANSIT CORP

BUDGET FY04/FY05

IMPACT OF DIESEL FUEL PRICES

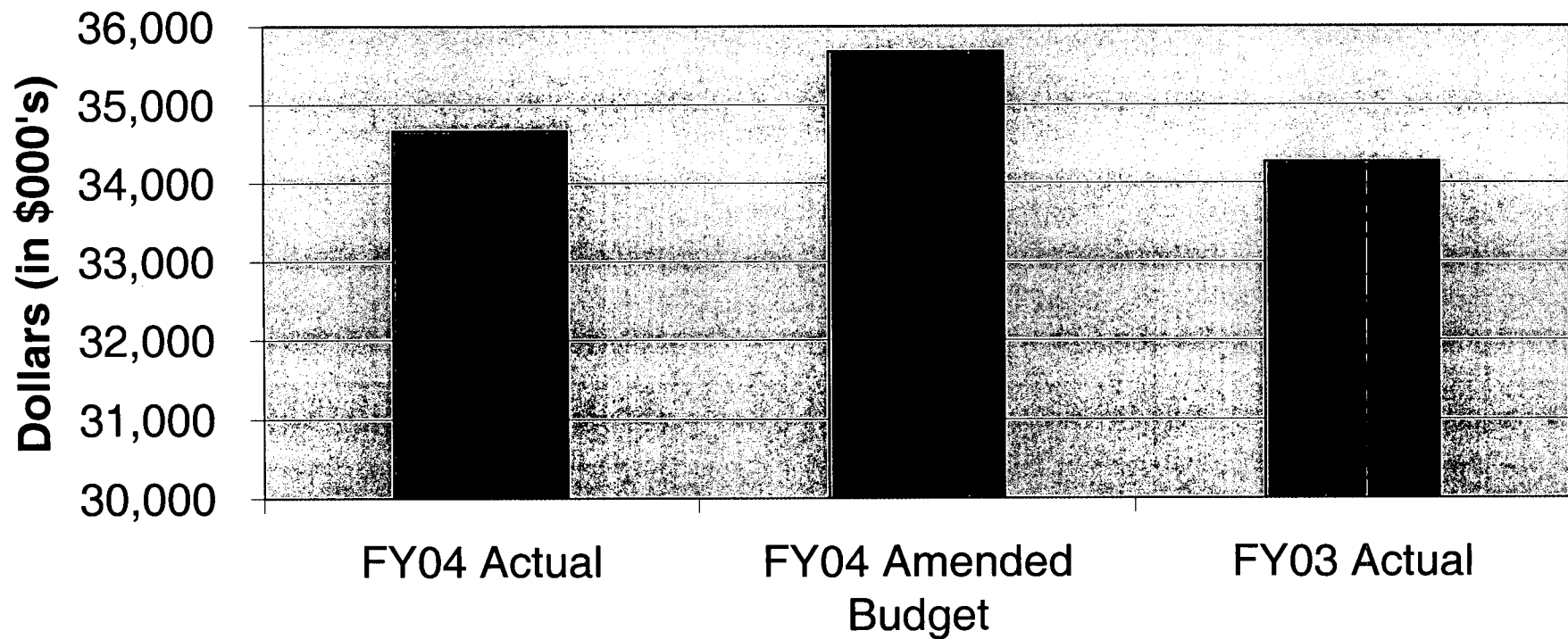
	4TH QTR FY04	PROPOSED FY05
NUMBER OF DAYS IMPACTED	91	365
BUDGETED DIESEL PRICE	\$1.050	\$1.100
FUEL TAXES	<u>\$0.103</u>	<u>\$0.107</u>
TOTAL COST	\$1.153	\$1.207
ESTIMATED/BUDGETED GALLONS	<u>400,000</u>	<u>1,447,000</u>
TOTAL BUDGETED DOLLARS	<u><u>\$461,350</u></u>	<u><u>\$1,746,891</u></u>
 COST PER \$.01 INCREASE IN DIESEL PRICE	 <u><u>\$4,310</u></u>	 <u><u>\$15,590</u></u>
 <u>BUDGET IMPACT (INCREASED COST) AT VARIOUS PRICE POINTS</u>		
\$1.30	\$107,800	\$311,800
\$1.35	\$129,300	\$389,800
\$1.40	\$150,900	\$467,700
\$1.45	\$172,400	\$545,700
\$1.50	\$194,000	\$623,700
\$1.55	\$215,500	\$701,600
\$1.60	\$237,100	\$779,600
\$1.65	\$258,600	\$857,500
\$1.70	\$280,200	\$935,500

SAN DIEGO TRANSIT CORP
FY04 DEPARTMENTAL EXPENSES
MARCH 2004
(in \$000's)

DEPARTMENT	NINE MONTHS ENDING MARCH 31, 2004				FULL YEAR	
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
Executive Administration	837	891	54	6.1%	1,192	355
Transportation	23,719	23,971	252	1.1%	31,774	8,055
Maintenance	15,812	15,519	(293)	-1.9%	20,738	4,926
Passenger Services	1,095	1,178	83	7.0%	1,587	492
Administrative Services	1,602	1,795	193	10.8%	2,434	832
Risk Management Services	2,465	2,639	174	6.6%	3,596	1,131
Human Resources & Training	779	882	103	11.7%	1,174	395
Quality Assurance/Stores	705	797	92	11.5%	1,072	367
Safety	122	134	12	9.0%	174	52
General Expense	5,645	5,975	330	5.5%	7,907	2,262
Total Departmental Expenses	<u>52,781</u>	<u>53,781</u>	<u>1,000</u>	<u>1.9%</u>	<u>71,648</u>	<u>18,867</u>

Att. M, AI 13, 5/27/04, OPS 960.3

**San Diego Transit Corp
Net Subsidy Cost
FY04 Actual vs FY04 Budget vs FY03 Actual
Nine Months Ending March 31, 2004**





1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 14

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 920.5 (PC 30132)

May 27, 2004

Subject:

MTDB: MTS SORRENTO VALLEY COASTER CONNECTION AND REVERSE
COMMUTE POWAY EXPRESS CONTRACT AMENDMENTS

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer to execute amendments with:

1. Laidlaw Transit Services, Inc. (Laidlaw), for the operation of two new Caltrans-funded routes, 981 and 982, part of MTS's Sorrento Valley Coaster Connection (SVCC) service; and
2. Coach USA to provide reverse commute express service between Poway and San Diego.

Budget Impact

SVCC Caltrans Service. None. The cost of the additional SVCC service is not to exceed \$125,000 for FY 05. Caltrans will pay for the full operating and capital cost of the SVCC routes. This new service is already included in the FY 04 budget. The current SVCC contract with Laidlaw encumbers \$2,059,858 for existing services for the life of the contract. The amendment will result in an encumbrance increase to \$2,183,893.

Reverse Commute Express Service Poway – San Diego. The Coach USA contract amendment will result in the estimated expenditure of \$127,628 in FY 05 and \$153,153 in FY 06. The MTS Commuter Express service will be supported by a combination of Jobs Access Reverse Commute (JARC), Air Pollution Control District (APCD) funding, and passenger fare revenue.



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

DISCUSSION:

SVCC Caltrans Service

Caltrans is required to mitigate the traffic impacts of its I-5/I-805 Interchange Reconstruction Project. Caltrans requested that MTDB provide shuttle services to encourage commuters to use the Coaster rather than the freeway facilities under construction. On July 25, 2002, the MTD Board of Directors approved such an agreement with Caltrans and authorized the previous General Manager to amend the SVCC contractor's contract. Since that time, uncertainty of Traffic Congestion Relief Program (TCRP) funds from Caltrans delayed the implementation of this service, and MTS has a new contractor (LAIDLAW) providing the SVCC service.


The TCRP funds have been approved for transfer, and MTS will take delivery of the vehicles shortly. Laidlaw would operate the services under the terms and conditions of its existing SVCC contract, as amended, beginning no sooner than July 1, 2004, depending upon delivery of two new mini-buses to MTS, due in May or June. Laidlaw has been operating the SVCC service since December 2, 2002, with the contract base term ending on June 30, 2005.

The two additional routes will provide service from the Sorrento Valley Coaster Station to the University City area:

- Route 981 will serve La Jolla Village Drive, Executive Drive, Towne Centre Drive, and Judicial Drive.
- Route 982 will serve Genesee Avenue, Eastgate Mall, and Towne Centre Drive.

Reverse Commute Express Service Poway – San Diego

On April 16, 2004, the San Diego Association of Governments (SANDAG) Transportation Committee approved the use of the awarded APCD grant of \$100,000 and JARC of \$100,000 funding to implement a new reverse commute express route. This new reverse-commute service between downtown San Diego/Mid-City and the Poway Business Park will be operated by Coach USA. Service implementation will consist of six daily trips (three a.m. and three p.m. trips) and is scheduled for startup in late summer or early fall 2004.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Susan Hafner, 619.595.3084, susan.hafner@sdmts.com

PSmith/AIS/#14-04MAY27.DBRAUN

Attachments: A. Contract Amendment Letter to Laidlaw Transit Services, Inc.
B. Laidlaw Transit Services, Inc., Workforce Report
C. Contract Amendment Letter to Coach USA
D. Coach USA Workforce Report

} **Board Only**

Metropolitan Transit System

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

May 27, 2004



DRAFT

MTDB Doc. No. B0369.2-03
OPS 920.5 (PC 30132)

Ms. Susan Spry
Area Vice President
Laidlaw Transit Services, Inc.
15260 Ventura Boulevard, Suite 1050
Sherman Oaks, CA 91403

Dear Ms. Spry:

Subject: AMENDMENT NO. 2 TO ORIGINAL CONTRACT, MTDB DOC. NO. B0369.0-03;
SORRENTO VALLEY COASTER CONNECTION SERVICE

In accordance with Article 2, "CHANGES," of our original agreement (MTDB Doc. No. B0369.0-03), MTDB amends the contract per the following.

Article 3, Payment

Replace the chart in Section A, "Revenue Hours," with the following:

Base Years	Estimated Revenue Hours	Rate per Revenue Hour Buses Provided By:	
		MTDB	Contractor
12/2/02-6/30/03	8,584	\$37.81	\$45.73
7/1/03-6/30/04	14,800	\$39.39	\$47.32
7/1/04-6/30/05	17,750	\$41.12	\$49.04

Note: Changes are listed in **boldface** type.

Change the last sentence of the third paragraph of Section A to read:

"Approximately 69.5 scheduled revenue hours per day are operated with 12 vehicles."

Replace the first paragraph of Section F, "Maximum Payable," with the following:

"The amount of payment based on estimated revenue service hours due Contractor is estimated to be \$1,939,709 for the transit service provided during the period of December 2, 2002, through June 30, 2005. The total cost of this Agreement including start-up costs (\$35,000 maximum), with cost based on revenue hours, performance bonuses (if applicable), and fuel costs, shall not exceed \$2,183,893 (see chart below)."

Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a public agency, San Diego Transit Corporation, and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is also the Taxicab Administrator for eight cities, and MTDB is the owner of the San Diego and Arizona Eastern Railway Company.

MTDB Member Agencies include: 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, and the County of San Diego.

For personal trip planning or route information, call 1-800-COMMUTE or visit our website at sdcommute.com/

Replace the chart in Section F, "Maximum Payable," with the following:

EXPENSE	YEAR 1 12/2/02 - 6/30/03	YEAR 2 7/1/03 - 6/30/04	YEAR 3 7/1/04 - 6/30/05	TOTAL
Start-Up Costs: (\$35,000 Maximum)	\$ 35,000	\$ -	\$ -	\$ 35,000
Performance Surety:	\$ 1,000	\$ 1,000	\$ 1,000	\$ 3,000
Per Hour Cost:	\$ 392,546	\$ 700,336	\$ 846,827	\$ 1,939,709
Fuel Cost: Estimated Pass-Through Expenses:	\$ 35,000	\$ 65,000	\$ 65,000	\$ 165,000
Performance Bonuses:	\$ 8,584	\$ 14,800	\$ 17,800	\$ 41,184
Total Costs:	\$ 472,130	\$ 781,136	\$ 930,627	\$ 2,183,893

Note: Changes are listed in **boldface** type.

Article 4, Contractor-Furnished Equipment

Add the following paragraph as the last paragraph of the article:

"MTS will provide Contractor with two vehicles that are to be used on Routes 981 and 982 whenever possible. These MTS-provided buses shall be in revenue service daily and should only be used as a spare when so required for maintenance or other reasons. Repair and maintenance of these vehicles continues to be governed by this Article 4."

Attachment 1, Route Characteristics Summary

Replace Attachment 1, Route Characteristics Summary (page 24), with the Route Characteristics Summary provided for FY 05, notably adding Routes 981 and 982 to the summary and incorporating a rate column to distinguish between rates for Laidlaw Transit Service (LTS)-owned vehicles and MTS-owned vehicles.

MTS has scheduled the start date of these routes to be no sooner than July 6, 2004. However, this start date is contingent upon the delivery of the two new vehicles to operate routes 981 and 982. MTS will inform LTS of the exact start date, if different than July 6, 2004, when the delivery date of these new vehicles is confirmed.

Ms. Susan Spry
May 27, 2004
Page 3

All other conditions remain unchanged. If you agree with the above, please sign below and return the document marked "original" to the Contracts Administrator at MTS. The other copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Susan Spry
Area Vice President

PSmith/CL-CL-B0369.2-03.DBRAUN

Date: _____

DRAFT

Att. B, AI 14, 5/27/04, OPS 920.5



**EQUAL EMPLOYMENT OPPORTUNITY PROGRAM
WORKFORCE REPORT**

The Metropolitan Transit Development Board (MTDB) enforces an Equal Employment Opportunity (EEO) program established under policies and procedures No. 26. This program prohibits discrimination in employment and requires MTDB contractors to be equal opportunity employers. You may submit a copy of the Employer Information Report, EEO-1, in lieu of this form.

PLEASE COMPLETE ALL SECTIONS OF THIS FORM.

A. NAME OF COMPANY:

Laidlaw Transit Services Inc

B. AKA/DBA:

C. ADDRESS OF ESTABLISHMENT LOCATED IN SAN DIEGO COUNTY:

12343 Oak Knoll Road
Poway CA 92064

D. If there is no office in San Diego County, or if there are less than 15 employees in that office, include an address for your regional office that will oversee the work under MTDB's contract

City _____ County _____ State _____ Zip _____

E. Employment Data

Include the employees located in San Diego County only, unless your firm employs fewer than 15 people locally. In that event, you should list the workforce of the regional office that will oversee the work under MTDB's contract. Report all permanent full-time and part-time employees including apprentices and on-the-job trainees. Blank spaces will be considered as zeros.

Occupational Category	African American		Hispanic		Asian or Pacific Islander		Native American		Other		Overall Total
	M	F	M	F	M	F	M	F	M	F	
Executive/Managerial									1	1	
Engineers/Architects/Surveyors											
Professionals (N.E.C.)											
Technicians											
Sales											
Administrative Support		1	1						1	1	
Protective Services											
Services (N.E.C.)					1						
Craft Workers (Skilled)									1		
Machine Operators, Assemblers & Inspectors											
Transportation and Material Moving	1	1	5	1					12	4	
Laborers (Unskilled)											
Totals For Each Column											
Indicate by gender and ethnic code the number of the above workforce which are persons with disabilities											
Disabled	1	2	1	1					15	6	

F. THE UNDERSIGNED HEREBY CERTIFIES THAT THE FOREGOING DATA CONTAINED HEREIN IS TRUE AND CORRECT.

Lisa Prince

AUTHORIZED SIGNATURE

NAME OF SIGNEE

District Mgr 10-24-02

TITLE

DATE

G. NAME, ADDRESS AND PHONE NUMBER OF PERSON TO CONTACT REGARDING THIS REPORT

Lisa Prince

Cell phone 619 247-6094

12343 Oak Knoll Road

Poway CA 92064

Metropolitan Transit System

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

May 27, 2004



DRAFT

MTS Doc. No. B0340.3-02
OPS 920.6 (PC 30203)

Mr. Russ McKnight
General Manager
Coach USA
3888 Beech Street
San Diego, CA 92105

Dear Mr. McKnight:

Subject: AMENDMENT NO.3 TO MTDB DOC. NO. B0340.0-02 – COMMUTER EXPRESS BUS SERVICE

This letter shall serve as Amendment No. 3 to our original agreement (reference MTDB document No. B0340.0-02).

In accordance with the provisions of the above-referenced contract, MTS elects to increase the number of revenue miles by 80,223 at an agreed-upon rate of \$3.50 per revenue mile. This increase is for a new reverse commute express route. The term of this third Amendment is from September 7, 2004, through June 30, 2006 (22 months). The cost of this amendment is \$280,781, based on 80,223 revenue miles.

According to Contract Article II under General Provision Section Q – Special Funding Consideration – This Agreement will be financed with funds available to MTS under Jobs Access Reverse Commute (JARC) and the Air Pollution Control District (APCD). This Agreement is contingent upon the receipt of these funds by MTS. In the event that funding from the JARC and APCD is eliminated or decreased, MTS reserves the right to terminate this Agreement or modify it accordingly. The Contractor hereby expressly waives any and all claims against MTS for damages arising from the termination, suspension, reduction and/or the decision of MTS to reduce or terminate allocation of funds provided under which this Agreement is made.

1. Rate shall be as follows:

9/7/04 – 6/30/05 = \$3.50 per revenue mile (\$127,628)
7/1/05 – 6/30/06 = \$3.50 per revenue mile (\$153,153)

2. Total estimated base revenue miles for this new service is 80,223.

All other terms and conditions of the original contract shall remain unchanged.

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For personal trip planning or route information, call 1-800-COMMUTE or visit our website at sdcommute.com!

Mr. Russ McKnight
May 27, 2004
Page 2

If you agree with the above, please sign in the space provided below and return the document marked "original" to the Contracts Administrator at MTS. The other copy is for your records.

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Office

Russ McKnight
Coach USA

PSmith/CL-
CL-B0340.3-02.JPEREZ

Date: _____

DRAFT

**EQUAL EMPLOYMENT OPPORTUNITY PROGRAM
WORKFORCE REPORT**

The Metropolitan Transit Development Board (MTDB) enforces an Equal Employment Opportunity (EEO) program established under policies and procedures No. 26. This program prohibits discrimination in employment and requires MTDB contractors to be equal opportunity employers. You may submit a copy of the Employer Information Report, EEO-1, in lieu of this form.

PLEASE COMPLETE ALL SECTIONS OF THIS FORM.

A. NAME OF COMPANY:

CUSA GCBS, LLC

B. AKA/DBA:

Coach USA, Goodall's Charter Bus Service

C. ADDRESS OF ESTABLISHMENT LOCATED IN SAN DIEGO COUNTY:

3888 Beech St

San Diego CA 92105

D. If there is no office in San Diego County, or if there are less than 15 employees in that office, include an address for your regional office that will oversee the work under MTDB's contract

N/A

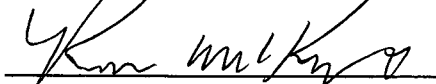
City _____ County _____ State _____ Zip _____

2. Employment Data

Include the employees located in San Diego County only, unless your firm employs fewer than 15 people locally. In that event, you should list the workforce of the regional office that will oversee the work under MTDB's contract. Report all permanent full-time and part-time employees including apprentices and on-the-job trainees. Blank spaces will be considered as zeros.

Occupational Category	African American		Hispanic		Asian or Pacific Islander		Native American		Other		Overall Total
	M	F	M	F	M	F	M	F	M	F	
Executive/Managerial	1								5	1	7
Engineers/Architects/Surveyors											
Professionals (N.E.C.)											
Technicians											
Sales		1							1		2
Administrative Support	3	1							1	3	8
Protective Services											
Services (N.E.C.)											
Craft Workers (Skilled)	1		1						5		7
Machine Operators, Assemblers & Inspectors											
Transportation and Material Moving	17	13	18	4	1				22	5	80
Laborers (Unskilled)			4						2		6
Totals For Each Column	22	15	23	4	1				36	9	110
Indicate by gender and ethnic code the number of the above workforce which are persons with disabilities											
Disabled											

F. THE UNDERSIGNED HEREBY CERTIFIES THAT THE FOREGOING DATA CONTAINED HEREIN IS TRUE AND CORRECT.


 AUTHORIZED SIGNATURE NAME OF SIGNEE TITLE DATE

G. NAME, ADDRESS AND PHONE NUMBER OF PERSON TO CONTACT REGARDING THIS REPORT

Russ McKnight
 3888 Beech St
 San Diego CA 92105 619 246-7365 x 112

ETHNIC IDENTIFICATION

African American (NOT OF HISPANIC ORIGIN): ALL PERSONS HAVING ORIGINS IN ANY OF THE BLACK RACIAL GROUPS OF AFRICA.
Hispanic ALL PERSONS OF MEXICAN, PUERTO RICAN, CUBAN, CENTRAL OR SOUTH AMERICAN, OR OTHER SPANISH CULTURE OR ORIGIN, REGARDLESS OF RACE

Asian or Pacific Islander ALL PERSONS HAVING ORIGINS IN ANY OF THE ORIGINAL PEOPLES OF THE FAR EAST, SOUTHEAST ASIA, THE INDIAN SUBCONTINENT, OR THE PACIFIC ISLANDS. THIS AREA, INCLUDES, CHINA, JAPAN, KOREA, THE PHILIPPINE ISLANDS, AND SAMOA.

Native American ALL PERSONS HAVING ORIGINS IN ANY OF THE ORIGINAL PEOPLES OF NORTH AMERICA, AND WHO MAINTAIN CULTURAL IDENTIFICATION THROUGH TRIBAL AFFILIATION OR COMMUNITY RECOGNITION

Other CAUCASIAN AND OTHERS NOT FALLING INTO ONE OF THE DESIGNATED CATEGORIES.

DISABLED DEFINITION

Any person who 1) has a physical or mental condition which limits one or more of such person's major life activities, 2) has a history of such a condition, or 3) is regarded as having such a condition. For purposes of this definition, "major life activity" means any mental or physical function or activity which, if impaired, creates a substantial barrier to employment.

OCCUPATIONAL CATEGORY LIST

Executive/Managerial

Executive, Management Related

Engineers/Architects/Surveyors

Professionals (N.E.C.)*

Mathematical and Computer Scientists

Natural Scientists

Health Diagnosing

Health Assessment and Treating

Teachers, Postsecondary

Teachers, Except Postsecondary

Counselors, Educational and Vocational

Librarians, Archivists, Curators

Social Scientists and Urban Planners

Social, Recreation and Religious Workers

Lawyers and Judges

Writers, Artists, Entertainers & Athletes

Technicians

Health Technologists and Technicians

Engineering and Related Technologists and Technicians

Science Technicians

Technicians, Except Health, Engineering and Service

Sales

Supervisors and Proprietors

Sales Representatives, Finance and Business Services

Sales Representatives, Commodities Except Retail

Sales Workers, Retail and Personal Services

Other Sales Related

Administrative Support

Supervisors of Administrative Support

Computer Equipment Operators

Secretaries, Stenographers, Typists

Information Clerks

Records Processing, Except Financial

Financial Records Processing

Duplicating and Other Office Machine Operators

Communications Equipment Operators

Mail and Message Distributing

Material Recording and Distributing Clerks

Adjusters and Investigators

Other Office/Clerical

*N.E.C.: Not Elsewhere Classified

Protective Services

Supervisors of Protective Services

Firefighting and Fire Prevention

Police and Detectives

Guards & Other Protective Services

Services (N.E.C.)*

Private Households

Food Preparation and Services

Health Services

Cleaning and Building Services

Personal Services

Craft Workers (Skilled)

Supervisors of Mechanics and Repairers

Vehicle and Mobile Equipment Mechanics and Repairers

Industrial Machinery Repairers

Machinery Maintenance

Electrical and Electronic Equipment Repairers

Heating, Air Conditioning, Refrigeration, Mechanics

Other Mechanics and Repairers

Supervisors of Construction Trades

Construction Trades, Except Supervisors

Extractive Occupations

Precision Production Occupations

Machine Operators, Assemblers & Inspectors

Metalworking and Plastic Working Machine Operator

Metal and Plastic Processing Machine Operators

Woodworking Machine Operators

Printing Machine Operators

Textile, Apparel and Furnishing Machine Operators

Machine Operators, Assorted Materials

Fabricators, Assembler and Hand Working Occupations

Production Inspector, Tester, Sampler, Weigher

Transportation and Material Moving

Motor Vehicle Operators

Rail Transportation Occupations

Water Transportation Occupations

Material Moving Equipment Operators

Laborers (Unskilled)

Handlers

Equipment Cleaners

Helpers & Laborers



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 15

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 970.11 (PC 30102)

May 27, 2004

Subject:

SDTI: FIRST QUARTER 2004 MTS SECURITY REPORT (JANUARY – MARCH 2004)

RECOMMENDATION:

That the Board of Directors receive this report for information.

Budget Impact

None (with the indicated recommendation).

DISCUSSION:

San Diego Trolley, Inc. (SDTI), staff compiles security statistics 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.

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



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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.

San Diego Trolley

Statistics compiled for first quarter 2004 indicate that Part I incidents increased compared to first quarter 2003. Overall, the number of Part I incidents increased during this reporting period in comparison to last year.

<u>PART I INCIDENTS</u>	<u>January – March 2003</u>	<u>January – March 2004</u>
Robbery	03	06
Theft	08	06
Aggravated Assault	03	05
Motor Vehicle Theft	02	04
Burglary	00	00
Arson	<u>00</u>	<u>00</u>
TOTAL	16	21

<u>PART II ARRESTS</u>	<u>January – March 2003</u>	<u>January – March 2004</u>
Other Assaults	10	09
Vandalism	12	07
Sex Offenses	00	00
Drug Abuse Violations	46	68
D.U.I.	00	00
Drunkenness	53	40
Disorderly Conduct	178	142
Trespassing	134	59
Curfew and Loitering	<u>56</u>	<u>11</u>
TOTAL	489	336

Because of our proactive enforcement approach and our Closed-Circuit Television (CCTV) Program, Part II arrests decreased from 489 in first quarter 2003 to 336 in first quarter 2004.

Fare evasion citations increased approximately 26 percent from 5,384 in first quarter 2003 to 6,782 in first quarter 2004.

Passenger Inspections

During first quarter 2004, the inspection rate was approximately 29 percent:

<u>Onboard Trains</u>	<u>Fare-Paid Zones</u>	<u>Total Passengers Inspected</u>
948,943	851,488	1,800,431

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

	<u>Passengers Carried</u>	<u>Part I Incidents/100,000</u>
January – March 2003	6,311,676	.25
January – March 2004	6,139,973	.34

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

	<u>Passengers Carried</u>	<u>Part II Arrests/100,000</u>
January – March 2003	6,311,676	7.75
January – March 2004	6,139,973	5.47

In addition to the categories that appear on the FTA Form 405, over 480 additional arrests were made for other violations occurring systemwide (SDTI, San Diego Transit Corporation [SDTC], and MTS).

Special Enforcement Unit (SEU)

One hundred 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 for various lengths of time, issuing citations to patrons who are not in possession of a valid fare.

During first quarter 2004, inspectors and officers contacted 40,023 passengers during 12 scheduled SEU "sweeps" systemwide. Of these, 881 passengers did not comply with the published fare structure. Of the 881 who were not in fare compliance, 561 were issued citations, and 320 were allowed to purchase an upgraded fare in order to meet compliance requirements. A total of \$391.32 in revenue was collected from patrons who were allowed to purchase or upgrade fares when found in noncompliance.

First quarter statistics from these special fare evasion inspections indicate a fare evasion rate of only 2.2%.

In addition to fare compliance, officers are also making arrests for quality of life violations such as possession of alcohol and illegal substances.

Multiagency Emergency Preparedness

Transit enforcement personnel are currently working with the South Bay emergency responders to develop the next Weapons of Mass Destruction Drill scheduled for July 24, 2004. The participating agencies include: Chula Vista and National City Fire and Police Departments, American Medical Response Paramedics, San Diego County Emergency Services, San Diego County Sheriff's Office (Bomb Squad - ASTREA), San Diego County Medical Examiners Office, Chula Vista Emergency Services, Scripps Memorial Hospital, Chula Vista Public Works, and ATC VANCOM.

Several additional meetings are scheduled over the next three months to finalize the details of the drill.

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).

Several requests from various law enforcement agencies to view videos have been handled this quarter in an ongoing effort to detect possible criminal activity on SDTI property. Further, as a proactive measure to analyze potential threats in the spirit of homeland security, a list of CCTV candidate stations has been created in order of priority.

Enhancements to the program will include a 14-camera system located at the San Diego State University Transit Center scheduled to be on-line in spring 2005.

San Diego Transit Corporation (SDTC)

Statistics compiled for first quarter 2004 indicate that Part I incidents against persons decreased compared to first quarter 2003.

<u>INCIDENTS</u>	<u>January – March 2003</u>	<u>January – March 2004</u>
Motor Vehicle Theft	00	00
Robbery	01	03
Theft	01	00
Aggravated Assault	04	00
Homicide	01	00
Forcible Rape	<u>00</u>	<u>00</u>
TOTAL	07	03

Arrests for Part II offenses fell 37 percent from last year's figures. Including fare evasion, there were 76 arrests for Part II offenses during first quarter 2003, compared to 48 arrests made during first quarter 2004.

<u>PART II ARRESTS</u>	<u>January – March 2003</u>	<u>January – March 2004</u>
Other Assaults	04	01
Vandalism	06	05
Sex Offenses	00	00
Drug Abuse Violations	23	13
D.U.I.	00	00
Drunkenness	05	05
Disorderly Conduct	09	07
Trespassing	00	02
Fare Evasion	02	01
Curfew and Loitering	<u>27</u>	<u>14</u>
TOTAL	76	48

The MTS Board requested a review of the current use of CCTV onboard SDTC buses.

In 1998, SDTC purchased 169 Loronix onboard CCTV recording systems for deployment on the fleet. At the time of that purchase, 169 units would have outfitted a little more than 50 percent of the fleet. The cost of this procurement was \$1.4 million.

The Loronix system was based on a Windows 95 Operating System. The first few attempts to mount and wire the system were unsuccessful, and reliability was so poor that SDTC would not accept the product. The third generation was more successful but still problematic and required a significant amount of maintenance to keep the system running. The contractor, ULTRAK, mitigated the maintenance issues by providing a full time technician for a period of one year, and paid the salaries of two SDTC maintenance technicians for a one-year period so they could be trained as CCTV technicians.

It was Y2K before the bugs were worked out and SDTC accepted the system. The first buses to be wired for the CCTV system in 1998 were the Series 300s. Because two years had passed before the bugs were worked out of the system, only a half dozen Series 300s were ever outfitted with recorders. The 300s were retired from service without ever being equipped with CCTV.

The Loronix system utilizes four cameras and a data pack-equipped recorder to capture images throughout the bus. The data pack must be removed from the bus and inserted into a standalone computer to retrieve images. Transferring images from this data pack to CD-ROM is very complicated, and currently only one SDTC Information Technology (IT) staff member can perform this task.

Current system reliability is 85 percent to 90 percent due to continuous and ongoing maintenance efforts. There is no service contract and all maintenance is performed by SDTC personnel.

One of the main problems with this system is that it drains a lot of power and has to be programmed to shut down after the bus has been turned off for a period of three to five minutes. This requires the computer to reboot when the bus is restarted. Rebooting can take as long as five minutes, which means there is a considerable amount of activity that is not recorded during the course of the day. For example, during a recent incident in which a skateboarder collided with a bus, the bus had just left a layover point and the

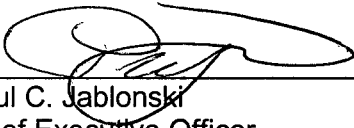
system had not rebooted by the time of the accident. Consequently, we were unable to ascertain if the accident victim had been a passenger on the bus just prior to the accident.

Of the 169 systems originally purchased, 115 are still in service. The 32 systems that were scheduled for installation in the 300 series were not installed and the parts from these systems are being used to keep the other systems running. The system was obsolete by Y2K and parts were/are not available. Some of the remaining systems were destroyed during bus fire incidents and some went to ATC contract services.

The 1600, 1800, and 1900 Series buses (115 buses) came prewired from the factory for CCTV; however, due to the reliability and maintenance issues noted above, CCTV systems were never purchased for these buses.

Recently, SDTC ordered 41 new buses that will come fully equipped with the new KALATEL CCTV systems. This system is currently being utilized very successfully by several large transit districts nationwide. The KALATEL systems are compatible with the wiring that was installed on the 1600, 1800, and 1900 Series buses and could be purchased for installation on those series of buses. The cost of these units is in the \$8K range. KALATEL is the current state-of-the-art system and images can be downloaded directly from the recorder onto a laptop. They also use very little power so they can be left on to record continuously. This is a vast improvement over our current technology.

Current technology results in smaller, more durable equipment that utilizes less power and provides clear video pictures. As this technology grows, the transfer of information is simpler and the length of storage is expanding.



Paul C. Jablonski
Chief Executive Officer

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

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5/12/04

Attachments: A. Board FTA 405 Reports (First Quarter 2003)
B. Board FTA 405 Reports (First Quarter 2004) } **Board Only**

☐ 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.
Location SDTI					
Part I Offenses (Reports)					
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	3	0			
			Patrons 1	2	0
			Employees 0	0	0
			Others 0	0	0
Aggravated assault	3	2			
			Patrons 0	1	0
			Employees 0	0	0
			Others 0	0	2
Property Crime	Inc Inv	Arrests			
Burglary	0	0			
Larceny/theft	8	1			
			Patrons 2	1	3
			Employees 0	0	0
			Others 0	1	1
Motor vehicle theft	2	0			
			Patrons 0	0	2
			Employees 0	0	0
			Others 0	0	0
Arson	0	0			
			0	0	0
Part II Offenses (Arrests)					
	Inc Inv	Arrests			
Other assaults	17	10	3	5	2
Vandalism	28	12	5	7	0
Sex offenses	0	0	0	0	0
Drug abuse violations	45	46	14	30	2
Driving under the influence	0	0	0	0	0
Drunkenness	51	53	19	30	4
Disorderly conduct	182	178	47	119	12
Trespassing	134	134	0	8	126
Fare evasion	5,511	5,384	3,331	2,053	0
Curfew & loitering laws	51	56	0	54	2
Total Transit Property Damage				\$ 2,721.78	

Internal Use Only

Report Run Date

Report Run Time

Reporting Period

05/07/2004

02:34:03PM

01/01/2003 To 03/31/2003

☐ 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.
Location SDTC					
Part I Offenses (Reports)					
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	1	0			
			Patrons 0	1	0
			Employees 0	0	0
			Others 0	0	0
Aggravated assault	4	0			
			Patrons 1	2	0
			Employees 1	0	0
			Others 1	0	0
Property Crime	Inc Inv	Arrests			
Burglary	0	0			
Larceny/theft	1	0			
			Patrons 0	0	0
			Employees 0	0	0
			Others 1	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
Part II Offenses (Arrests)					
	Inc Inv	Arrests			
Other assaults	18	4	1	3	0
Vandalism	33	6	4	2	0
Sex offenses	4	0	0	0	0
Drug abuse violations	20	23	0	22	1
Driving under the influence	0	0	0	0	0
Drunkenness	7	5	1	3	1
Disorderly conduct	50	9	2	7	0
Trespassing	0	0	0	0	0
Fare evasion	5	2	2	0	0
Curfew & loitering laws	27	27	0	14	13
Total Transit Property Damage				\$ 624.30	

Internal Use Only

Report Run Date

Report Run Time

Reporting Period

05/07/2004

02:34:03PM

01/01/2003 To 03/31/2003

☐ 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.
Location SDTI					
Part I Offenses (Reports)					
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	6	3			
			Patrons 3	5	0
			Employees 0	0	0
			Others 0	0	0
Aggravated assault	5	1			
			Patrons 0	0	0
			Employees 0	0	0
			Others 0	7	0
Property Crime	Inc Inv	Arrests			
Burglary	0	0			
Larceny/theft	6	0			
			Patrons 0	2	4
			Employees 0	0	0
			Others 0	0	0
Motor vehicle theft	4	0			
			Patrons 0	0	4
			Employees 0	0	0
			Others 0	0	0
Arson	0	0			
			0	0	0
Part II Offenses (Arrests)					
	Inc Inv	Arrests			
Other assaults	15	9	3	6	0
Vandalism	16	7	3	4	0
Sex offenses	2	0	0	0	0
Drug abuse violations	67	68	18	43	7
Driving under the influence	0	0	0	0	0
Drunkenness	40	40	10	28	2
Disorderly conduct	149	142	48	87	7
Trespassing	67	59	0	2	57
Fare evasion	7,209	6,782	5,376	1,406	0
Curfew & loitering laws	12	11	3	8	0
Total Transit Property Damage				\$ 284.49	

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Report Run Date

Report Run Time

Reporting Period

05/07/2004

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01/01/2004 To 03/31/2004

☐ 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.
Location SDTC			
Part I Offenses (Reports)			
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	3	1	
	Patrons 0	2	0
	Employees 0	0	0
	Others 0	1	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
Part II Offenses (Arrests)			
	Inc Inv	Arrests	
Other assaults	2	1	
Vandalism	19	5	
Sex offenses	0	0	
Drug abuse violations	13	13	
Driving under the influence	0	0	
Drunkenness	5	5	
Disorderly conduct	7	7	
Trespassing	2	2	
Fare evasion	1	1	
Curfew & loitering laws	14	14	
Total Transit Property Damage			
		\$ 294.18	

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Report Run Date

Report Run Time

Reporting Period

05/07/2004

02:34:27PM

01/01/2004 To 03/31/2004



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466, FAX 619.234.3407

Agenda

Item No. 30

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

FIN 310 (PC 30100)

May 27, 2004

Subject:

MTDB: MTS OPERATORS FY 05 BUDGET WORKSHOP FOLLOW-UP

RECOMMENDATION:

That the Board of Directors receive this report.

Budget Impact

None.

Executive Committee Recommendation

The Executive Committee reviewed this report on May 20, 2004, and directed staff to do the following:

1. Develop a plan for a structural overhaul of the transit system, including a timeline, with an interim report in four to six months, midway through the next fiscal year;
2. Look at planning for deficits without using nonrecurring revenues, including discussions with the San Diego Association of Governments (SANDAG) regarding TransNet funding; and
3. Further develop various options for FY 05 budget balancing (realizing that for this one year only, some nonrecurring revenues will be used) with a staff recommendation for the May 27, 2004, MTS Board of Directors meeting.



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

DISCUSSION:

On May 8, 2004, the Board of Directors held the annual FY 05 Budget Workshop. The Consent items and Board presentations included the following:

- Operating Resources
- Fixed-Route Historical Trends
- Preliminary FY 05 Operating Budgets
- Balancing the Operating Budgets: Recommended Action Plan

This was an opportunity for the Board to be briefed on the key issues of the upcoming FY 05 budget, as well as to review the long-range, five-year outlook. Staff assembled projections for the FY 05 operating and general fund budgets based on transit operator development over the past couple months, since the previous budget presentation on March 11, 2004. The projections for FY 06 through FY 09 were developed based on ranges of revenue sources and ranges of projected operating expenses.

Summary of Operating Deficit Over the Next Five Years

The five-year projection of transit operating revenue and expenditures (in millions) as presented at the Finance Workshop is as follows (see Attachment A).

	<u>Projected Surplus (Deficit)</u>
FY 05	(\$5.5) - (\$0.0)
FY 06	(\$8.6) - (\$1.6)
FY 07	(\$9.3) - (\$2.1)
FY 08	(\$10.7) - (\$2.7)
FY 09	(\$30.9) - (\$22.1)
TOTAL (Operations)	<u>(\$65.0) - (\$28.5)</u>

In addition to the deficit shown above for operations, the MTS General Fund is projected to have a preliminary deficit of \$870,000, for a total projected FY 05 deficit of \$6.38 million.

Key Observations from the Finance Workshop

- The preliminary MTS operating costs for FY 05 are projected at \$182.6 million, up 5 percent from the FY 04 amended budget of \$173.9 million.
- The transit operators have reduced the preliminary operating costs approximately \$4.3 million since the March 11, 2004, first-cut budget.
- The fare revenue projection for FY 05 has been increased from \$67.3 million to \$68 million based on positive ridership and revenue trends. New information this week indicates that ridership has recovered significantly since February. Ridership reports for the nine-month period for July through March show

ridership down only 3.7 percent compared to the same period one year ago. Ridership in March 2004 was up 4.4 percent compared to March 2003, a very positive response. More important is that fare revenue is \$365,000 ahead of budget through March 2004. This may be important in offsetting unexpected fuel costs that are occurring in May and likely June.

- Fuel and energy pricing was presented with concerns about spiking and erratic diesel and compressed natural gas (CNG) fuel prices. Staff is expected to provide additional review in the next month as to whether or not to revise the budget assumptions for CNG and diesel. It is anticipated that the fuel assumptions may need to be revised upward, since the higher diesel fuel prices are likely expected to continue through the summer. CNG prices are steadier than diesel, but may need to be slightly adjusted as well given that June 2004 CNG future prices have increased.
- A staff recommendation to utilize an additional \$3.5 million in TransNet funds and \$2.9 million in contingency reserves to offset the operating budget deficit of \$5.5 million and General Fund deficit of \$0.9 million was considered by the Board of Directors (see Option A, Attachment B).

Board of Directors' Request for Information and Comments

During the May 8, 2004, Budget Workshop, staff was asked to supply additional information on the following issues:

Request for Mission Valley East (MVE) LRT Start-Up Cost Details – San Diego Trolley, Inc. (SDTI), has included the start-up costs and staffing with a ramp-up through the FY 05 fiscal year as new vehicles are delivered and system testing begins. Staff will also clarify the differences between the one-time start-up costs versus permanent staffing needed to operate the MVE line when revenue service begins. It has been assumed for the budget that MVE revenue service would begin July 1, 2005. The cost to begin revenue operations earlier than July 1, 2005, is approximately \$500,000 each month prior to July 1. Most of the FY 05 MVE start-up costs are planned to come from either the MVE capital project start-up budget or to be subsidized by Congestion Management and Air Quality (CMAQ) funding. The marketing component of the MVE start-up will also be clarified, as the marketing budget is now part of the General Fund budget.

Request for Reorganization Staffing Impacts – The Board of Directors requested additional information about potential staff and budget savings as a result of the MTS reorganization. As this effort is currently in process, a target savings number will be developed for inclusion in the final draft of the budget. Preliminary SANDAG consolidation cost savings information will be presented at Thursday's meeting.

Request for Actual Dollar Differences for Transit Operator Budgets – Staff has provided additional FY 04 versus FY 05 operating budget and General Fund budget comparisons with dollar differences, rather than just percentages (see Attachment C).

Contingency Reserves and TransNet Subsidies to Balance the Budget – There was some concern about depending too much on the use of one-time, nonrecurring

contingency reserves. The Board did adopt a motion to request \$3.5 million in TransNet funds from SANDAG for MTS operations for FY 05 that were previously intended to be used for bus rapid transit (BRT) development. A copy of the correspondence making this request is included in Attachment F.

Request for Additional Information Regarding Service Adjustments - The Chief Executive Officer indicated a desire to look at service reductions on a systemwide basis through a Comprehensive Operations Analysis review rather than continuing to cut service incrementally. Additional analysis regarding minor service adjustments will be presented at the meeting.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Susan Hafner, 619.595.3084, susan.hafner@sdmts.com

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5/20/04

- Attachments:
- A. MTS Operators Five-Year Projections
 - B. FY 05 Balancing the Budget Options
 - C. Mission Valley East Start-Up Details
 - D. Preliminary SANDAG Consolidation Expense Differential
 - E. Operating Expense Dollar Difference Detail
 - F. TransNet Correspondence

Board Only

MTS OPERATORS FIVE-YEAR PROJECTIONS

Operating Costs (Base Operation)
Mission Valley East
Total Operating Costs

Deposit to Claims Reserve
Deposit to Capital Replacement Reserves
Debt Service Payment

1. TOTAL RECURRING EXPENSES

Recurring Revenues:

Fares
Fares Mission Valley East
Subsidy for ADA
TDA
TransNet
STA
Federal Section 5307-operating/maintenance
Other (APCD, I-15 FASTRAK, misc.)
Advertising

2. TOTAL RECURRING REVENUES

3. ANNUAL RECURRING BALANCE (1 - 2) (Expenses less revenues)

Non-recurring Revenues:

TransNet Interest Change
TransNet Formula Change
Contingency Reserve/LRV Lsebeck & Interest
Bus Replacement Fund
Federal Exchange-Local
Additional federal preventive maintenance
Additional TDA by reducing capital funds
Additional capital replacement to match grant
Release of TDA Reserve
Mission Valley East Capital Project Start-up Funds
Federal CMAQ

4. TOTAL NON-RECURRING REVENUES

5. TOTAL REVENUES (2 + 4)

6. OVERALL SURPLUS (DEFICIT) (1 - 5)

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	180.00	180.00	184.64	187.06	190.27	192.78	196.07	198.68	202.07	204.73
Mission Valley East	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.61	2.61	6.68	6.74	6.89	6.96	7.11	7.18	7.34	7.42
Total Operating Costs									182.61	182.61	191.31	193.80	197.16	199.74	203.19	205.85	209.41	212.15
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	0.67	0.83	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. TOTAL RECURRING EXPENSES	106.20	115.47	128.53	137.00	145.68	154.70	165.87	175.84	184.61	184.61	191.31	193.80	197.16	199.74	203.19	205.85	209.41	212.15
Fares	50.99	55.88	58.47	59.04	62.14	65.97	64.38	65.87	68.01	68.01	68.84	69.99	70.84	71.97	72.84	74.01	74.89	76.12
Fares Mission Valley East	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.67	2.02	2.07	2.44	2.13	2.51	2.20	2.60
Subsidy for ADA	1.17	1.86	1.33	2.22	2.78	3.77	6.28	4.30	4.38	4.38	4.50	4.56	4.62	4.74	4.74	4.95	4.87	5.15
TDA	31.39	34.39	42.47	46.18	50.85	50.67	56.29	55.09	57.83	57.83	58.64	61.72	61.41	64.40	64.24	67.55	67.36	70.90
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 (APCD, I-15 FASTRAK, misc.)	4.03	4.29	7.29	6.84	1.91	2.68	2.38	2.49	2.52	2.52	2.53	2.53	2.59	2.60	2.85	2.68	2.72	2.73
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	127.68	133.39	143.83	147.73	161.30	171.34	171.34	180.74	185.53	186.16	191.09	191.30	196.87	181.21	187.31
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)	(13.27)	(13.27)	(13.06)	(5.78)	(13.58)	(6.07)	(14.54)	(6.32)	(30.94)	(22.10)
TransNet Interest Change	0.71	1.40	2.80	-	-	-	-	3.67	0.00	3.50	-	-	-	-	-	-	-	-
TransNet Formula Change	-	-	-	-	-	-	-	6.80	5.20	7.22	-	-	-	-	-	-	-	-
Contingency Reserve/LRV Lsebeck & Interest	5.86	4.07	0.27	7.84	2.83	-	5.12	-	-	-	-	-	-	-	-	-	-	-
Bus Replacement Fund	-	-	-	-	-	1.40	-	-	-	-	-	-	-	-	-	-	-	-
Federal Exchange-Local	-	-	2.23	-	-	2.12	1.15	-	-	-	-	-	-	-	-	-	-	-
Additional federal preventive maintenance	-	-	-	-	8.88	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	-	-	-	-	-	-	-	-	-	-	-
Mission Valley East Capital Project Start-up Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Federal CMAQ	2.09	3.00	2.10	1.30	0.60	-	-	-	2.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4. TOTAL NON-RECURRING REVENUES	8.66	8.47	7.40	9.14	12.29	10.77	18.68	14.52	0.55	0.55	4.43	4.18	4.27	4.00	3.85	3.58	0.00	0.00
5. TOTAL REVENUES (2 + 4)	106.19	115.48	128.53	137.00	145.68	154.60	166.41	175.82	179.10	184.61	185.17	189.71	190.43	195.10	195.16	200.45	181.21	187.31
6. OVERALL SURPLUS (DEFICIT) (1 - 5)	(0.00)	0.00	0.00	0.00	0.00	(0.10)	-(0.54)	0.00	-5.51	0.00	-8.63	-1.60	-9.31	-2.07	-10.69	-2.74	-30.94	-22.10

4/29/04 10:00AM FW

FY05 BALANCING THE BUDGET OPTIONS

May 8, 2004

All in \$Millions

	A	B	C
	Contingency at \$10.0M No Service Cuts	Contingency at \$10.0M Major Service Cuts	Contingency at \$10.0M Major Service Cuts
BALANCE NEEDED (MTS Overall)	(\$6.38)	(\$6.38)	(\$6.38)
Additional Contingency Reserves	\$2.88	\$2.88	\$2.88
Additional TRANSNET funds from SANDAG	\$3.50	\$2.00	\$0.00
Minor Service Adjustments/Reductions	\$0.00	\$0.50	\$0.50
Major Service Adjustments/Reductions	\$0.00	\$1.00	\$3.00
BALANCE	\$0.00	\$0.00	\$0.00
TOTAL CONTINGENCY START (7/04)	\$17.85	\$17.85	\$17.85
TOTAL CONTINGENCY USED FY05	\$8.09	\$8.09	\$8.09
TOTAL CONTINGENCY BALANCE (7/05)	\$9.76	\$9.76	\$9.76

Note: deficit includes \$5.51 million for operations and \$0.87 million for general fund; total projected deficit \$6.38 million.

FY05 BUDGET BALANCE OPTIONS
4.29.04

Att. B, AI 30, 5/27/04, FIN 310

**MTS
FY 2005
MISSION VALLEY EAST START UP BUDGET**

BUDGET CATEGORY	PROPOSED FY 05	% of TOTAL EXPENSES
Personnel	\$ 1,796,625	68.8%
Outside Services	255,975	9.8%
Material & Supplies	142,925	5.5%
Energy	303,875	11.6%
Risk Management	96,650	3.7%
General & Administrative	13,575	0.5%
TOTAL MVE START UP COSTS	\$ 2,609,625	100.0%

5/27/04 BOARD MEETING

MTS
CONSOLIDATION EXPENSE DIFFERENTIAL
FY 03 - FY 05

BUDGET CATEGORY	APPROVED FY 03	APPROVED FY 04	APPROVED AMENDED FY 04	PROPOSED FY 05
General Fund Monies from SANDAG				
Cost Recovery MTDB Tower, Taxi Admin., Tower Parking	\$6,965,000	\$6,669,000	\$5,463,796	\$4,779,803
Cost Recovery Other Agencies	0	0	312,000	443,000
MVE Start up Marketing	0	0	0	100,000
GENERAL FUND REVENUE/COST RECOVERY SUBTOTAL:	\$ 6,965,000	\$ 6,669,000	\$ 5,775,796	\$ 5,722,803
GENERAL FUND				
TRANSIT SUPPORT ACTIVITIES				
Transfers, Tickets, Passes	\$476,000	\$468,000	\$90,000	\$0
Regional Transit Store Operations	75,000	72,000	72,000	73,000
Regional Transit Marketing (All MTS Operators)	370,000	370,000	370,000	896,000
TRANSIT SUPPORT SUBTOTAL:	\$921,000	\$910,000	\$532,000	\$969,000
GENERAL AND ADMINISTRATIVE				
Personnel	\$ 8,200,000	\$ 7,100,000	\$4,513,025	\$4,070,105
Consultants	157,000	125,000	125,000	100,000
Legal Services	75,000	75,000	75,000	75,000
Board of Directors	132,000	135,000	141,000	141,000
Travel/Conferences	55,000	44,500	28,400	18,500
Training	15,000	13,000	7,000	3,900
Insurance/Risk Management	455,000	848,000	848,000	800,000
Audit Services	95,000	95,000	95,000	119,000
Land Management	57,000	207,000	82,000	50,000
OFFICE EXPENSES:				
Rent	1,150,000	1,170,000	1,170,000	1,114,800
Vehicle Maintenance	8,000	8,000	5,000	3,000
Equipment Rental/Maintenance	30,000	27,000	22,000	18,000
Management Information Systems	63,000	63,000	63,000	161,239
Furniture/Equipment	21,000	21,000	12,000	15,000
General Expenses	84,000	80,000	70,000	187,775
Telecommunications	50,000	52,000	52,000	40,000
Postage	20,000	18,000	9,000	6,000
Local Meetings	7,700	6,700	3,000	2,000
Dues/Subscriptions	40,000	38,000	32,000	27,500
Public Notices	4,000	5,000	5,000	4,000
G&A SUBTOTAL:	\$10,718,700	\$10,131,200	\$7,357,425	\$6,956,819
LABOR/OVERHEAD REIMBURSEMENT	(4,938,700)	(4,500,000)	(2,350,000)	(1,331,784)
TOTAL GENERAL FUND:	\$6,701,000	\$6,541,200	\$5,539,425	\$6,594,035

NOTE: FY 03 approved budget reflects costs before any transfers to SANDAG

FY 04 approved budget reflects the transfer of the planning function to SANDAG

FY 04 amended budget reflects the transfer of engineering, finance and support to SANDAG

**MTS
FY 2005
COST CHANGES FY 04 - FY 05
BOARD BRIEFING**

BUSINESS UNIT	APPROVED AMENDED FY 04	PROPOSED FY 05	DIFFERENCE INCREASE/ (DECREASE)	PERCENT CHANGE
San Diego Transit	\$ 71,648,009	\$ 73,509,448	\$ 1,861,439	2.6%
San Diego Trolley (WITHOUT MVE)	41,692,975	43,522,100	1,829,125	4.4%
San Diego Trolley (WITH MVE)	41,692,975	46,131,725	4,438,750	10.6%
MTS Contracted Services (Fixed Route)	39,617,611	41,023,000	1,405,389	3.5%
MTS Contracted Services (Paratransit)	9,753,389	10,136,000	382,611	3.9%
Chula Vista	6,619,170	6,833,240	214,070	3.2%
National City	2,737,197	2,755,000	17,803	0.7%
Coronado Ferry	127,308	131,124	3,816	3.0%

5/27/04 BOARD BRIEFING

**COMBINED MTS TRANSIT OPERATING CONTRACTS
FY 05 PROPOSED BUDGET**

	FY 03 ACTUAL	FY 04 AMENDED BUDGET	FY 05 PROPOSED BUDGET	INCREASE (DECREASE)	FY 05 % CHANGE OVER FY 04
REVENUE:					
Passenger Fares	\$64,327,186	\$65,868,000	\$68,007,000	\$2,139,000	3.2%
Advertising	717,876	800,000	800,000	\$0	0.0%
Contracted Service Revenue	93,054	25,000	25,000	\$0	0.0%
Other	549,858	459,750	470,550	\$10,800	2.3%
	<u>\$65,687,974</u>	<u>\$67,152,750</u>	<u>\$69,302,550</u>	<u>\$2,149,800</u>	<u>3.2%</u>
EXPENSES:					
Personnel	\$76,657,888	\$78,924,375	\$84,761,834	\$5,837,459	7.4%
Outside Services:					
Marketing	\$594,920	\$616,575	\$0	(\$616,575)	-100.0%
Security	4,430,718	4,557,100	4,810,038	\$252,938	5.6%
Repair/Maintenance Services	2,774,110	2,980,173	3,484,404	\$504,231	16.9%
Engines and Transmissions	949,679	1,120,000	1,138,800	\$18,800	1.7%
Other Outside Services	4,282,578	4,653,334	4,377,591	(\$275,743)	-5.9%
Purchased Transportation	44,400,346	48,499,259	50,333,747	\$1,834,488	3.8%
Miscellaneous Operating Adjustments	0	0	0	\$0	100.0%
Total Outside Services:	<u>\$57,432,351</u>	<u>\$62,426,441</u>	<u>\$64,144,580</u>	<u>\$1,718,139</u>	<u>2.8%</u>
Materials & Supplies:					
Lubricants	\$178,303	\$172,850	\$176,505	\$3,655	2.1%
Tires	494,701	626,779	615,130	(\$11,649)	-1.9%
Other Materials & Supplies	6,438,987	6,570,478	6,921,016	\$350,538	5.3%
Total Maint. Parts & Supplies:	<u>\$7,111,991</u>	<u>\$7,370,107</u>	<u>\$7,712,651</u>	<u>\$342,544</u>	<u>4.6%</u>
Energy:					
Fuel	\$4,238,900	\$4,516,399	\$4,552,394	\$35,995	0.8%
CNG	5,299,598	6,338,085	6,852,458	\$514,373	8.1%
Electricity	7,296,816	6,877,583	7,727,558	\$849,975	12.4%
Total Energy:	<u>\$16,835,314</u>	<u>\$17,732,067</u>	<u>\$19,132,410</u>	<u>\$1,400,343</u>	<u>7.9%</u>
Risk Management	\$5,712,722	\$6,322,299	\$5,815,723	(\$506,576)	-8.0%
General & Administrative	\$808,431	\$903,372	\$848,339	(\$55,033)	-6.1%
TOTAL OPERATING EXPENSES	<u>\$164,558,697</u>	<u>\$173,678,661</u>	<u>\$182,415,537</u>	<u>\$8,736,876</u>	<u>5.0%</u>
NET OPERATING COST	<u>(\$98,870,723)</u>	<u>(\$106,525,911)</u>	<u>(\$113,112,987)</u>	<u>(\$6,587,076)</u>	<u>6.2%</u>
Vehicle/Facility Leases	(468,699)	(211,641)	(192,241)	\$19,400	-9.2%
NET COST AFTER DEPOSIT	<u>(\$99,339,422)</u>	<u>(\$106,737,552)</u>	<u>(\$113,305,229)</u>	<u>(\$6,567,677)</u>	<u>6.2%</u>
Farebox Recovery Ratio-combined	39.2%	38.0%	37.4%		
Farebox Recovery Ratio-fixed route	41.0%	39.6%	39.0%		
Farebox Recovery Ratio-rural	13.9%	7.7%	10.6%		
Farebox Recovery Ratio-paratransit	16.8%	15.1%	14.5%		
Base level of service (miles)	27,589,631	28,304,101	27,927,420		
Cost per mile-fixed route	\$5.52	\$5.73	\$6.10		
Base level of service (hours)	282,348	217,960	202,490		
Cost per hour-paratransit	\$39.81	\$43.94	\$50.06		

NOTE: Budget Amounts Above do not Include \$344,180 of Administrative Pass-Through to Jurisdictions

5/27/04 BOARD MEETING

**MTS
FY 2005
COMBINED OPERATING BUDGET
BOARD BRIEFING**

BUDGET CATEGORY	APPROVED AMENDED FY 04	PROPOSED FY 05	DIFFERENCE INCREASE/ (DECREASE)	PERCENT CHANGE
Fare Revenue	65,868,000	68,007,000	2,139,000	3.2%
Personnel	78,924,375	84,761,834	5,837,459	7.4%
Outside Services	13,927,182	13,810,833	(116,349)	-0.8%
Purchase Transportation	48,499,259	50,333,747	1,834,488	3.8%
Material & Supplies	7,370,107	7,712,651	342,544	4.6%
Energy	17,732,067	19,132,410	1,400,343	7.9%
Risk Management	6,322,299	5,815,723	(506,576)	-8.0%
General & Administrative (Operations Only)	903,372	848,339	(55,033)	-6.1%

5/27/04 BOARD MEETING

**MTS
FY 2005
COMBINED OPERATING BUDGET
BOARD BRIEFING**

BUDGET CATEGORY	APPROVED AMENDED FY 04	PROPOSED FY 05	DIFFERENCE INCREASE/ (DECREASE)	PERCENT CHANGE
Fare Revenue FY 05 passenger fares up \$675K from previous initial projection	65,868,000	68,007,000	2,139,000	3.2%
Personnel Personnel is largest line item in the MTS budget Makes up 46% of operating budget Line item includes all operating units' wages and fringe benefit cost MVE new hires, training, testing and start up of operations included Trolley hiring around 75 people for MVE Line item excludes MTDB staff Staffing Status quo staffing assumed for existing operations excluding MVE MTS reorganization may affect FY 05 staffing levels Workers Compensation Some possible cost stabilization in FY 05 compared to prior years Budgeted 10% increase is projected in FY 05 budget Possible planned cost reductions in Trolley for FY 05 Health Insurance Budgeted for 15% to 20% increase Pension SDTI and MTDB employees covered by CalPers retirement system SDTC has its own pension plan Unfunded actuarial liability at 1/01/04 estimated at \$54 million FY 05 budget figures include an increase in contribution from 17% to 20% of payroll	78,924,375	84,761,834	5,837,459	7.4%
Outside Services Marketing cost centralized under general fund for FY 05 Security costs up 5.6% in FY 05 Repair/maintenance services up in FY 05 Reclass of some maintenance costs from other expense line items Miscellaneous operating adjustments Eliminated in FY 05 due to constrained budget	13,927,182	13,810,833	(116,349)	-0.8%
Purchase Transportation MTS Contract Services contracted costs Line item includes revenue miles/hours multiplied by contractor rate per mile or hour Includes cost for 11 fixed route, ADA and paratransit projects	48,499,259	50,333,747	1,834,488	3.8%
Material & Supplies FY 05 includes enhanced preventative maintenance program at SDTC Figure includes MVE startup of operations	7,370,107	7,712,651	342,544	4.6%
Energy Very volatile area of budget May need to revisit assumption before finalization of budget Comes down to risk tolerance versus historical trends	17,732,067	19,132,410	1,400,343	7.9%

**MTS
FY 2005
COMBINED OPERATING BUDGET
BOARD BRIEFING**

BUDGET CATEGORY	APPROVED AMENDED FY 04	PROPOSED FY 05	DIFFERENCE INCREASE/ (DECREASE)	PERCENT CHANGE
Risk Management Lower due to favorable renewal pricing on some policies	6,322,299	5,815,723	(506,576)	-8.0%
General & Administrative (Operations Only) Lower due to cost cuts in this area	903,372	848,339	(55,033)	-6.1%

5/27/04 BOARD MEETING

**MTS
FY 2005
GENERAL FUND/ADMINISTRATIVE BUDGET**

BUDGET CATEGORY	APPROVED AMENDED FY 04	PROPOSED FY 05	DIFFERENCE INCREASE/ (DECREASE)	PERCENT CHANGE
General Fund Monies from SANDAG	\$5,463,796	\$4,779,803	(\$683,993)	-12.52%
Cost Recovery MTDB Tower, Taxi Admin., Tower Parking	312,000	443,000	131,000	41.99%
Cost Recovery Other Agencies	0	100,000	100,000	100.00%
MVE Start up Marketing	0	400,000	400,000	100.00%
GENERAL FUND REVENUE/COST RECOVERY SUBTOTAL:	\$ 5,775,796	\$ 5,722,803	\$ (52,993)	-0.92%
GENERAL FUND TRANSIT SUPPORT ACTIVITIES				
Transfers, Tickets, Passes	\$90,000	\$0	(\$90,000)	-100.00%
Regional Transit Store Operations	72,000	73,000	1,000	1.39%
Regional Transit Marketing (All MTS Operators)	370,000	896,000	526,000	142.16%
TRANSIT SUPPORT SUBTOTAL:	\$532,000	\$969,000	\$437,000	82.14%
GENERAL AND ADMINISTRATIVE				
Personnel	\$4,513,025	\$4,070,105	(\$442,920)	-9.81%
Consultants	125,000	100,000	(25,000)	-20.00%
Legal Services	75,000	75,000	0	0.00%
Board of Directors	141,000	141,000	0	0.00%
Travel/Conferences	28,400	18,500	(9,900)	-34.86%
Training	7,000	3,900	(3,100)	-44.29%
Insurance/Risk Management	848,000	800,000	(48,000)	-5.66%
Audit Services	95,000	119,000	24,000	25.26%
Land Management	82,000	50,000	(32,000)	-39.02%
OFFICE EXPENSES:				
Rent	1,170,000	1,114,800	(55,200)	-4.72%
Vehicle Maintenance	5,000	3,000	(2,000)	-40.00%
Equipment Rental/Maintenance	22,000	18,000	(4,000)	-18.18%
Management Information Systems	63,000	161,239	98,239	155.94%
Furniture/Equipment	12,000	15,000	3,000	25.00%
General Expenses	70,000	187,775	117,775	168.25%
Telecommunications	52,000	40,000	(12,000)	-23.08%
Postage	9,000	6,000	(3,000)	-33.33%
Local Meetings	3,000	2,000	(1,000)	-33.33%
Dues/Subscriptions	32,000	27,500	(4,500)	-14.06%
Public Notices	5,000	4,000	(1,000)	-20.00%
G&A SUBTOTAL:	\$7,357,425	\$6,956,819	(\$400,606)	-5.44%
LABOR/OVERHEAD REIMBURSEMENT	(2,350,000)	(1,331,784)	1,018,216	-43.33%
TOTAL GENERAL FUND:	\$5,539,425	\$6,594,035	\$1,054,610	19.04%
PRELIMINARY GENERAL FUND EXCESS (SHORTFALL)	\$ 236,371	\$ (871,232)	\$ (1,107,603)	

5/27/04 BOARD MEETING

**MTS
FY 2005
GENERAL FUND/ADMINISTRATIVE BUDGET
BOARD BRIEFING**

BUDGET CATEGORY	APPROVED AMENDED FY 04	PROPOSED FY 05	DIFFERENCE INCREASE/ (DECREASE)	PERCENT CHANGE
Regional Transit Marketing (All MTS Operators)	370,000	896,000	526,000	142.16%
Personnel	4,513,025	4,070,105	(442,920)	-9.81%
Board of Directors	141,000	141,000	0	0.00%
Insurance and Risk Management	848,000	800,000	(48,000)	-5.66%
Audit Services	95,000	119,000	24,000	25.26%
Land Management	82,000	50,000	(32,000)	-39.02%
Rent	1,170,000	1,114,800	(55,200)	-4.72%
Management Information Systems	63,000	161,239	98,239	155.94%
General Expenses	70,000	187,775	117,775	168.25%
Other G & A and Office Expenses	375,400	312,900	(62,500)	-16.65%

NOTE: Refer to page C -3 of MTS Budget Workshop Book

5/27/04 BOARD MEETING

**MTS
FY 2005
GENERAL FUND/ADMINISTRATIVE BUDGET
BOARD BRIEFING**

BUDGET CATEGORY	APPROVED AMENDED FY 04	PROPOSED FY 05	DIFFERENCE INCREASE/ (DECREASE)	PERCENT CHANGE
Regional Transit Marketing (All MTS Operators)	370,000	896,000	526,000	142.16%
Costs consolidated under General Fund in FY 05 Past years regional marketing budget was decentralized to individual operating entities FY 05 assumption is a status quo marketing effort Major focus will be placed on marketing MVE opening				
Personnel	4,513,025	4,070,105	(442,920)	-9.81%
MTS workforce includes 53 positions FY 05 numbers include merit increases and COLA—4.5% of labor FY 05 numbers assume continuation of performance incentive program for MTS employees Benefits include PERS pension (+2.5% increase in FY 05), social security and Medicare (0% increase for FY 05), PERS health (20% increase in FY 05), dental (7% increase in FY 05), vision (5% increase in FY 05), and life insurance (5% increase in FY 05) MTS reorganization may have some residual effect on this line item				
Board of Directors	141,000	141,000	0	0.00%
Same as approved mid year '04 level				
Insurance and Risk Management	848,000	800,000	(48,000)	-5.66%
Lower in FY 05 due to favorable policy renewals				
Audit Services	95,000	119,000	24,000	25.26%
FY 05 assumption increased to contractual level Assumed additional support from our auditors May need auditor's expertise during MTS reorganization May need additional audit time if there are accounting rule changes				
Land Management	82,000	50,000	(32,000)	-39.02%
Line item is the cost related to maintaining MTDB rental property FY 05 assumption reduced to base level of maintenance FY 04 included several special projects				
Rent	1,170,000	1,114,800	(55,200)	-4.72%
Includes debt service of \$871K for MTS Tower Includes utilities and maintenance of tower Includes Property management function (SD Regional Building Authority) FY 05 budget includes a one time maintenance credit (\$55.3K) FY 05 expense budget includes a revenue offset for Tower parking revenues from Petco Park. Budget assumes \$50K in parking revenues April 2004 actual revenues were \$64.5K MTS share of April 2004 revenues is 25% or \$16.1K				
Management Information Systems	63,000	161,239	98,239	155.94%
Includes recurring annual license fees of \$46K Includes a one time MTS financial system conversion cost from IFAS to Ellipse of \$90K Includes computer equipment purchase of \$25K Replace/upgrade some computer/peripherals due to age or inadequate power to run new system				

**MTS
FY 2005
GENERAL FUND/ADMINISTRATIVE BUDGET
BOARD BRIEFING**

BUDGET CATEGORY	APPROVED AMENDED FY 04	PROPOSED FY 05	DIFFERENCE INCREASE/ (DECREASE)	PERCENT CHANGE
General Expenses	70,000	187,775	117,775	168.25%
Recurring expenses lowered due to smaller workforce and costs containment Some MTS staff will be relocated to other areas of the Agency due to the MTS reorganization Included in the FY 05 budget is a one time moving and relocation costs of \$125K				
Other G & A and Office Expenses	375,400	312,900	(62,500)	-16.65%
Comparable to FY 04 midyear levels or below due to smaller workforce				

NOTE: Refer to page C -3 of MTS Budget Workshop Book

5/27/04 BOARD MEETING

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

May 13, 2004

AG 230 (PC 30100)

Mr. Gary Gallegos
Executive Director, and
Members of the Board of Directors
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101-4231

Re: First Reading of the TransNet Draft Ordinance and Expenditure Plan

Dear Mr. Gallegos and Board Members:

On Thursday May 13, 2004, the Metropolitan Transit Development Board (MTDB) voted unanimously to support the First Reading of the TransNet Draft Ordinance and Expenditure Plan scheduled to be heard by the San Diego Association of Governments (SANDAG) Board of Directors on Friday May 14, 2004. The MTD Board vote was taken in response to the County Board of Supervisors' vote not to support the current TransNet Draft Ordinance and Expenditure Plan unless SANDAG includes a provision that guarantees TransNet revenue be allocated annually no less than one third to local streets and roads and one half to highway projects. The County's position would leave only 11.6 percent of the TransNet revenue for public transit.

The MTD Board wishes to remind the SANDAG Board that the current TransNet Expenditure Plan represents the product of a long and thoughtful collaborative process during which there were concessions made to balance the needs of highways, local streets and roads, and transit.


The MTD Board therefore wishes to convey its strong support for the current balanced approach of the TransNet Draft Ordinance and Expenditure Plan. A vote in support of the first reading of the TransNet Draft Ordinance and Expenditure Plan would:

1. Provide for a future balanced program for highway and transit improvements along with funding for local road needs.
2. Ensure the Mobility 2030 Plan reflects seven policy goals: mobility, accessibility, reliability, efficiency, livability, sustainability, and equity.
3. Sustain and improve our current system of transportation, develop a comprehensive network of rail and bus rapid transit that supplements the highway system and maintains the integrity of the county's rural areas.

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!

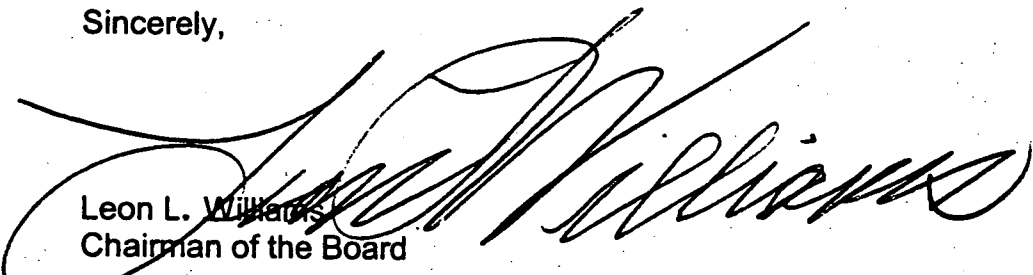
4. Generate 47,500 jobs for every \$1 billion invested in transportation.
5. Generate \$6 of economic activity for every \$1 spent on transportation projects.

Correspondingly, supporting a change in the TransNet Draft Ordinance and Expenditure Plan as proposed by the County would:

1. Decrease funding for transit from \$4,647,000,000 to \$1,625,000,000, or a 65-percent reduction.
2. Eliminate all new major transit projects, including Mid-Coast or I-15 Bus Rapid Transit (BRT) for the next 40 years.
3. Result in 350,000 more vehicles above the balanced approach on the highways and roads in the region with limited highway expansion capability without viable alternatives.
4. Result in 600,000 more gallons of gasoline above the balanced approach consumed each day costing nearly one-half of \$1 billion a year.
5. Result in 2.8 million lbs. of additional smog-forming pollution each year.
6. Significantly reduce current operating dollars leading to reductions in current service levels.

The MTD Board urges you to support the extension of TransNet at the funding levels approved by the SANDAG Board in the April 9, 2004, TransNet Draft Ordinance and Expenditure Plan as currently before you for a first reading. This version of the ordinance was a collaborative effort by your member agencies, business and community leaders to support a balanced approach to eliminating traffic congestion and improving the quality of transportation in the County of San Diego for the next 40 years.

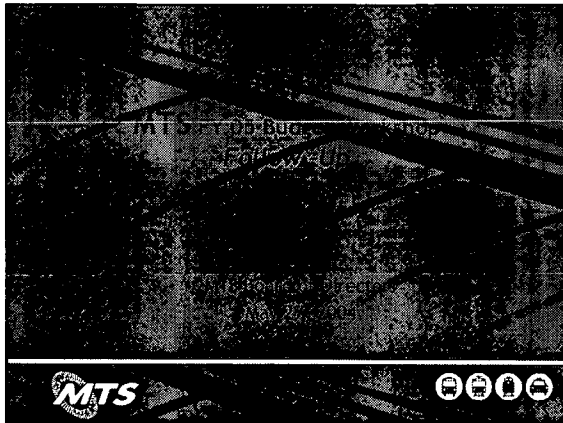
Sincerely,

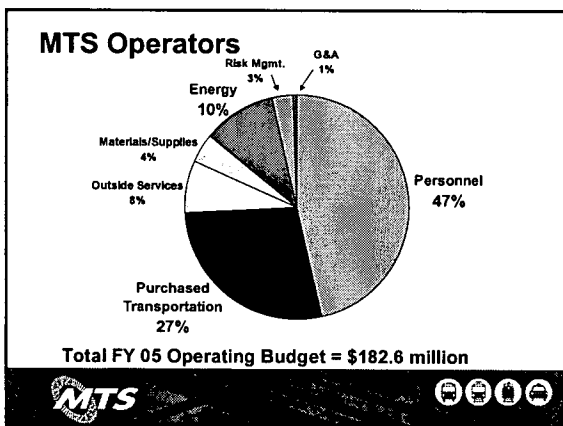


Leon L. Williams
Chairman of the Board

c: San Diego County Board of Supervisors
San Diego County Chamber of Commerce
William Jones

L-SandagTransNet.TLOREN



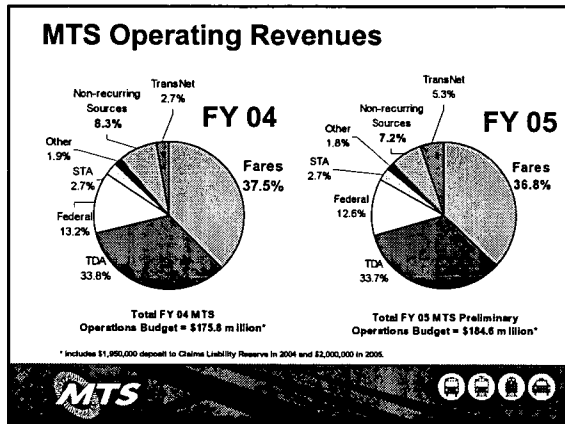


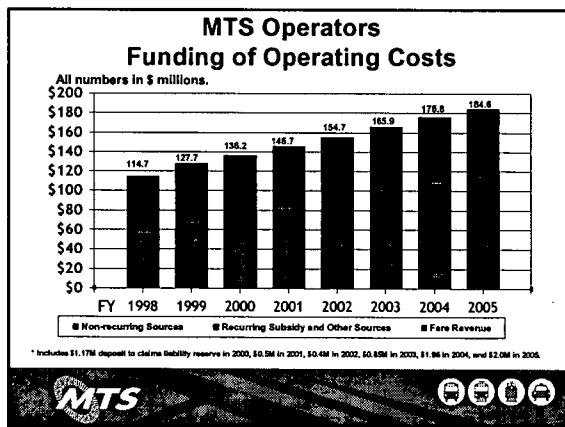
The Bottom Line (in millions)
(operating deficit = revenue minus costs)

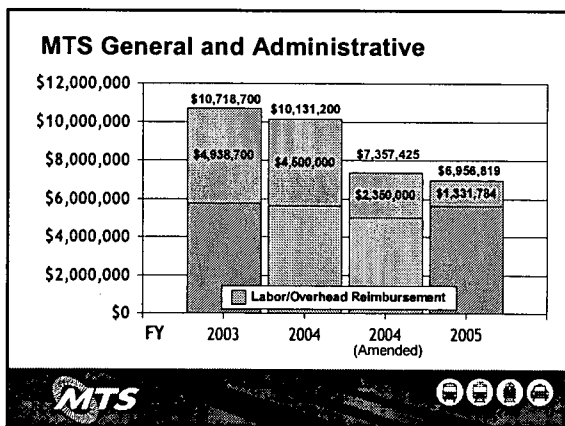
Operating Deficit	Worst Case	Best Case
FY 05	(\$ 5.5)	(\$ 0.0)
FY 06	(\$ 8.6)	(\$ 1.6)
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FY 08	(\$10.7)	(\$ 2.7)
FY 09	(\$30.9)	(\$22.1)
TOTAL	(\$65.0)	(\$28.5)

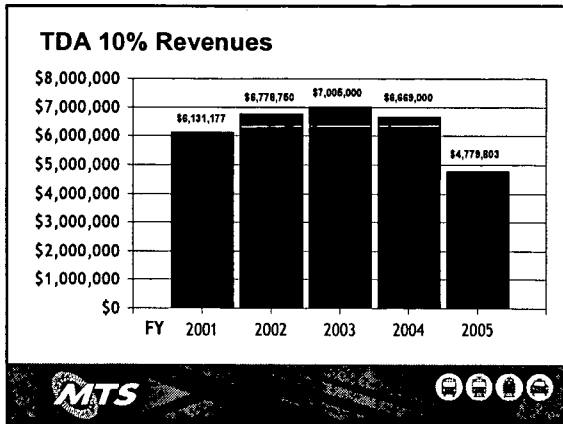
FY 05 Administration Deficit (\$ 0.87)
TOTAL FY 05 DEFICIT (\$ 6.38)

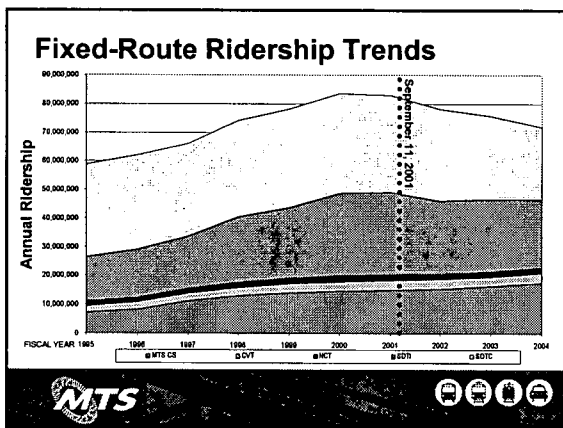
MTS logo and four circular icons representing different transit services.











MTS Fare Revenue

- FY 03 Actual \$64.3M
- FY 04 Budget (M-Y Amd.) \$65.9M
- FY 05 First cut March 11 \$67.3M
- FY 05 May 8 Revised \$68.0M
 - Revised upward by \$675,000
 - Assumes pass increase July 1, 2004
- Projection for FY 05 is 3.2% above FY 04 budget

MTS

MTS Farebox Recovery

Combined Farebox Recovery Ratio:

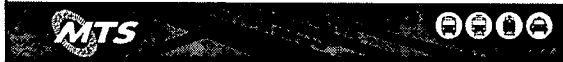
- FY 03 Actual 39.2%
- FY 04 Projected 38.0%
- FY 05 Proposed **37.4%**



MTS Operating Projections

Includes...

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



MTS FY 05 Operating Budget Reductions


San Diego Transit	(\$1,376,000)*
San Diego Trolley (incl. MVE)	(\$2,039,000)*
MTS Contract Services	(\$706,000)*
Chula Vista Transit	(\$100,000)
National City Transit	(\$97,000)
TOTAL	(\$4,318,000)

* Includes reductions from transfer of Marketing expenses to MTS G&A.




MTS Operating Budget
Cost Changes FY 04 – FY 05

San Diego Transit	↑ 2.6%
San Diego Trolley (w/o MVE)	↑ 4.4%
San Diego Trolley (w/ MVE)	↑ 10.6%
MTS Contract Services (Fixed-Route)	↑ 3.5%
MTS Contract Services (Paratransit)	↑ 3.9%
Chula Vista Transit	↑ 3.2%
National City Transit	↑ 0.7%
Coronado Ferry	↑ 3.0%
Combined Overall (w/o MVE)	↑ 3.5%
Combined Overall (w/ MVE)	↑ 5.0%




Fuel Price Uncertainty

- Diesel Fuel
 - FY 04 budget \$1.05 per gallon
 - FY 04 average to date \$1.14
 - Trend \$1.86 down to \$1.49 (5/23/04)
 - FY 05 budget initial proposed \$1.10 per gallon
- CNG (Compressed Natural Gas)
 - FY 04 budget \$0.90 per therm
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Finance Workshop Follow-up

1. Mission Valley East LRT Startup
2. Consolidation/Reorganization Savings
3. Financial Details
4. Service Adjustment Proposals
5. Contingency Reserve and \$3.5M BRT TransNet Funding



Mission Valley East LRT Start-up Budget

• <u>SDTI</u>	<u>\$Millions</u>
– Personnel	\$1.80
– Outside Services	\$0.26
– Materials/Supplies	\$0.14
– Energy	\$0.30
– Risk	\$0.10
– General and Admin.	<u>\$0.01</u>
• TOTAL	\$2.61
• <u>MTS</u>	
– Marketing	\$0.40



Consolidation Savings

- Administrative overhead reduction of \$4.1M FY 03 – FY 05.
- FY 05 operating budget includes one downgraded position and elimination of six positions: Estimated cost savings = \$350K.
- Efforts underway to produce MTS cost savings due to pooling MTS operating entities: Estimated cost savings = \$256K.



Transit Operator Budget Details

- Additional details regarding actual dollar differences as well as percentages: shown in Attachment E



Service Adjustments

- Incremental versus system-wide
- Short-term strategy
 - \$200K in minor adjustments proposed for FY 05
 - High subsidy services, low ridership impact
- Minor adjustments result in \$260K full-year savings in FY 06
- Long-term, system-wide look: need better counts and information for evaluation



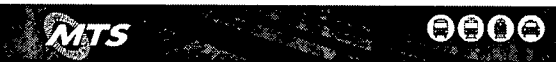
BRT TransNet

- Requested and approved by SANDAG: Transfer of \$3.5M in BRT TransNet funds to MTS for operating subsidies for FY 05.



Primary FY 05 Policy Choices

1. Reduce level of contingency reserves
2. Use of BRT TransNet funds
3. Service and fare adjustments



Policy Packages – FY 05

\$ Millions	Option 1	Option 2	Option 3	Option 4	Option 5
Deficit	(\$6.38)	(\$6.38)	(\$6.38)	(\$6.38)	(\$6.38)
+ Contingency Reserve	\$2.88	\$2.68	\$2.62	\$2.42	---
TransNet	\$3.50	\$3.50	\$3.50	\$3.50	\$3.50
Minor Service Adjustments	---	\$0.20	---	\$0.20	\$0.20
Major Service Adjustments	---	---	---	---	\$2.42
Reorganization Savings	---	---	\$0.26	\$0.26	\$0.26
Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

MTS**Recommendations for
FY 05 Budget Balancing**

- Option 4 policy choice
 - Maintains 5.6% (\$10.2M) in contingency reserve
 - Proceed with \$200K in subsidy savings through minor service adjustments (high subsidy services, low-ridership impact)
- Use \$3.5M in BRT TransNet funds for operating subsidies
- Establish goal of \$255K in reorganization savings.

MTS**Long-Term Recommendation for
Future Budget Balancing**

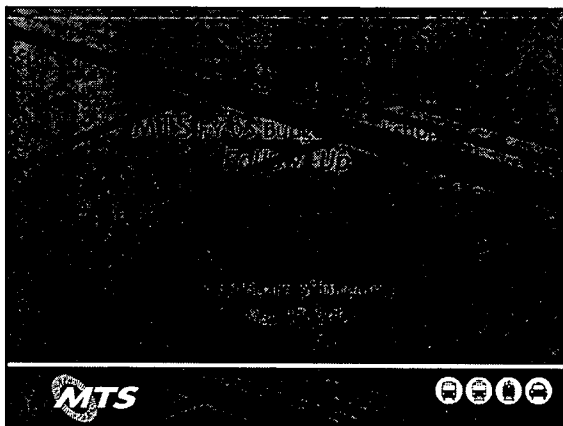
- Develop a series of policy scenarios for review at a future MTS Board meeting; to include TransNet options for resolving the structural deficit.

MTS

Next Steps

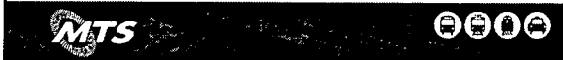
- June 24, 2004 - Hold public hearing and Final Adoption of MTS Budget

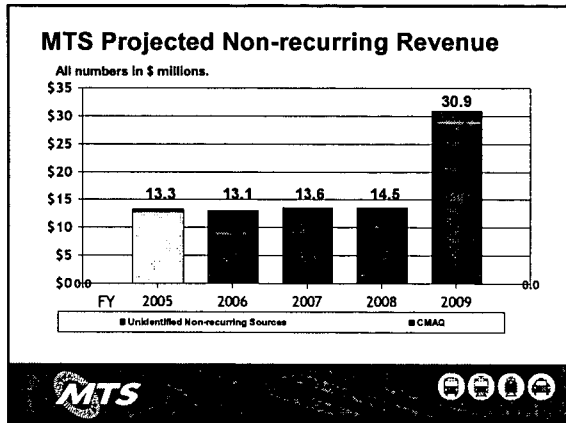




Contingency Reserve – FY 05

\$ Millions	Option 1	Option 2	Option 3	Option 4	Option 5
Initial	\$17.85	\$17.85	\$17.85	\$17.85	\$17.85
Contingency Reserve per FY 04 Plan	(\$5.20)	(\$5.20)	(\$5.20)	(\$5.20)	(\$5.20)
Additional Contingency Reserve	(\$2.88)	(\$2.68)	(\$2.62)	(\$2.42)	---
Total Contingency FY 05	(\$8.08)	(\$7.88)	(\$7.82)	(\$7.62)	(\$5.20)
Balance	\$9.77	\$9.97	\$10.03	\$10.23	\$12.65
Percentage of Operating Budget	5.4%	5.5%	5.5%	5.6%	7.0%



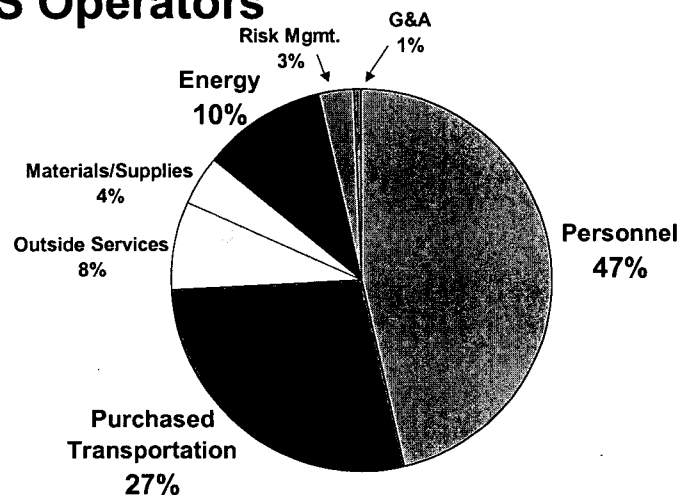


MTS FY 05 Budget Workshop Follow -Up

MTS Board of Directors
May 27, 2004



MTS Operators



Total FY 05 Operating Budget = \$182.6 million



The Bottom Line (in millions)

(operating deficit = revenue minus costs)

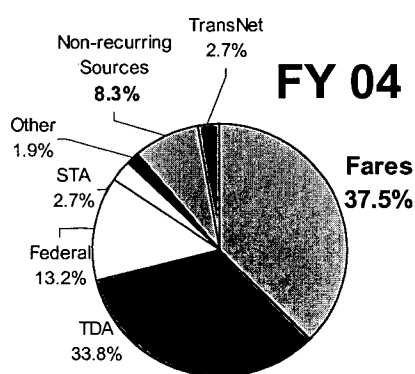
Operating Deficit	<u>Worst Case</u>	<u>Best Case</u>
FY 05	(\$ 5.5)	(\$ 0.0)
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TOTAL	(\$65.0)	(\$28.5)

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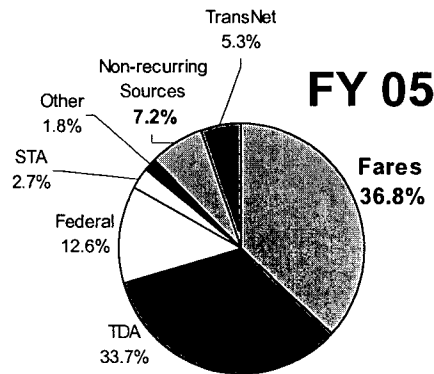
TOTAL FY 05 DEFICIT (\$ 6.38)



MTS Operating Revenues



Total FY 04 MTS
Operations Budget = \$175.8 million*



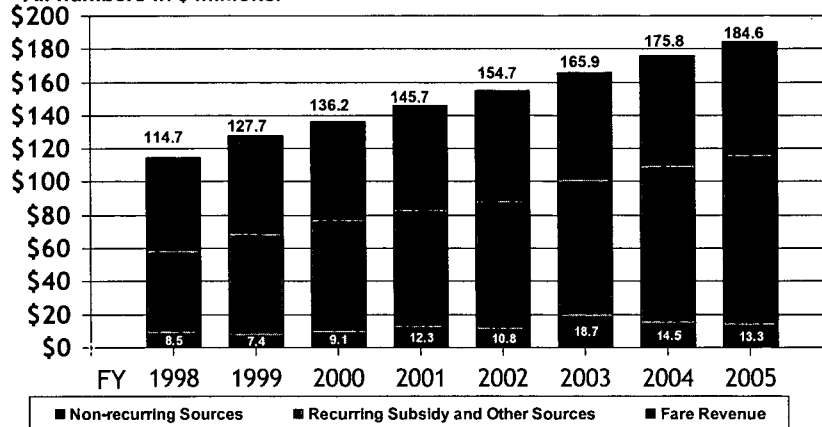
Total FY 05 MTS Preliminary
Operations Budget = \$184.6 million*

* Includes \$1,950,000 deposit to Claims Liability Reserve in 2004 and \$2,000,000 in 2005.



MTS Operators Funding of Operating Costs

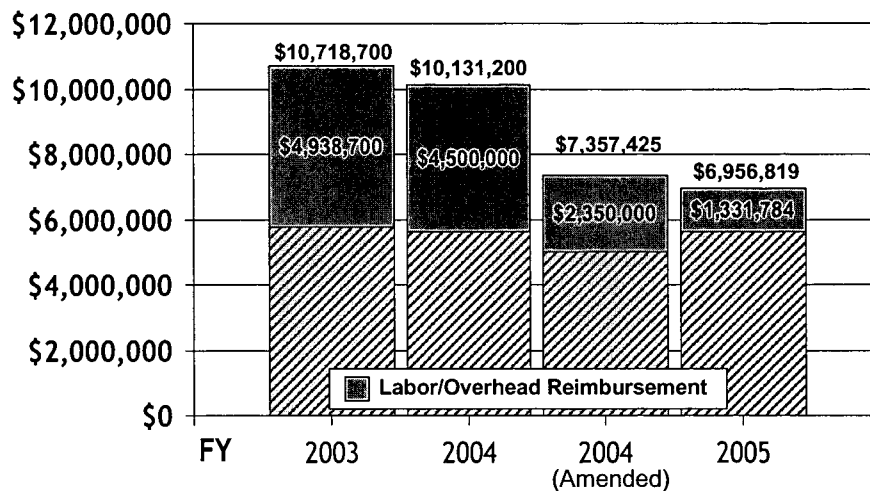
All numbers in \$ millions.



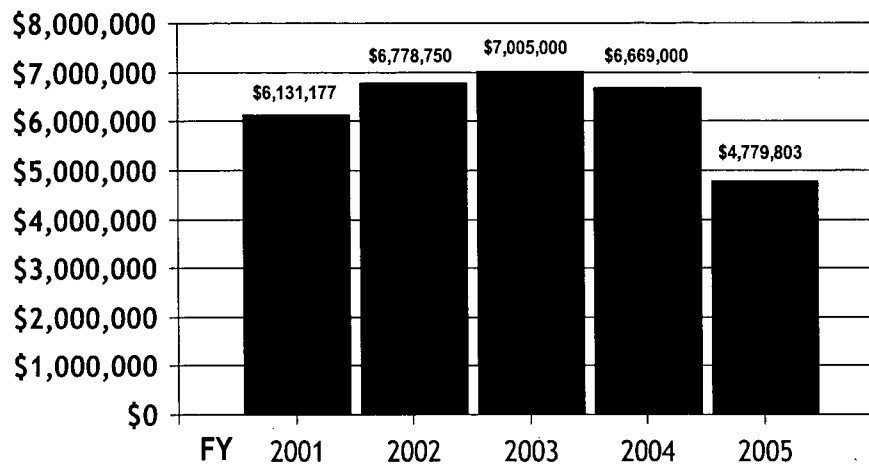
* Includes \$1.17M deposit to claims liability reserve in 2000, \$0.5M in 2001, \$0.4M in 2002, \$0.85M in 2003, \$1.95 in 2004, and \$2.0M in 2005.



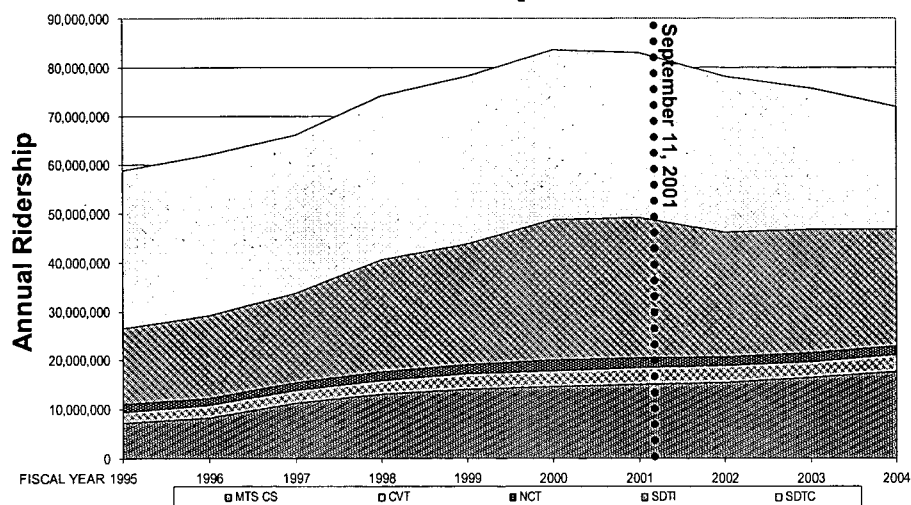
MTS General and Administrative



TDA 10% Revenues



Fixed-Route Ridership Trends



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- FY 03 Actual \$64.3M
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Combined Farebox Recovery Ratio:

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MTS Operating Projections

Includes...

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- San Diego Transit
- MTS Contract Services
- Chula Vista Transit
- National City Transit
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<hr/>	
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Finance Workshop Follow-up

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Transit Operator Budget Details

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Service Adjustments

- Incremental versus system-wide
- Short-term strategy
 - \$200K in minor adjustments proposed for FY 05
 - High subsidy services, low ridership impact
- Minor adjustments result in \$260K full-year savings in FY 06
- Long-term, system-wide look: need better counts and information for evaluation



BRT TransNet

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Primary FY 05 Policy Choices

1. Reduce level of contingency reserves
2. Use of BRT TransNet funds
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Policy Packages – FY 05

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Balance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00



Recommendations for FY 05 Budget Balancing

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3. Establish goal of \$255K in reorganization savings.



Long-Term Recommendation for Future Budget Balancing

- Develop a series of policy scenarios for review at a future MTS Board meeting: to include TransNet options for resolving the structural deficit.



Next Steps

- June 24, 2004 - Hold public hearing and Final Adoption of MTS Budget



MTS FY 05 Budget Workshop *Follow -Up*

MTS Board of Directors
May 27, 2004





1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466, FAX 619.234.3407

Agenda

Item No. 31

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 960.5 (PC 30101)

May 27, 2004

Subject:

SDTC: RETIREMENT PLANS ACTUARIAL VALUATION AS OF JANUARY 1, 2004

RECOMMENDATION:

That the Board of Directors receive the Actuarial Valuation as of January 1, 2004, and approve the annual contribution rate for the San Diego Transit Corporation (SDTC) pension plans in FY 05 at 19.69 percent of payroll.

Budget Impact

This will result in an annual pension contribution of approximately \$6.8 million and is within the proposed FY 05 budget estimate.

Executive Committee Recommendation

At its meeting on May 20, 2004, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

Bob McCrory from EFI Actuaries will present the Actuarial Valuation Report for the SDTC pension plans. This report presents the results of an actuarial valuation of the three retirement plans of SDTC, as of January 1, 2004. The purposes of this actuarial valuation are:

- to compute the annual contribution required to fund the plan for FY 05 in accordance with actuarial principles; and
- to present those items required for disclosure under Statement No. 25 of the Governmental Accounting Standards Board (GASB), which is included in SDTC's audited financial report.



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

This actuarial valuation has produced an increase in the recommended contribution. The last actuarial report (January 2002) produced a contribution factor of 16.83 percent of annual payroll; this has increased to 19.69 percent. The primary factor behind this increase was the investment losses that occurred during FY 03. The effect of these losses has been partially offset by the introduction of a five-year asset smoothing method. The smoothing method spreads investment gains and losses over five years.

The report is organized in five sections:

1. An Executive Summary section that presents a brief summary of the report and its conclusions.
2. Section 1 presents a summary of plan provisions; statistical data on plan participants; and a summary of actuarial assumptions used in the valuation.
3. Section 2 contains information on plan assets and their valuation.
4. Section 3 presents the actuarial calculations of pension liabilities and plan cost.
5. Section 4 discloses the information required by GASB 25.

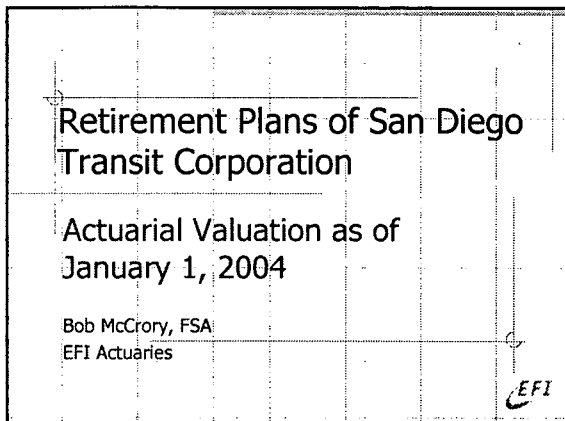


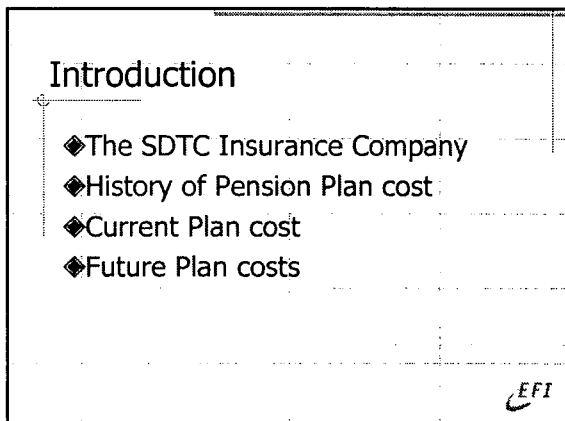
Paul C. Jablonski
Chief Executive Officer

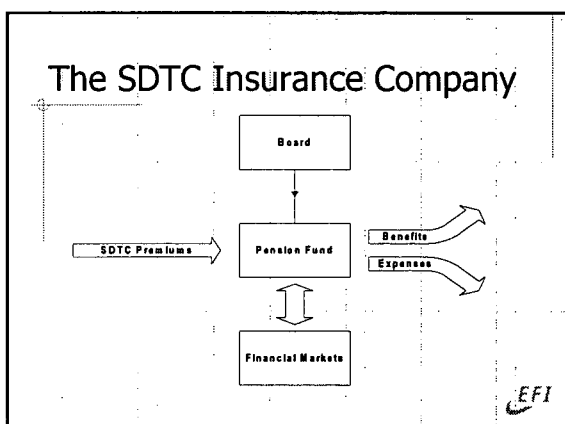
Key Staff Contact: Claire E. Spielberg, 619.238.0100 Ext. 400, claire.spielberg@sdmtscom

JGarde/Global/A_Is/
31-04MAY27.CSPIEL
5/19/04

Attachment: A. Retirement Plans of SDTC - Actuarial Valuation as of 1/1/04 **(Board Only)**



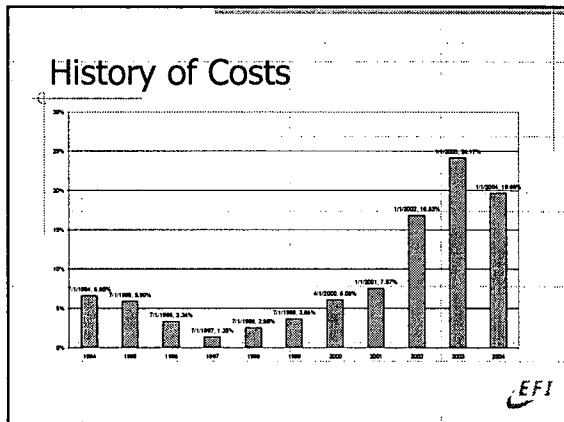




The SDTC Insurance Company

- ◆ Goals
 - Solvency
 - Low premiums
 - Stable premiums
- ◆ Controls
 - Benefit levels
 - Investments

EFI




Current Cost

	Cost in Dollars	Cost as % of Payroll
January 1, 2002 (Section 3.1, Column 1)	\$6,436,083	16.828%
Change in cost due to demographic gains/losses from January 1, 2002 to January 1, 2003 (Section 3.2, Column 1)	(314,097)	0.691%
Change in cost due to investment gains/losses from January 1, 2002 to January 1, 2003 (Section 3.2, Column 2)	2,324,298	6.651%
January 1, 2003 (Section 3.2, Column 2)	\$8,446,284	24.170%
Change in cost due to demographic gains/losses from January 1, 2003 to January 1, 2004 (Section 3.3, Column 1)	498,876	0.513%
Change in cost due to investment gains/losses from January 1, 2003 to January 1, 2004 (Section 3.3, Column 2)	(790,957)	(2.183%)
Change in cost due to smoothing of assets (Section 3.3, Column 3)	(1,018,870)	(2.811%)
January 1, 2004 (Section 3.3, Column 3)	\$7,135,333	19.691%

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Future Costs


- ◆ Likely to increase to over 25% pay
 - Improved ATU/IBEW benefits
 - Continued contraction in workforce
 - Actuarial value of assets = 117% of market value
 - Realization of unrealized losses over next five years



Retirement Plans of San Diego Transit Corporation

Actuarial Valuation as of January 1, 2004:

Bob McCrory, FSA
EFI Actuaries



**Retirement Plans of
San Diego Transit Corporation**

Actuarial Valuation as of January 1, 2004

Prepared on
April 22, 2004

EFI^{*} Actuaries • EFI Asset/Liability Management Services, Inc.

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*Ed Friend, Inc.

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Summary of Results

A Brief Summary

This actuarial valuation of the Retirement Plans of San Diego Transit Corporation (the Plan) has produced an increase in recommended contributions. The table below shows how the cost of the Plan has changed since the last actuarial valuation as of January 1, 2002:

	<u>Cost in Dollars</u>	<u>Cost as % of Payroll</u>
January 1, 2002 (Section 3.1, Column 1)	\$6,436,083	16.828%
Change in cost due to demographic gains/losses from January 1, 2002 to January 1, 2003 (Section 3.2, Column 1)	(314,097)	0.691%
Change in cost due to investment gains/losses from January 1, 2002 to January 1, 2003 (Section 3.2, Column 2)	2,324,298	6.651%
January 1, 2003 (Section 3.2, Column 2)	\$8,446,284	24.170%
Change in cost due to demographic gains/losses from January 1, 2003 to January 1, 2004 (Section 3.3, Column 1)	498,876	0.515%
Change in cost due to investment gains/losses from January 1, 2003 to January 1, 2004 (Section 3.3, Column 2)	(790,957)	(2.183%)
Change in cost due to smoothing of assets (Section 3.3, Column 3)	(1,018,870)	(2.811%)
January 1, 2004 (Section 3.3, Column 3)	\$7,135,333	19.691%

These computations are based on the Plan provisions and on the actuarial assumptions as of January 1, 2004. No changes in Plan provisions are assumed; actuarial assumptions have not been modified. An outline of the Plan provisions is attached as Section 1.1; a summary of current actuarial assumptions is included in Section 1.3.

We have computed the cost of the Plan as of January 1, 2004 after introducing a five-year asset smoothing method. The smoothing method spreads investment gains and losses over five years. The resulting actuarial value of assets is constrained to remain within 20% of market value.

The percentage of payroll cost shown above is based on a member payroll of \$36.2 million projected for the calendar year 2004. We expect that the contribution rate above will become effective for the 2004-05 fiscal year. Therefore, the payroll figure actually used by the Corporation to compute its dollar contributions for the 2004-05 fiscal year will differ from this number, and the contribution rate shown above should be applied to the actual covered payroll for the fiscal year.

We note that the recommended employer contribution has increased by more than 10% in dollar terms, and has increased by almost 3% of active member payroll. The principal reason for the sharp increase in Plan cost was the large investment loss from January 1, 2002 to January 1, 2003. This increase has been partially offset by the introduction of smoothing to the actuarial value of assets. These issues and others are discussed in more detail below.

Purpose of the Report

This Report presents the results of an actuarial valuation of the Retirement Plans of San Diego Transit Corporation as of January 1, 2004. The purposes of this actuarial valuation are:

- To compute the annual contribution required for the 2004-05 fiscal year to fund the Plan in accordance with actuarial principles, and
- To present those items required for disclosure under Statement No. 25 of the Governmental Accounting Standards Board (GASB).

Organization of the Report

This Report is organized in five sections:

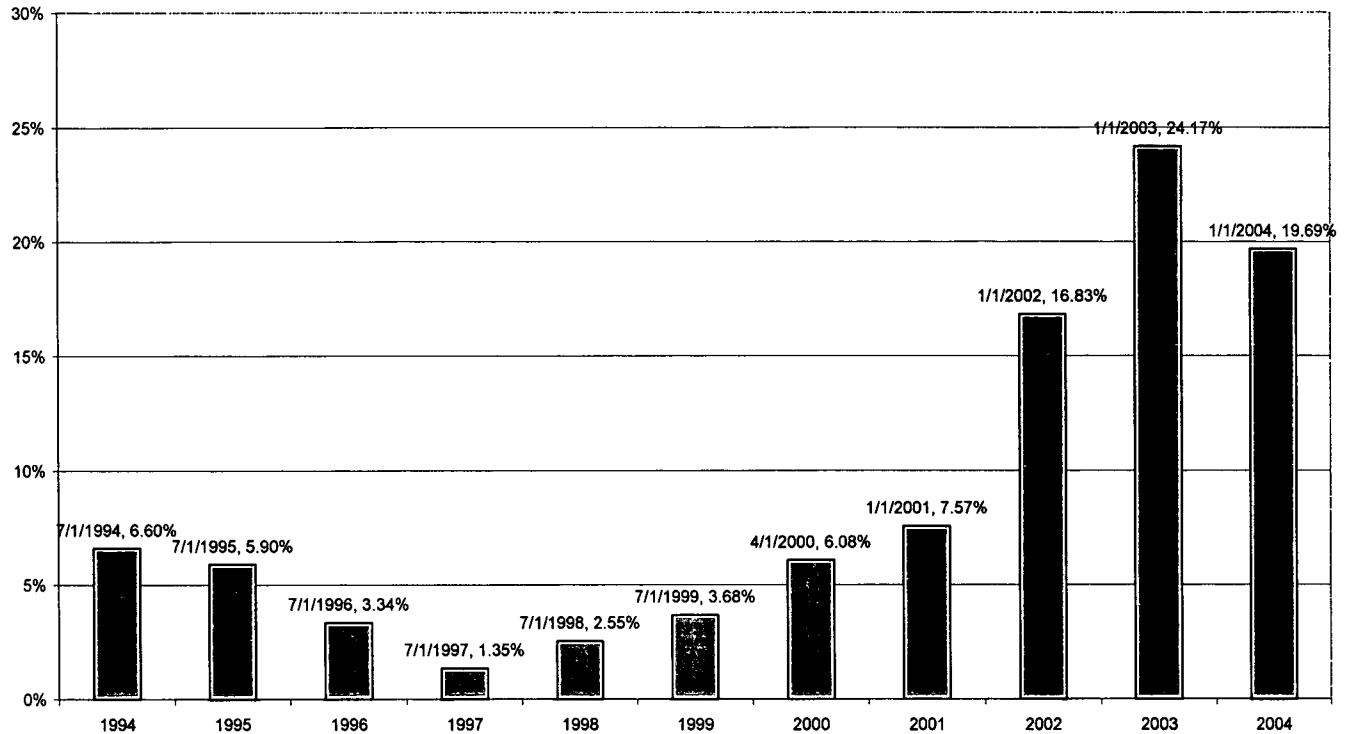
- This Summary presents the conclusions of the Report and discusses the reasons for changes since the last valuation.
- Section 1 below contains an outline of the Plan provisions on which our calculations are based, statistical data concerning Plan participants, and a summary of the actuarial assumptions employed to compute liabilities and costs.
- Section 2 presents information concerning Plan assets, including an income statement from January 1, 2002 to December 31, 2003.
- Section 3 contains the actuarial calculation of liabilities and Plan cost.
- Section 4 contains pension plan information required under Statement No. 25 of the Governmental Accounting Standards Board.

Plan Cost

Since the last actuarial valuation was performed as of January 1, 2002, the Plan cost has increased both in dollar terms and as a percentage of active members' payroll. The table below shows a brief summary.

<u>Valuation Date</u>	<u>Total Cost</u>	<u>Total Cost (% Payroll)</u>
January 1, 2002 (Section 3.1, Column 1)	\$6,436,083	16.828%
January 1, 2003 (Section 3.2, Column 2)	\$8,446,284	24.170%
January 1, 2004 (Section 3.3, Column 3)	\$7,135,333	19.691%

The percentage of payroll cost shown above is based on a member payroll of \$36.2 million projected for the calendar year 2004. We expect that the contribution rate above will become effective for the 2004-05 fiscal year. Therefore, the payroll figure actually used by the Corporation to compute its dollar contributions for the 2004-05 fiscal year will differ from this number, and the contribution rate shown above should be applied to the actual covered payroll for the fiscal year.



The graph below shows the history of Plan costs since the July 1, 1994 actuarial valuation.

We note in the graph above that the Plan cost increased from the July 1, 1997 actuarial valuation to January 1, 2003. These increases in cost have been due to Plan improvements combined with actuarial losses from investments.

Change in Plan Cost from January 1, 2002 to January 1, 2004

The following is an analysis of the changes in Plan cost since January 1, 2002.

- In the January 1, 2002 Report, the computed cost was \$6,436,083, or 16.828% of active member payroll. This was based on the actuarial assumptions previously in place, including an assumed 8.5% annual return on Plan assets.

This computation is shown in Section 3.1 below.

- Demographic experience was slightly negative.

The demographic experience of the Plan from January 1, 2002 to January 1, 2003 – rates of retirement, death, disability, termination, and salary increase – was somewhat different from that predicted by the actuarial assumptions. As a result, the Plan cost increased as a percentage of pay, but dropped as a dollar amount.

Since the January 1, 2004 demographic information was not available at the time of this report, the January 1, 2003 information was projected to January 1, 2004. New entrants were added in an amount needed to keep the expected active population level. The projection of the current population and the addition of anticipated new entrants also caused the cost to increase slightly, this time both as a dollar amount and a percentage of pay.

The overall effect of the demographic changes, based on both the actual movement of the population from January 1, 2002 to January 1, 2003, and on the anticipated changes in the population from January 1, 2003 to January 1, 2004, was to increase the cost as percentage of pay by 1.206%

- Investment returns were below expectations.

As can be seen in Section 2.1, the return on Plan assets was almost -26% during 2002, well short of the 8.5% assumed under the current assumptions. Although the assets did experience a major recovery during 2003, the ending market value at December 31, 2003 is still below what would have been expected on January 1, 2002. The overall effect of the asset losses from January 1, 2002 to December 31, 2003 was to increase Plan costs by 4.468% of pay.

Therefore, the principal reason for the increase in Plan cost during the past two years has been an average investment returns below the 8.5% assumed.

- The actuarial value of assets was changed to a five-year smoothing method.

The figures above have been computed by valuing the Plan's assets at fair market value. Most defined benefit pension plans compute their annual contribution using assets carried at actuarial value. The actuarial value of Plan assets is computed in a manner designed to smooth fluctuations in the market value of Plan assets. The additional stability in the value of Plan assets translates to more predictable pension plan costs that are easier to budget.

We have computed the cost of the Plan as of January 1, 2004 after introducing a five-year asset smoothing method. The smoothing method spreads investment gains and losses over five years. The resulting actuarial value of assets is constrained to remain within 20% of market value.

The new smoothing method has deferred some of the gains and losses experienced over the last several years, particularly the large investment loss experienced in 2002. As can be seen in Section 2.3, the actuarial value of assets is currently 17% higher than the market value. Using this higher actuarial value reduced the Plan cost by 2.811% of pay.

Future Plan Costs

As the investment losses experienced over the last several years are phased in over a five-year period, they will offset a portion of the return on market value. Therefore, assuming that the Plan earns 8.5% on

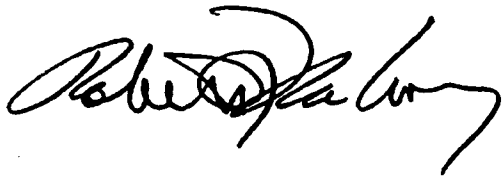
the market value of Plan assets, the return on the actuarial value of assets will be lower than 8.5%. This will mean that the assets used to compute the Plan cost will return less than 8.5%, an actuarial loss will occur, and the Plan cost will increase.

Assuming an annual return of 8.5% on the market value of Plan assets, the Plan cost will gradually increase to over 24% of member payroll as prior actuarial losses are recognized.

Conclusion

This report has been prepared using generally accepted actuarial methods and assumptions. If there are any questions about this report, please feel free to contact us. We enjoy being of service to you and we look forward to doing so in the future.

Respectfully submitted,



Robert T. McCrory, FSA



Graham A. Schmidt, ASA

Section 1:

**Summary of Plan Provisions,
Member Statistics, and
Actuarial Assumptions**

1.1: Brief Outline of Plan Provisions

Definitions

Average Monthly Final Earnings

Average Monthly Final Earnings means the average monthly compensation during the sixty (60) consecutive months that produces a Participant's highest average compensation, computed by dividing the Compensation Earnable for such period by the number of months in such period. For ATU and Clerical Participants, the averaging period is forty-eight (48) consecutive months prior to July 1, 2002, and thirty-six (36) months after; for Non-Contract Participants, the number of consecutive months is thirty-six (36).

Those months during which the Participant did not receive Compensation from the Employer equivalent to one half the regular working days will be excluded. The average is then based on that portion of the averaging period remaining after the excluded months.

Compensation

Compensation means the remuneration for services paid by the Employer. The monetary value of board, lodgings, fuel, car allowance, laundry or other advantages furnished to a Participant is not included.

Compensation Earnable

Compensation Earnable is the Compensation actually received by a Participant during a period of employment. For ATU and Non-Contract Participants, any bonus or retroactive wage increases are treated as compensation when received rather than when the services are performed. For IBEW Participants, Compensation Earnable is limited to 2,140 hours of straight time equivalent hours in any 12-month period.

In addition, the value of any vacation or sick leave accumulated but unused when benefits begin is excluded from Compensation Earnable and from Average Monthly Final Earnings.

Credited Years of Service

In general, Credited Years of Service is continuous Service with the San Diego Transit Corporation and its predecessor company from the last date of employment through the date of retirement, death, disability, or other termination of service.

As of November 10, 1997, part-time ATU employees receive one Credited Year of Service for every 2,080 Hours of Service worked as a part-time employee after December 1, 1990.

For Non-Contract Participants, Credited Years of Service includes any year commencing on or after July 1, 1982 in which the Participant completes at least 1,000 Hours of Service. In addition, Credited Years of Service for Non-Contract Participants will exclude any period of Service after the Participant's Normal Retirement Date.

A Participant who is disabled and recovers from disability and reenters the Plan as an active Participant will not receive Credited Years of Service for the period of disability.

Additional Credited Years of Service

The following additional Credited Years of Service have been provided for in amendments to the Plan document.

Non-Contract Participants

<u>Name</u>	<u>Additional Credited Service</u>
Marv Dougall	3 Years
John Garland	2 Years, 9 Months, 28 Days
Sandra Showalter	5 Years, 6 Months
Dianne Daley	2 Years, 3 Months
Tim Price	8 Months, 14 Days

ATU Participants

<u>Name</u>	<u>Additional Credited Service</u>
Lawrence D. Maxwell	1 Years, 15 Days
Roderick A. Lagrimas	3 Years, 10 Months, 12 Days
Olavo Michel	5 Years, 7 Months, 13 Days
William M. O'Donovan	6 Years, 9 Months, 13 Days
Guadalupe Guerrero, Jr.	1 Years, 11 Months, 12 Days
A.E. Napier	6 Years, 4 Months, 3 Days
R.F. Enhelder	4 Years, 7 Months, 25 Days
R.E. Dey	4 Years, 7 Months, 25 Days
L. Dietmeyer	10 Months, 11 Days
Karol Ferris	9 Months

Participation

All full-time and certain part-time ATU and IBEW employees become Participants on their date of hire.
All Non-Contract employees become Participants after earning one Credited Year of Service.

Retirement Benefit

Eligibility

ATU members are eligible for normal service retirement upon attaining age 63 and completing five or more years of service and eligible for early service retirement upon attaining age 55 and completing five or more years of service.

IBEW members are eligible for normal service retirement upon attaining age 65 and completing five or more years of service and eligible for early service retirement upon attaining age 55 and completing five or more years of service.

Non-Contract Participants are eligible for normal service retirement upon attaining age 63 and completing five or more years of service and eligible for early service retirement upon attaining age 53 and completing five or more years of service.

Benefit Amount

The monthly service retirement benefit is the Participant's Average Monthly Final Earnings multiplied by the percentage figures shown below in Table A (ATU and IBEW). For Non-Contract participants terminating prior to July 1, 2000, Table A-1 is used; for Non-Contract participants terminating on and after July 1, 2000, Table A-2 is used.

For Participants with fractions of a year of age or service, the Participant's age or service will be rounded to the completed quarter year, and the percentage multiplier will be computed from Table A using interpolation.

ATU participants who are active as from November 10, 1997 to December 31, 1998 and from November 10, 1997 to December 31, 1999 receive an additional 2.5% and 2.5%, respectively. However, the multiplier from Table A, as augmented by the additional 2.5% increments, is still limited to 60%.

Non-Contract Participants who are active as of July 1, 1994 and July 1, 1995 receive an additional 6% and 2%, respectively. However, the benefit multiplier, as augmented by the additional 6% and 2% increments, is still limited to 60% under Table A-1 and 70% under Table A-2.

A Participant who is disabled and recovers from disability and reenters the Plan as an active Participant will have this benefit amount reduced by the actuarial equivalent of the benefits paid during the period of disability.

Form of Benefit

The normal form of benefit is an annuity payable for the life of the Participant, with no continuation of benefits to a beneficiary after death. The retirement benefit will be paid as a 50% Joint and Survivor benefit actuarially equivalent to the normal form for participants who have been married for at least one year. Otherwise, the normal form will be paid.

The ATU and IBEW benefits have been amended from time to time to remove the actuarial reduction in benefits for previously retired Participants whose spouses have died before them. However, these adjustments are retroactive only, and they do not apply to benefits paid to currently active Participants.

ATU Table A

Credited Years Of Service	Age at Retirement								
	55	56	57	58	59	60	61	62	63 or older
5	5.9%	6.3%	6.7%	7.2%	7.8%	8.3%	8.9%	9.5%	10.1%
6	7.1%	7.5%	8.1%	8.7%	9.3%	10.0%	10.7%	11.4%	12.1%
7	8.2%	8.8%	9.4%	10.1%	10.9%	11.7%	12.4%	13.3%	14.1%
8	9.4%	10.1%	10.8%	11.6%	12.4%	13.3%	14.2%	15.1%	16.1%
9	10.6%	11.3%	12.1%	13.0%	14.0%	15.0%	16.0%	17.0%	18.1%
10	11.8%	12.6%	13.5%	14.4%	15.5%	16.7%	17.8%	18.9%	20.1%
11	12.9%	13.8%	14.8%	15.9%	17.1%	18.3%	19.5%	20.8%	22.2%
12	14.1%	15.1%	16.2%	17.3%	18.6%	20.0%	21.3%	22.7%	24.2%
13	15.3%	16.3%	17.5%	18.8%	20.2%	21.7%	23.1%	24.6%	26.2%
14	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	24.9%	26.5%	28.2%
15	17.6%	18.9%	20.2%	21.7%	23.3%	25.0%	26.7%	28.4%	30.2%
16	18.8%	20.1%	21.5%	23.1%	24.8%	26.7%	28.4%	30.3%	32.2%
17	20.0%	21.4%	22.9%	24.5%	26.4%	28.3%	30.2%	32.2%	34.3%
18	21.2%	22.6%	24.2%	26.0%	27.9%	30.0%	32.0%	34.1%	36.3%
19	22.3%	23.9%	25.6%	27.4%	29.5%	31.7%	33.8%	36.0%	38.3%
20	23.5%	25.2%	26.9%	28.9%	31.0%	33.3%	35.5%	37.9%	40.3%
21	24.7%	26.4%	28.3%	30.3%	32.6%	35.0%	37.3%	39.7%	42.3%
22	25.9%	27.7%	29.6%	31.8%	34.1%	36.7%	39.1%	41.6%	44.3%
23	27.0%	28.9%	31.0%	33.2%	35.7%	38.3%	40.9%	43.5%	46.3%
24	28.2%	30.2%	32.3%	34.6%	37.2%	40.0%	42.6%	45.4%	48.4%
25	29.4%	31.4%	33.7%	36.1%	38.8%	41.7%	44.4%	47.3%	50.4%
26	30.6%	32.7%	35.0%	37.5%	40.3%	43.3%	46.2%	49.2%	52.4%
27	31.7%	34.0%	36.4%	39.0%	41.9%	45.0%	48.0%	51.1%	54.4%
28	32.9%	35.2%	37.7%	40.4%	43.4%	46.7%	49.8%	52.0%	56.4%
29	34.1%	36.5%	39.1%	41.9%	45.0%	48.3%	50.0%	55.0%	58.4%
30	35.3%	37.7%	40.4%	43.4%	46.5%	50.0%	51.0%	55.5%	60.0%
31	36.5%	39.0%	41.7%	44.8%	48.1%	51.0%	51.5%	56.0%	60.0%
32	37.6%	40.2%	43.1%	46.2%	49.6%	51.5%	52.0%	56.5%	60.0%
33	38.8%	41.5%	44.4%	47.6%	50.0%	52.0%	52.5%	57.0%	60.0%
34	40.0%	42.8%	45.8%	49.1%	51.0%	52.5%	53.0%	57.5%	60.0%
35 or more	41.2%	44.0%	47.1%	50.0%	51.5%	53.0%	53.5%	58.0%	60.0%

IBEW Table A

Credited Years Of Service	Age at Retirement										
	55	56	57	58	59	60	61	62	63	64	65+
5	5.2%	5.5%	5.9%	6.3%	6.7%	7.2%	7.8%	8.3%	8.9%	9.5%	10.1%
6	6.2%	6.6%	7.1%	7.5%	8.1%	8.7%	9.3%	10.0%	10.7%	11.4%	12.1%
7	7.2%	7.7%	8.2%	8.8%	9.4%	10.1%	10.9%	11.7%	12.4%	13.3%	14.1%
8	8.2%	8.8%	9.4%	10.1%	10.8%	11.6%	12.4%	13.3%	14.2%	15.1%	16.1%
9	9.3%	9.9%	10.6%	11.3%	12.1%	13.0%	14.0%	15.0%	16.0%	17.0%	18.1%
10	10.2%	11.0%	11.8%	12.6%	13.5%	14.4%	15.5%	16.7%	17.8%	18.9%	20.1%
11	11.2%	12.1%	12.9%	13.8%	14.8%	15.9%	17.1%	18.3%	19.5%	20.8%	22.2%
12	12.3%	13.2%	14.1%	15.1%	16.2%	17.3%	18.6%	20.0%	21.3%	22.7%	24.2%
13	13.3%	14.3%	15.3%	16.3%	17.5%	18.8%	20.2%	21.7%	23.1%	24.6%	26.2%
14	14.4%	15.4%	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	24.9%	26.5%	28.2%
15	15.4%	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	25.0%	26.7%	28.4%	30.2%
16	16.4%	17.6%	18.8%	20.1%	21.5%	23.1%	24.8%	26.7%	28.4%	30.3%	32.2%
17	17.5%	18.7%	20.0%	21.4%	22.9%	24.5%	26.4%	28.3%	30.2%	32.2%	34.3%
18	18.5%	19.8%	21.2%	22.6%	24.2%	26.0%	27.9%	30.0%	32.0%	34.1%	36.3%
19	19.6%	20.9%	22.3%	23.9%	25.6%	27.4%	29.5%	31.7%	33.8%	36.0%	38.3%
20	20.6%	22.0%	23.5%	25.2%	26.9%	28.9%	31.0%	33.3%	35.5%	37.9%	40.3%
21	21.6%	23.1%	24.7%	26.4%	28.3%	30.3%	32.6%	35.0%	37.3%	39.7%	42.3%
22	22.7%	24.2%	25.9%	27.7%	29.6%	31.8%	34.1%	36.7%	39.1%	41.6%	44.3%
23	23.7%	25.3%	27.0%	28.9%	31.0%	33.2%	35.7%	38.3%	40.9%	43.5%	46.3%
24	24.8%	26.4%	28.2%	30.2%	32.3%	34.6%	37.2%	40.0%	42.6%	45.4%	48.4%
25	25.8%	27.5%	29.4%	31.4%	33.7%	36.1%	38.8%	41.7%	44.4%	47.3%	50.4%
26	26.9%	28.6%	30.6%	32.7%	35.0%	37.5%	40.3%	43.3%	46.2%	49.2%	52.4%
27	27.9%	29.7%	31.7%	34.0%	36.4%	39.0%	41.9%	45.0%	48.0%	51.1%	54.4%
28	29.0%	30.9%	32.9%	35.2%	37.7%	40.4%	43.4%	46.7%	49.8%	52.0%	56.4%
29	30.0%	32.0%	34.1%	36.5%	39.1%	41.9%	45.0%	48.3%	50.0%	55.0%	58.4%
30	31.1%	33.1%	35.3%	37.7%	40.4%	43.4%	46.5%	50.0%	51.0%	55.5%	60.0%
31	32.1%	34.2%	36.5%	39.0%	41.7%	44.8%	48.1%	51.0%	51.5%	56.0%	60.0%
32	33.2%	35.3%	37.6%	40.2%	43.1%	46.2%	49.6%	51.5%	52.0%	56.5%	60.0%
33	34.3%	36.5%	38.8%	41.5%	44.4%	47.6%	50.0%	52.0%	52.5%	57.0%	60.0%
34	35.4%	37.6%	40.0%	42.8%	45.8%	49.1%	51.0%	52.5%	53.0%	57.5%	60.0%
35 or more	36.5%	38.7%	41.2%	44.0%	47.1%	50.0%	51.5%	53.0%	53.5%	58.0%	60.0%

Non-Contract Table A-1

Credited Years Of Service	Age at Retirement										
	53	54	55	56	57	58	59	60	61	62	63 or older
5	5.2%	5.5%	5.9%	6.3%	6.7%	7.2%	7.8%	8.3%	8.9%	9.5%	10.1%
6	6.2%	6.6%	7.1%	7.5%	8.1%	8.7%	9.3%	10.0%	10.7%	11.4%	12.1%
7	7.2%	7.7%	8.2%	8.8%	9.4%	10.1%	10.9%	11.7%	12.4%	13.3%	14.1%
8	8.2%	8.8%	9.4%	10.1%	10.8%	11.6%	12.4%	13.3%	14.2%	15.1%	16.1%
9	9.3%	9.9%	10.6%	11.3%	12.1%	13.0%	14.0%	15.0%	16.0%	17.0%	18.1%
10	10.2%	11.0%	11.8%	12.6%	13.5%	14.4%	15.5%	16.7%	17.8%	18.9%	20.1%
11	11.2%	12.1%	12.9%	13.8%	14.8%	15.9%	17.1%	18.3%	19.5%	20.8%	22.2%
12	12.3%	13.2%	14.1%	15.1%	16.2%	17.3%	18.6%	20.0%	21.3%	22.7%	24.2%
13	13.3%	14.3%	15.3%	16.3%	17.5%	18.8%	20.2%	21.7%	23.1%	24.6%	26.2%
14	14.4%	15.4%	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	24.9%	26.5%	28.2%
15	15.4%	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	25.0%	26.7%	28.4%	30.2%
16	16.4%	17.6%	18.8%	20.1%	21.5%	23.1%	24.8%	26.7%	28.4%	30.3%	32.2%
17	17.5%	18.7%	20.0%	21.4%	22.9%	24.5%	26.4%	28.3%	30.2%	32.2%	34.3%
18	18.5%	19.8%	21.2%	22.6%	24.2%	26.0%	27.9%	30.0%	32.0%	34.1%	36.3%
19	19.6%	20.9%	22.3%	23.9%	25.6%	27.4%	29.5%	31.7%	33.8%	36.0%	38.3%
20	20.6%	22.0%	23.5%	25.2%	26.9%	28.9%	31.0%	33.3%	35.5%	37.9%	40.3%
21	21.6%	23.1%	24.7%	26.4%	28.3%	30.3%	32.6%	35.0%	37.3%	39.7%	42.3%
22	22.7%	24.2%	25.9%	27.7%	29.6%	31.8%	34.1%	36.7%	39.1%	41.6%	44.3%
23	23.7%	25.3%	27.0%	28.9%	31.0%	33.2%	35.7%	38.3%	40.9%	43.5%	46.3%
24	24.8%	26.4%	28.2%	30.2%	32.3%	34.6%	37.2%	40.0%	42.6%	45.4%	48.4%
25	25.8%	27.5%	29.4%	31.4%	33.7%	36.1%	38.8%	41.7%	44.4%	47.3%	50.4%
26	26.9%	28.6%	30.6%	32.7%	35.0%	37.5%	40.3%	43.3%	46.2%	49.2%	52.4%
27	27.9%	29.7%	31.7%	34.0%	36.4%	39.0%	41.9%	45.0%	48.0%	51.1%	54.4%
28	29.0%	30.9%	32.9%	35.2%	37.7%	40.4%	43.4%	46.7%	49.8%	52.0%	56.4%
29	30.0%	32.0%	34.1%	36.5%	39.1%	41.9%	45.0%	48.3%	50.0%	55.0%	58.4%
30	31.1%	33.1%	35.3%	37.7%	40.4%	43.4%	46.5%	50.0%	51.0%	55.5%	60.0%
31	32.1%	34.2%	36.5%	39.0%	41.7%	44.8%	48.1%	51.0%	51.5%	56.0%	60.0%
32	33.2%	35.3%	37.6%	40.2%	43.1%	46.2%	49.6%	51.5%	52.0%	56.5%	60.0%
33	34.3%	36.5%	38.8%	41.5%	44.4%	47.6%	50.0%	52.0%	52.5%	57.0%	60.0%
34	35.4%	37.6%	40.0%	42.8%	45.8%	49.1%	51.0%	52.5%	53.0%	57.5%	60.0%
35 or more	36.5%	38.7%	41.2%	44.0%	47.1%	50.0%	51.5%	53.0%	53.5%	58.0%	60.0%

Non-Contract Table A-2

Credited Years Of Service	Age at Retirement										
	53	54	55	56	57	58	59	60	61	62	63 or older
5	8.71%	9.33%	10.00%	10.26%	10.52%	10.78%	11.05%	11.31%	11.57%	11.83%	12.09%
6	10.45%	11.20%	12.00%	12.31%	12.62%	12.94%	13.26%	13.57%	13.88%	14.20%	14.51%
7	12.19%	13.06%	14.00%	14.36%	14.73%	15.09%	15.47%	15.83%	16.20%	16.56%	16.93%
8	13.94%	14.93%	16.00%	16.42%	16.83%	17.25%	17.68%	18.10%	18.51%	18.93%	19.34%
9	15.68%	16.79%	18.00%	18.47%	18.94%	19.40%	19.89%	20.36%	20.83%	21.29%	21.76%
10	17.42%	18.66%	20.00%	20.52%	21.04%	21.56%	22.10%	22.62%	23.14%	23.66%	24.18%
11	19.16%	20.53%	22.00%	22.57%	23.14%	23.72%	24.31%	24.88%	25.45%	26.03%	26.60%
12	20.90%	22.39%	24.00%	24.62%	25.25%	25.87%	26.52%	27.14%	27.77%	28.39%	29.02%
13	22.65%	24.26%	26.00%	26.68%	27.35%	28.03%	28.73%	29.41%	30.08%	30.76%	31.43%
14	24.39%	26.12%	28.00%	28.73%	29.46%	30.18%	30.94%	31.67%	32.40%	33.12%	33.85%
15	26.13%	27.99%	30.00%	30.78%	31.56%	32.34%	33.15%	33.93%	34.71%	35.49%	36.27%
16	27.87%	29.86%	32.00%	32.83%	33.66%	34.50%	35.36%	36.19%	37.02%	37.86%	38.69%
17	29.61%	31.72%	34.00%	34.88%	35.77%	36.65%	37.57%	38.45%	39.34%	40.22%	41.11%
18	31.36%	33.59%	36.00%	36.94%	37.87%	38.81%	39.78%	40.72%	41.65%	42.59%	43.52%
19	33.10%	35.45%	38.00%	38.99%	39.98%	40.96%	41.99%	42.98%	43.97%	44.95%	45.94%
20	34.84%	37.32%	40.00%	41.04%	42.08%	43.12%	44.20%	45.24%	46.28%	47.32%	48.36%
21	36.58%	39.19%	42.00%	43.09%	44.18%	45.28%	46.41%	47.50%	48.59%	49.69%	50.78%
22	38.32%	41.05%	44.00%	45.14%	46.29%	47.43%	48.62%	49.76%	50.91%	52.05%	53.20%
23	40.07%	42.92%	46.00%	47.20%	48.39%	49.59%	50.83%	52.03%	53.22%	54.42%	55.61%
24	41.81%	44.78%	48.00%	49.25%	50.50%	51.74%	53.04%	54.29%	55.54%	56.78%	58.03%
25	43.55%	46.65%	50.00%	51.30%	52.60%	53.90%	55.25%	56.55%	57.85%	59.15%	60.45%
26	45.29%	48.52%	52.00%	53.35%	54.70%	56.06%	57.46%	58.81%	60.16%	61.52%	62.87%
27	47.03%	50.38%	54.00%	55.40%	56.81%	58.21%	59.67%	61.07%	62.48%	63.88%	65.29%
28	48.78%	52.25%	56.00%	57.46%	58.91%	60.37%	61.88%	63.34%	64.79%	66.25%	67.70%
29	50.52%	54.11%	58.00%	59.51%	61.02%	62.52%	64.09%	65.60%	67.11%	68.61%	70.00%
30	52.26%	55.98%	60.00%	61.56%	63.12%	64.68%	66.30%	67.86%	69.42%	70.00%	70.00%
31	54.00%	57.85%	62.00%	63.61%	65.22%	66.84%	68.51%	70.00%	70.00%	70.00%	70.00%
32	55.74%	59.71%	64.00%	65.66%	67.33%	68.99%	70.00%	70.00%	70.00%	70.00%	70.00%
33	57.49%	61.58%	66.00%	67.72%	69.43%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
34	59.23%	63.44%	68.00%	69.77%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
35	60.97%	65.31%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%

ATU and IBEW Participants may elect an Alternative Retirement Formula if they terminate employment before early retirement but after 10 years of credited service or were hired between April 1, 1968 and March 31, 1971 and desire to retire at their Normal Retirement Date. These Participants are eligible for a deferred benefit commencing at age 65 based on Table B.

Table B

Credited Years Of Service	Percentage
10	20.1%
11	22.2%
12	24.2%
13	26.2%
14	28.2%
15	30.2%
16	32.2%
17	34.3%
18	36.3%
19	38.3%
20	40.3%
21	42.3%
22	44.3%
23	46.3%
24	48.4%
25	50.4%
26	52.4%
27	54.4%
28	56.4%
29	58.4%
30	60.4%
31	62.5%
32	64.5%
33	66.5%
34	68.5%
35 or more	70.5%

Disability Retirement Benefit

Eligibility

A Participant is eligible for a Disability Retirement Benefit if:

- The Participant has earned five Credited Years of Service (ATU, IBEW, and Non-Contract), and
- The Participant is unable to perform the duties of his or her job with the Corporation, cannot be transferred to another job with the Corporation, and has submitted satisfactory medical evidence of permanent disqualification from his or her job.

Benefit Amount

The Disability Retirement Benefit is a monthly benefit equal to the lesser of:

1. $1\frac{1}{2}\%$ times Credited Years of Service at Disability Retirement Date times the Participant's Average Monthly Final Earnings; and
2. The Normal Retirement Benefit calculated using the Average Monthly Final Earnings at Disability Retirement Date and the projected Credited Years of Service to Normal Retirement Date.

The benefit is reduced by 50% of the amount of any earned income from other sources in excess of 50% of the Participant's Average Monthly Earnings during the 12 months prior to disability; this reduction applies to all IBEW and Non-Contract Participants, but only to ATU Participants hired after June 30, 1983.

Form of Benefit

The normal form of benefit is an annuity commencing at disability and payable for the life of the Participant, with no continuation of benefits to a beneficiary after death. The Disability Retirement Benefit will be paid as a 50% Joint and Survivor benefit actuarially equivalent to the normal form for participants who have been married for at least one year. Otherwise, the normal form will be paid.

The ATU and IBEW benefits have been amended from time to time to remove the actuarial reduction in benefits for previously retired Participants whose spouses have died before them. However, these adjustments are retroactive only, and they do not apply to benefits paid to currently active Participants.

Pre-Retirement Death Benefit

Eligibility

A vested Participant is entitled to elect coverage of a pre-retirement spouse's benefit.

For years a Participant is age 55 or under, the cost of the coverage is paid by the Company. For the years a Participant is over age 55 and has elected this coverage the cost of this coverage is paid by the Participant in the form of a reduced benefit upon retirement. The reduction is 3.5¢ per \$10 of monthly benefit for each year of coverage.

There is no cost for this benefit for any ATU or Non-Contract Participant whose monthly benefit commences after November 27, 1990. There is no cost for this benefit for any IBEW Participant whose monthly benefit commences after December 3, 1996.

In order for the spouse to be eligible for this benefit, the participant must be married to the spouse for one year prior to death, unless death occurs from accidental causes.

Benefit Amount

For a Participant who is eligible to retire at death, the pre-retirement death benefit is 50% of the benefit that would have been payable had the Participant retired immediately prior to his or her death and elected to receive a 50% Joint and Survivor annuity.

For a Participant who dies before being eligible to retire, the pre-retirement death benefit is 50% of the benefit that would have been payable had the Participant survived to his or her earliest retirement date, retired, elected to receive a 50% Joint and Survivor annuity, and died immediately.

Form of Benefit

For a Participant who is eligible to retire at death, the death benefit begins when the Participant dies and continues for the life of the surviving spouse.

For a Participant who dies before being eligible to retire, the death benefit begins when the Participant would have reached his or her earliest retirement date and continues for the life of the surviving spouse.

Termination Benefit

Eligibility

A Participant is eligible for a termination benefit after earning five years of service.

Benefit Amount

The termination benefit is computed in the same manner as the Normal Retirement Benefit, but it is based on Credited Years of Service and Average Monthly Final Earnings on the date of termination.

Effective July 1, 2000, Non-Contract participants who terminate prior to eligibility for early service retirement will have their benefits actuarially reduced if they begin receiving benefits before normal retirement age.

Form of Benefit

The Participant will be eligible to commence benefits at the later of termination and age 55 (ATU and IBEW) or age 53 (Non-Contract).

The normal form of benefit is an annuity payable for the life of the Participant, with no continuation of benefits to a beneficiary after death. The retirement benefit will be paid as a 50% Joint and Survivor benefit actuarially equivalent to the normal form for participants who have been married for at least one year. Otherwise, the normal form will be paid.

The ATU and IBEW benefits have been amended from time to time to remove the actuarial reduction in benefits for previously retired Participants whose spouses have died before them. However, these adjustments are retroactive only, and they do not apply to benefits paid to currently active Participants.

Cost of Living Adjustments

Eligibility

An annual Cost of Living Adjustment (COLA) has been added for Non-Contract Participants who were actively employed on or after June 30, 1999.

One time only (ad hoc) COLAs were granted to ATU and IBEW Participants in 1991 and 1992.

Benefit Amount

For Non-Contract Participants, the cumulative COLA is the increase in the Consumer Price Index (CPI) since the Participant began receiving benefits.

The COLA is subject to the following limits for Non-Contract Participants:

- The cumulative COLA cannot exceed 2% compounded annually for all years since the Participant's benefits began;
- The annual COLA is zero if the CPI increase in that year is less than 1%;
- The annual COLA is limited 6% of the initial benefit amount in any year; and
- A Participant's benefit cannot be reduced below the benefit level when payments commenced.

Voluntary Early Retirement Program

The Plan provided enhanced benefits to ATU participants who voluntarily elected early retirement during the window period from January 1, 1998 through February 20, 1998.

DROP Program

The Plan provided DROP benefits to a number of ATU participants who elected retirement from July 1, 2002 through December 31, 2002.

Funding

The Corporation pays the entire cost of the Plan.

1.2: Participant Data as of January 1, 2002

Active Participants	<u>Drivers</u>	<u>Mechanics</u>	<u>Clerical</u>	<u>Admin</u>	<u>Chula Vista</u>	<u>Total</u>
Number	670	202	34	112	49	1,067
Average Age	47.92	44.01	46.00	47.78	43.62	46.91
Average Service	12.18	12.67	10.66	15.79	4.73	12.26
Average Pay	\$34,641	\$36,797	\$27,847	\$61,701	\$23,071	\$37,142

Inactive Participants

Service Retired

Number	186	40	23	40	1	290
Average Age	70.53	72.45	75.40	66.69	66.58	70.64
Average Benefit	\$13,666	\$11,491	\$6,797	\$17,605	\$3,132	\$13,328

Beneficiaries

Number	58	12	2	12	0	84
Average Age	75.03	73.43	73.04	67.95	0.00	73.74
Average Benefit	\$4,354	\$3,845	\$1,978	\$9,948	\$0	\$5,023

Disabled

Number	102	13	5	2	0	122
Average Age	60.39	55.24	65.97	61.67	0.00	60.10
Average Benefit	\$8,314	\$8,900	\$4,656	\$8,492	\$0	\$8,230

Terminated Vested

Number	83	40	15	23	3	164
Average Age	50.14	48.23	43.13	48.92	43.64	48.74
Average Benefit	\$5,899	\$5,663	\$3,337	\$14,437	\$1,697	\$6,728

1.3: Participant Data as of January 1, 2003

Active Participants	<u>Drivers</u>	<u>Mechanics</u>	<u>Clerical</u>	<u>Admin</u>	<u>Chula Vista</u>	<u>Total</u>
Number	630	194	32	103	0	959
Average Age	47.83	45.10	45.02	47.69	0.00	47.17
Average Service	11.84	13.27	10.47	14.47	0.00	12.37
Average Pay	\$34,213	\$38,358	\$30,166	\$59,985	\$0	\$37,684

Inactive Participants

Service Retired

Number	201	39	25	51	3	319
Average Age	69.97	72.09	74.01	65.13	65.81	69.73
Average Benefit	\$14,028	\$11,678	\$8,387	\$24,216	\$5,007	\$14,843

Beneficiaries

Number	63	13	1	14	0	91
Average Age	74.22	74.47	62.35	66.07	0.00	72.87
Average Benefit	\$4,392	\$3,661	\$1,556	\$10,273	\$0	\$5,161

Disabled

Number	105	13	5	2	0	125
Average Age	60.23	53.74	67.01	62.67	0.00	59.87
Average Benefit	\$8,487	\$8,921	\$4,656	\$8,492	\$0	\$8,379

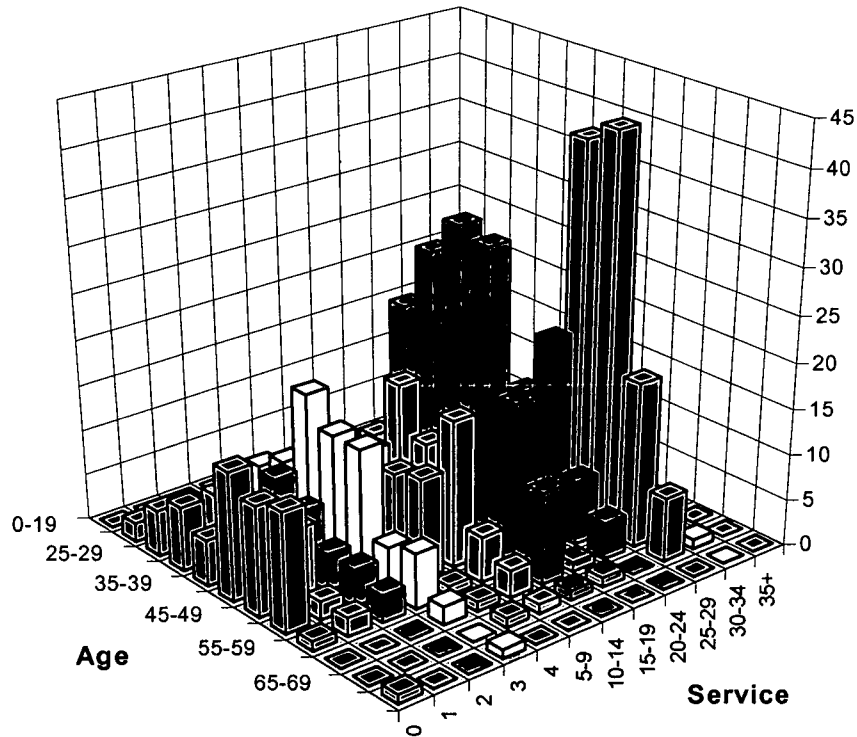
DROP

Number	17	0	0	0	0	17
Average Age	62.13	0.00	0.00	0.00	0.00	62.13
Average Benefit	\$24,865	\$0	\$0	\$0	\$0	\$24,865

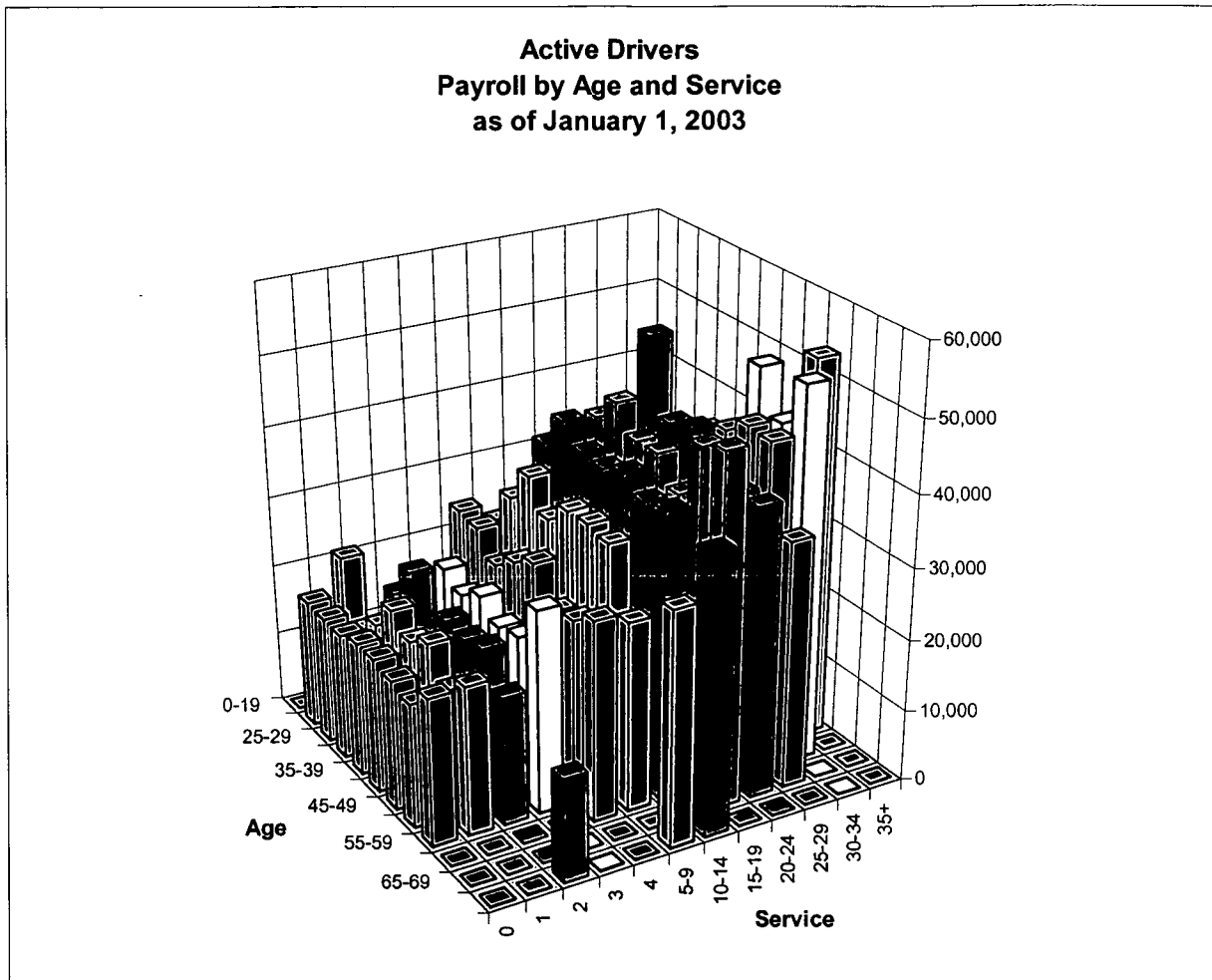
Terminated Vested

Number	98	46	17	29	14	204
Average Age	49.60	48.05	42.93	48.85	45.52	48.31
Average Benefit	\$5,572	\$5,948	\$4,237	\$16,218	\$3,154	\$6,893

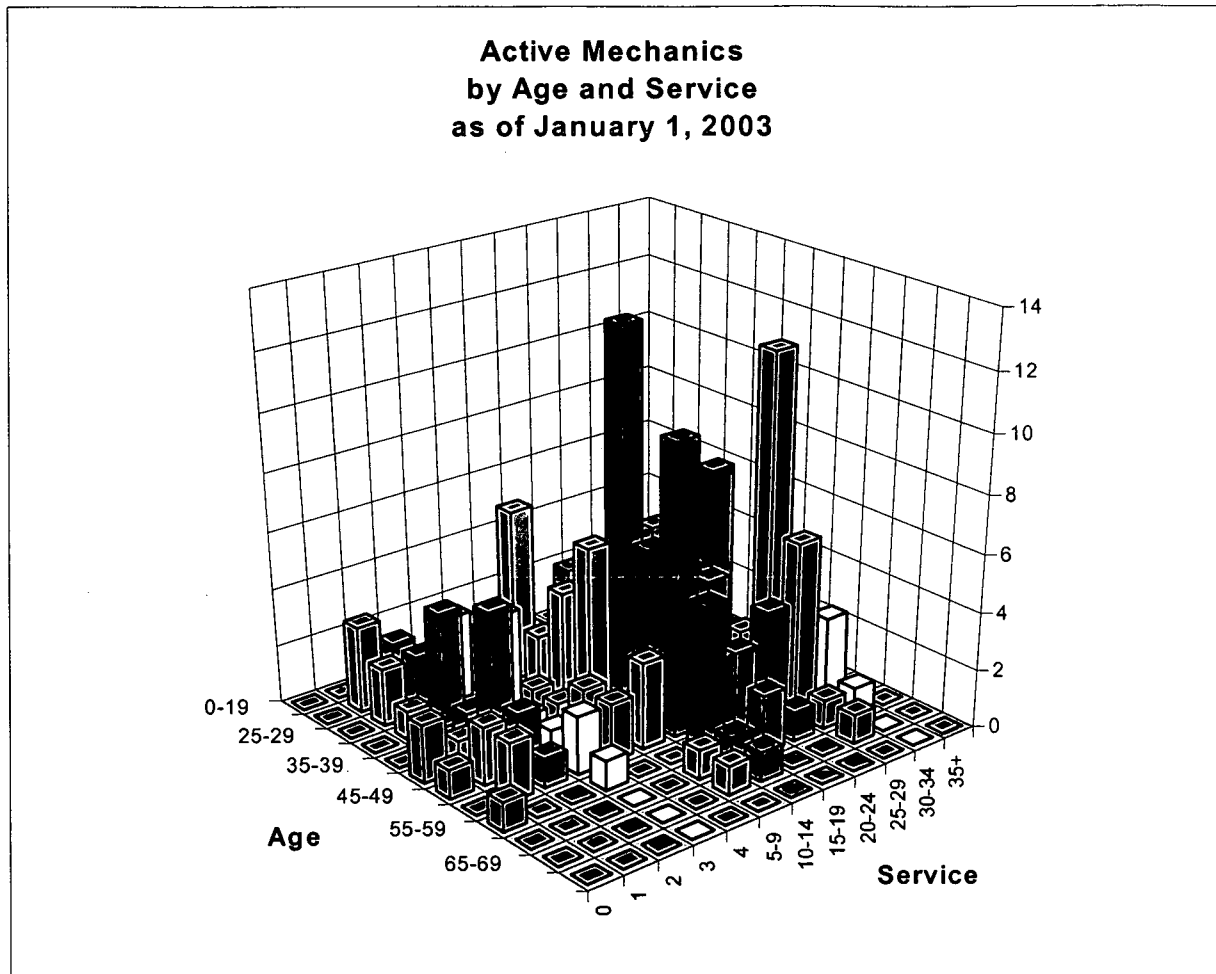
**Active Drivers
by Age and Service
as of January 1, 2003**



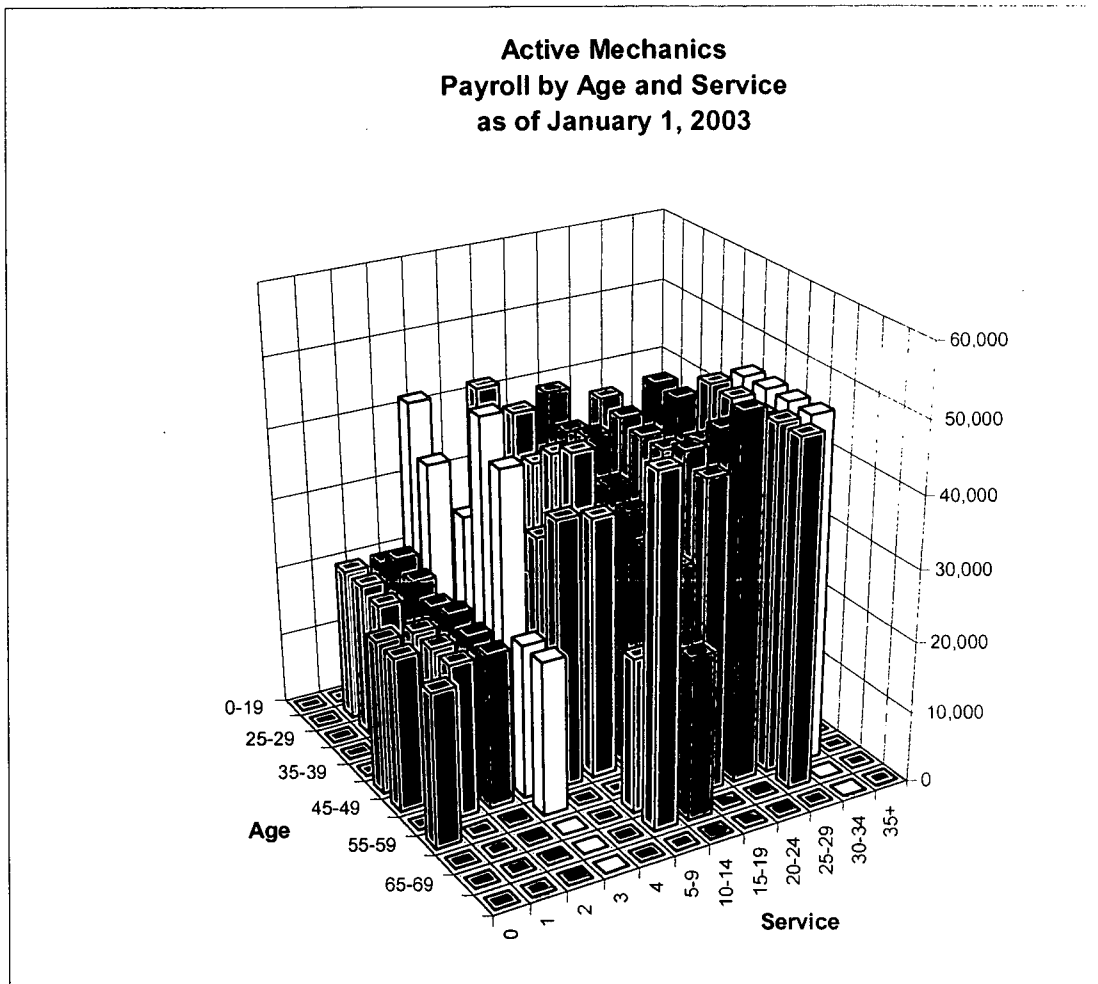
Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	2	2	1	0	0	0	0	0	0	0	0	0	5
25-29	5	3	1	1	5	2	0	0	0	0	0	0	17
30-34	4	4	6	4	8	8	3	0	0	0	0	0	37
35-39	9	6	3	7	12	12	11	1	0	0	0	0	61
40-44	15	9	7	5	14	25	28	10	1	0	0	0	114
45-49	8	9	9	3	14	21	24	11	14	5	0	0	118
50-54	4	8	6	5	5	20	25	9	12	41	2	0	137
55-59	4	2	2	2	5	11	14	11	3	30	15	1	100
60-64	0	0	0	0	2	5	7	2	1	12	6	0	35
65-69	0	0	0	0	0	0	0	1	1	1	0	0	3
70+	0	0	1	0	0	1	1	0	0	0	0	0	3
Total	51	43	36	27	65	105	113	45	32	89	23	1	630



Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	18,090	23,356	9,901	0	0	0	0	0	0	0	0	0	18,559
25-29	17,899	15,005	19,044	18,090	28,723	26,149	0	0	0	0	0	0	21,621
30-34	17,766	17,964	24,250	23,435	28,239	31,373	37,977	0	0	0	0	0	26,297
35-39	18,823	22,243	15,502	21,811	24,881	36,286	42,842	42,424	0	0	0	0	28,684
40-44	18,908	20,016	21,629	23,814	27,391	32,270	40,282	46,118	54,116	0	0	0	31,295
45-49	18,199	22,034	21,207	21,682	29,377	35,363	40,011	42,625	44,031	42,062	0	0	33,980
50-54	17,413	17,903	22,214	22,557	24,817	35,620	41,284	42,835	45,074	43,856	51,437	0	37,627
55-59	20,529	20,775	17,785	28,439	25,766	34,964	39,354	39,227	41,636	46,219	45,522	53,218	39,595
60-64	0	0	0	0	27,937	26,409	40,107	47,394	40,082	45,977	52,453	0	41,999
65-69	0	0	0	0	0	0	0	48,671	40,307	34,529	0	0	41,169
70+	0	0	14,318	0	0	32,571	38,823	0	0	0	0	0	28,571
Total	18,571	20,006	20,733	22,899	27,256	33,807	40,495	42,954	44,273	44,733	47,844	53,218	34,213

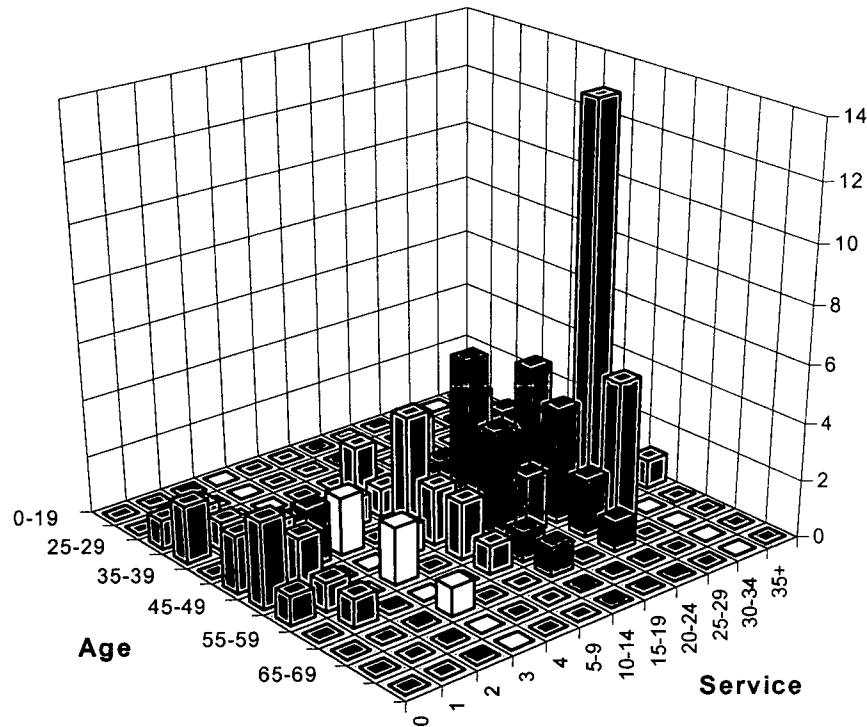


Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	3	2	1	0	1	0	0	0	0	0	0	7
25-29	0	2	2	3	2	6	0	0	0	0	0	0	15
30-34	0	1	4	0	0	2	4	0	0	0	0	0	11
35-39	0	0	1	4	1	4	3	3	0	0	0	0	16
40-44	2	1	5	1	1	6	13	6	7	0	0	0	42
45-49	1	2	2	1	2	1	6	5	8	2	1	0	31
50-54	0	2	1	2	2	3	10	5	1	12	1	0	39
55-59	1	0	0	1	0	0	5	3	4	6	3	0	23
60-64	0	0	0	0	0	1	1	2	1	1	1	0	7
65-69	0	0	0	0	0	1	1	0	0	1	0	0	3
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	4	11	17	13	8	25	43	24	21	22	6	0	194



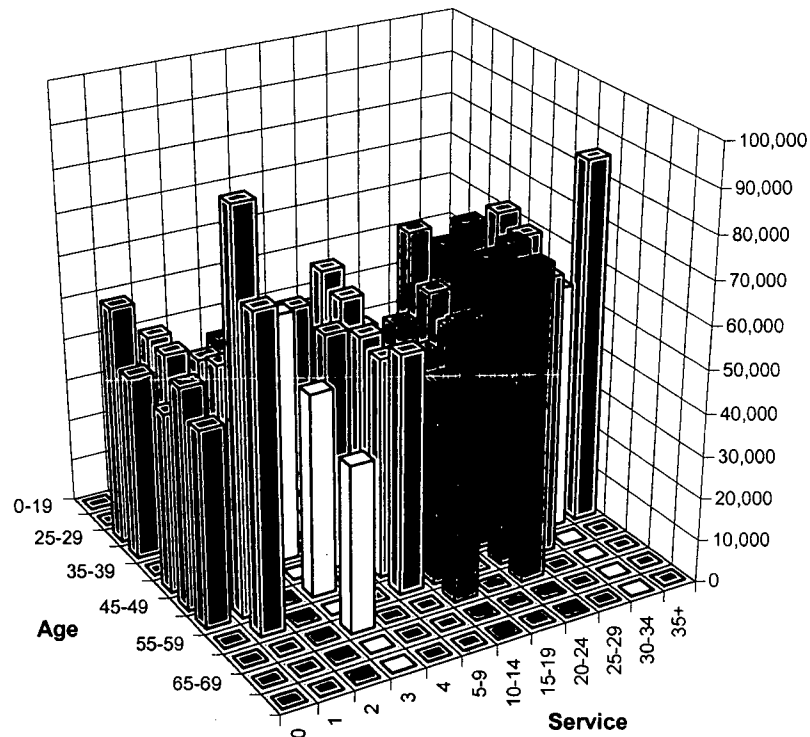
Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	21,681	21,681	43,454	0	43,454	0	0	0	0	0	0	27,902
25-29	0	21,681	24,284	36,555	22,185	37,230	0	0	0	0	0	0	31,290
30-34	0	21,010	23,136	0	0	43,454	45,220	0	0	0	0	0	34,667
35-39	0	0	21,681	33,106	22,758	38,280	41,572	45,163	0	0	0	0	36,887
40-44	21,681	21,681	22,763	48,581	21,681	41,470	42,741	44,222	47,849	0	0	0	39,377
45-49	21,681	21,681	21,913	43,454	33,106	43,454	37,879	43,454	47,542	48,581	48,581	0	39,762
50-54	0	21,681	21,681	21,681	37,502	36,555	36,116	43,454	43,454	48,316	48,581	0	39,573
55-59	21,681	0	0	21,681	0	0	33,371	45,163	46,986	47,774	48,581	0	42,002
60-64	0	0	0	0	0	21,681	32,680	43,454	51,017	48,581	48,581	0	41,350
65-69	0	0	0	0	0	48,581	22,758	0	0	48,581	0	0	39,973
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	21,681	21,620	22,675	34,048	28,753	39,163	38,883	44,073	47,509	48,216	48,581	0	38,358

**Active Administrative Members
by Age and Service
as of January 1, 2003**

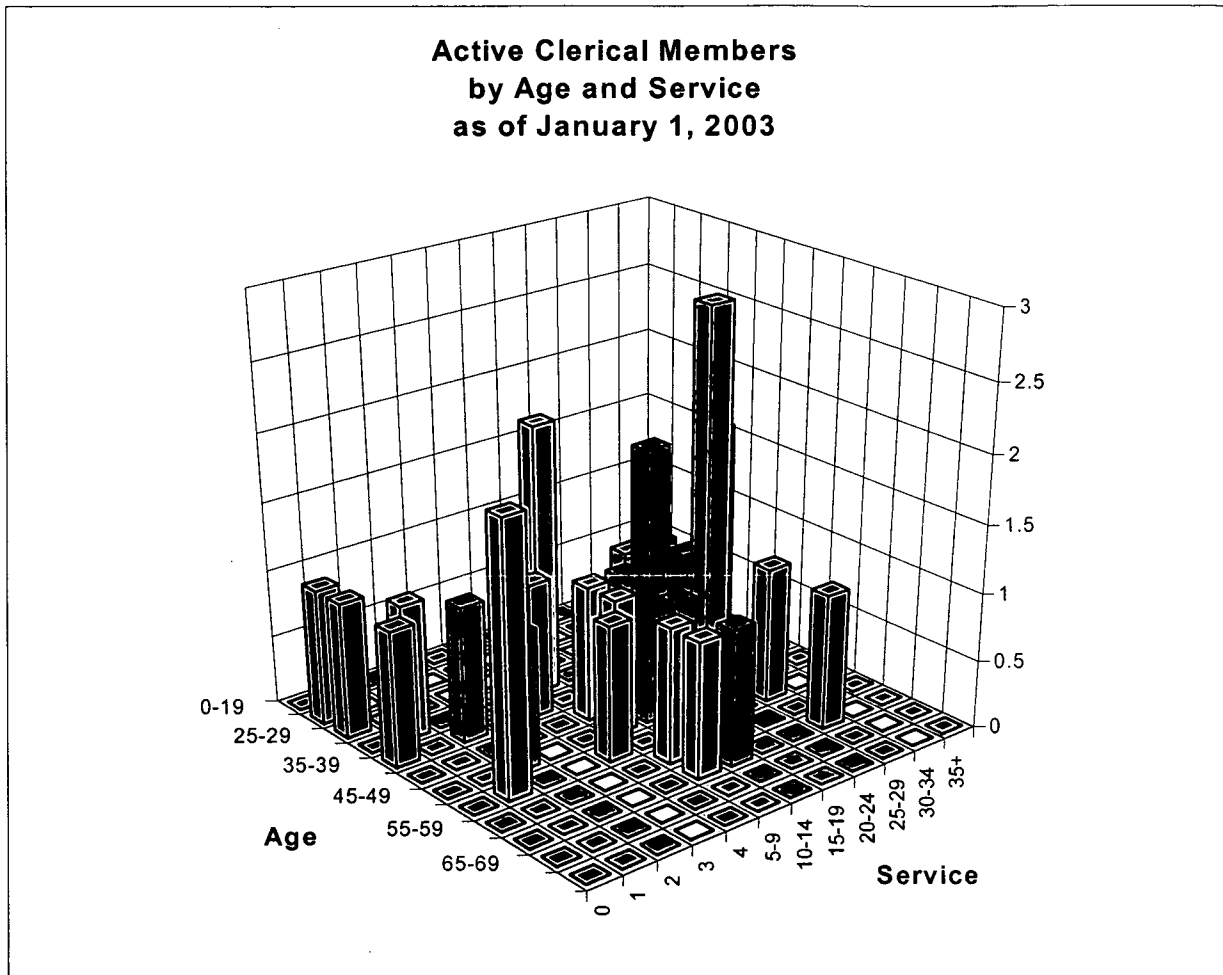


Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	1	1	0	0	0	0	0	0	0	0	0	0	2
30-34	2	1	0	0	0	2	0	0	0	0	0	0	5
35-39	0	0	1	0	1	1	3	0	0	0	0	0	6
40-44	2	2	2	2	0	4	2	4	3	0	0	0	21
45-49	3	2	0	0	1	2	6	3	5	2	0	0	24
50-54	1	1	0	2	0	2	4	2	4	14	1	1	32
55-59	0	1	0	0	0	1	1	0	2	5	0	0	10
60-64	0	0	0	1	0	0	1	0	1	0	0	0	3
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	9	8	3	5	2	12	17	9	15	21	1	1	103

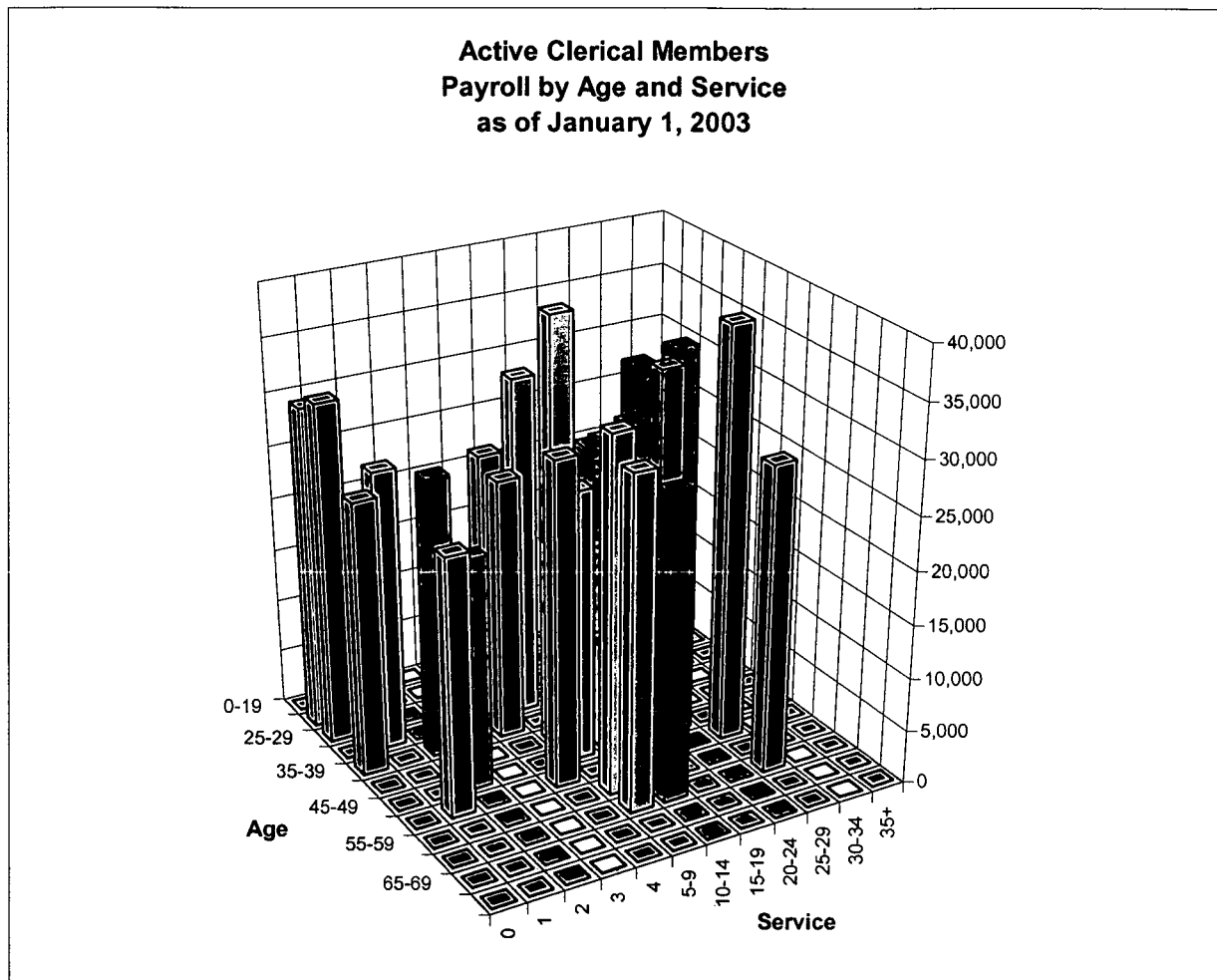
**Active Administrative Members
Payroll by Age and Service
as of January 1, 2003**



Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	56,160	47,432	0	0	0	0	0	0	0	0	0	0	51,796
30-34	43,500	46,767	0	0	0	49,747	0	0	0	0	0	0	46,652
35-39	0	0	51,490	0	54,979	61,969	46,456	0	0	0	0	0	51,301
40-44	42,231	52,497	43,079	58,588	0	58,668	39,626	70,280	65,484	0	0	0	56,395
45-49	51,805	54,826	0	0	55,741	53,290	53,998	59,507	73,414	74,301	0	0	60,232
50-54	46,014	92,741	0	47,700	0	51,535	50,694	54,550	68,528	71,930	57,846	85,762	64,808
55-59	0	73,479	0	0	0	56,152	47,900	0	74,806	65,346	0	0	65,387
60-64	0	0	0	39,041	0	0	64,191	0	73,006	0	0	0	58,746
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	47,672	59,383	45,883	50,323	55,360	55,161	50,440	63,193	70,683	70,588	57,846	85,762	59,985



Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	1	0	0	0	0	0	0	0	0	0	0	0	1
25-29	1	0	0	0	0	0	0	0	0	0	0	0	1
30-34	0	1	0	0	1	2	0	0	0	0	0	0	4
35-39	1	0	1	0	1	0	0	1	1	0	0	0	5
40-44	0	0	0	0	0	1	1	0	1	0	0	0	3
45-49	0	0	1	0	0	1	2	0	2	0	0	0	6
50-54	0	2	0	0	1	0	1	3	0	1	0	0	8
55-59	0	0	0	0	0	1	0	0	0	0	0	0	1
60-64	0	0	0	0	0	1	1	0	0	1	0	0	3
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	3	2	0	3	6	5	4	4	2	0	0	32



Service Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	30,429	0	0	0	0	0	0	0	0	0	0	0	30,429
25-29	32,025	0	0	0	0	0	0	0	0	0	0	0	32,025
30-34	0	26,367	0	0	25,674	32,108	0	0	0	0	0	0	29,064
35-39	25,641	0	26,246	0	24,597	0	0	26,231	32,524	0	0	0	27,048
40-44	0	0	0	0	0	39,955	27,525	0	31,492	0	0	0	32,991
45-49	0	0	21,593	0	0	25,443	26,850	0	36,218	0	0	0	28,862
50-54	0	24,093	0	0	30,304	0	32,043	36,128	0	38,814	0	0	32,216
55-59	0	0	0	0	0	33,145	0	0	0	0	0	0	33,145
60-64	0	0	0	0	0	30,986	28,556	0	0	28,800	0	0	29,447
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	29,365	24,851	23,920	0	26,858	32,291	28,365	33,654	34,113	33,807	0	0	30,166

**Changes in Plan Membership
Drivers**

	Actives	Vested Terminations	Disabled	Retired	DROP	Beneficiaries	Total Participants
January 1, 2002	670	83	102	186	0	58	1,099
New Entrants	47	-	-	-	-	-	47
Rehires	7	-	-	-	-	-	7
Disabilities	(5)	(1)	6	-	-	-	0
Retirements/DRO	(38)	(5)	-	26	17	3	3
Vested Terminations	(19)	19	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	(1)	(5)	-	6	0
Transfers	8	-	-	-	-	-	8
Died, Without Beneficiary, and Other Terminations	(38)	(1)	(3)	(6)	-	-	(48)
Beneficiary Deaths	-	-	-	-	-	(4)	(4)
Data Corrections	(2)	3	1	-	-	-	2
January 1, 2003	630	98	105	201	17	63	1,114

Changes in Plan Membership Mechanics

	Actives	Vested Terminations	Disabled	Retired	Beneficiaries	Total Participants
January 1, 2002	202	40	13	40	12	307
New Entrants	4	-	-	-	-	4
Rehires	3	-	-	-	-	3
Disabilities	(1)	-	1	-	-	0
Retirements	(1)	-	-	1	-	0
Vested Terminations	(7)	7	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	(1)	1	0
Transfers	5	-	-	-	-	5
Died, Without Beneficiary, and Other Terminations	(10)	-	(1)	(1)	-	(12)
Beneficiary Deaths	-	-	-	-	-	0
Data Corrections	(1)	(1)	-	-	-	(2)
January 1, 2003	194	46	13	39	13	305

**Changes in Plan Membership
Clerical**

	Actives	Vested Terminations	Disabled	Retired	Beneficiaries	Total Participants
January 1, 2002	34	15	5	23	2	79
New Entrants	3	-	-	-	-	3
Rehires	-	-	-	-	-	0
Disabilities	-	-	-	-	-	0
Retirements	(3)	(1)	-	4	-	0
Vested Terminations	(2)	2	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	-	0
Transfers	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	(2)	-	-	(2)	-	(4)
Beneficiary Deaths	-	-	-	-	(1)	(1)
Data Corrections	2	1	-	-	-	3
January 1, 2003	32	17	5	25	1	80

**Changes in Plan Membership
Non-Contract**

	Actives	Vested Terminations	Disabled	Retired	Beneficiaries	Total Participants
January 1, 2002	112	23	2	40	12	189
New Entrants	9	-	-	-	-	9
Rehires	-	-	-	-	-	0
Disabilities	-	-	-	-	-	0
Retirements	(13)	(1)	-	13	1	0
Vested Terminations	(6)	6	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	(1)	1	0
Transfers	10	-	-	-	-	10
Died, Without Beneficiary, and Other Terminations	(9)	-	-	(1)	-	(10)
Beneficiary Deaths	-	-	-	-	-	0
Data Corrections	-	1	-	-	-	1
January 1, 2003	103	29	2	51	14	199

**Changes in Plan Membership
Chula Vista**

	Actives	Vested Terminations	Disabled	Retired	Beneficiaries	Total Participants
January 1, 2002	49	3	0	1	0	53
New Entrants	-	-	-	-	-	0
Rehires	-	-	-	-	-	0
Disabilities	-	-	-	-	-	0
Retirements	(2)	-	-	2	-	0
Vested Terminations	(11)	11	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	-	0
Transfers	(23)	-	-	-	-	(23)
Died, Without Beneficiary, and Other Terminations	(13)	-	-	-	-	(13)
Beneficiary Deaths	-	-	-	-	-	0
Data Corrections	-	-	-	-	-	0
January 1, 2003	0	14	0	3	0	17

**Changes in Plan Membership
Total of All Groups**

	Actives	Vested Terminations	Disabled	Retired	DROP	Beneficiaries	Total Participants
January 1, 2002	1,067	164	122	290	0	84	1,727
New Entrants	63	-	-	-	-		63
Rehires	10	-	-	-	-		10
Disabilities	(6)	(1)	7	-	-		0
Retirements	(57)	(7)	-	46	17	4	3
Vested Terminations	(45)	45	-	-	-		0
Died, With Beneficiaries' Benefit Payable	-	-	(1)	(7)	-	8	0
Transfers	-	-	-	-	-		0
Died, Without Beneficiary, and Other Terminations	(72)	(1)	(4)	(10)	-		(87)
Beneficiary Deaths	-	-	-	-	-	(5)	(5)
Data Corrections	(1)	4	1	-	-		4
January 1, 2003	959	204	125	319	17	91	1,715

1.4: Actuarial Methods and Assumptions

Actuarial Method

Annual contributions to the Retirement Plans of San Diego Transit Corporation (the Plan) are computed under the Aggregate Entry Age Actuarial Cost Method.

Under this Cost Method, Plan benefits are assumed to accrue ratably over the years from each Participant's Plan entry date to date of retirement, termination, disability, or death. At each valuation date, the actuarial present value of the benefits accrued to date is computed. This comprises the Actuarial Accrued Liability. The excess of the Actuarial Accrued Liability over Plan assets is the Unfunded Actuarial Accrued Liability, and this liability is amortized over a fixed number of years.

Amounts may be added to or subtracted from the Unfunded Actuarial Accrued Liability due to Plan amendments, changes in actuarial assumptions, and actuarial gains and losses.

The Normal Cost is obtained in three steps as follows:

1. The single sum present value of all future benefit payments to be made by the Plan to its present members and beneficiaries is determined. From this present value is subtracted the sum of:
 - a. The actuarial value of the assets in the Plan Trust Fund,
 - b. The Unfunded Actuarial Accrued Liability, and
 - c. The present value of any future contributions to be made by active members.
2. The remainder is divided by the present value of all future pay that the present members are expected to receive during their future working lifetime. The resulting quotient is a normal cost accrual rate per dollar of active member payroll.
3. The Normal Cost is obtained by multiplying the normal cost accrual rate per dollar of earnings by the total covered payroll projected for the upcoming year and adding any allowance for administrative expense.

The total Plan cost is the sum of the Normal Cost and the amortization of the Unfunded Actuarial Accrued Liability.

In the valuation as of July 1, 1999, the entire Actuarial Accrued Liability had been funded. A new Unfunded Actuarial Accrued Liability was created as of April 1, 2000, primarily as a result of improvements in Plan benefits. Therefore, beginning with the April 1, 2000 actuarial valuation, all sources of the Unfunded Actuarial Accrued Liability are combined and amortized as a level dollar payment over a rolling 30-year period.

Valuation Date	All assets and liabilities are computed as of January 1, 2004.
Rate of Return	The annual rate of return on all Plan assets is assumed to be 8.50% net of investment expenses.

Cost of Living

The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 3.5% per year.

Pay for Benefits

For the most part, pay for benefits is based on each member's pay during the year preceding the valuation date. Special procedures are used in some cases, as noted below for full-time Participants.

<u>Unit</u>	<u>Pay for Continuing Participants</u>	<u>Pay for New Participants</u>
Drivers	The larger of gross pay or 1,800 hours times the member's hourly rate	
Mechanics	2,150 hours times the member's hourly rate	
Clerical	Gross pay	The larger of gross pay or 2,100 hours times the member's hourly rate
Non-Contract	Gross pay	The larger of gross pay or 2,080 hours times the member's hourly rate

Part-time Participants are assumed to work 1,040 hours in the calculations shown above.

Increases in Pay

Assumed pay increases for active Participants consist of increases due to inflation (cost of living adjustments) and those due to longevity and promotion.

Based on an analysis of pay levels and service for the Drivers and Mechanics, we assume that pay increases due to longevity and promotion will be 7.5% per year for the first ten years of service and 0.5% per year thereafter.

Based on an analysis of pay levels and service for the Clerical and Non-Contract Participants, we assume that pay increases due to longevity and promotion will be 1.5% per year.

In addition, annual adjustments in pay due to inflation will equal the CPI, for an additional annual increase of 3.5%.

Plan Expenses

No allowance for Plan administrative expenses has been included in the annual cost calculated.

Active Participant Mortality

Mortality rates were reviewed in the Actuarial Experience Study for 1997-2000.

Rates of mortality for active Drivers and Mechanics are given by the UP-1984 Mortality Table published by the Society of Actuaries.

Rates of mortality for active Clerical and Non-Contract Participants are given by the 1994 Group Annuity Mortality (GAM) Table, weighting male rates by 50% and female rates by 50%.

Retired Participant Mortality

Mortality rates were reviewed in the Actuarial Experience Study for 1997-2000.

Rates of mortality for retired Drivers and Mechanics and their spouses, beneficiaries, and survivors are given by the UP-1984 Mortality Table published by the Society of Actuaries.

Rates of mortality for retired Clerical and Non-Contract Participants and their spouses, beneficiaries, and survivors are given by the 1994 Group Annuity Mortality (GAM) Table, weighting male rates by 50% and female rates by 50%.

Disabled Participant Mortality

Mortality rates were reviewed in the Actuarial Experience Study for 1997-2000.

Rates of mortality for disabled Drivers and Mechanics are given by the PBGC Mortality Table for Members Not Receiving Social Security Benefits, weighting male rates by 75% and female rates by 25%.

Rates of mortality for disabled Clerical and Non-Contract Participants are given by the PBGC Mortality Table for Female Members Receiving Social Security Benefits.

Family Composition

All Participants are assumed to be married. Male spouses are assumed to be four years older than their wives.

Employment Status

No future transfers among member groups are assumed.

Service Retirement

Retirement rates were reviewed in the Actuarial Experience Study for 1997-2000.

Retirement among Participants eligible to retire is assumed to occur at the ages shown in the following table:

<u>Age</u>	<u>ATU/IBEW</u>	<u>Clerical/Non</u>
53	0.0%	20.0%
54	0.0%	7.5%
55	8.0%	7.5%
56	1.0%	7.5%
57	1.0%	7.5%
58	5.0%	7.5%
59	5.0%	7.5%
60	10.0%	7.5%
61	10.0%	7.5%
62	25.0%	25.0%
63	25.0%	25.0%
64	25.0%	25.0%
65	50.0%	25.0%
66	25.0%	25.0%
67	25.0%	25.0%
68	25.0%	25.0%
69	25.0%	25.0%
70+	100.0%	100.0%

Disability

Disability rates were reviewed in the Actuarial Experience Study for 1997-2000.

Among Drivers and Mechanics, 0.85% of Participants eligible for a disability benefit are assumed to become disabled each year. For Clerical and Non-Contract Participants, the figure is 0.20%.

Disabled Participants are assumed not to return to active service.

Termination

Termination rates were reviewed in the Actuarial Experience Study for 1997-2000.

Rates of termination for all Participants from causes other than death, disability, and service retirement are shown in the tables below. In each age group, the rate is shown at the central age. The rates are not applied to Participants eligible to retire.

<u>Age</u>	<u>ATU/IBEW Participants</u>	
	<u>Under 3 Years</u>	<u>3+ Years</u>
20-24	25.00%	15.00%
25-29	22.58%	9.65%
30-34	20.17%	6.20%
35-39	17.75%	3.99%
40-44	15.33%	2.57%
45-49	12.91%	1.65%
50-54	10.50%	1.06%
55-59	0.00%	0.00%
60-64	0.00%	0.00%
65+	0.00%	0.00%

<u>Age</u>	<u>Non-Contract/Clerical Participants</u>	
	<u>Administrative</u>	<u>Clerical</u>
20-24	8.00%	40.00%
25-29	7.07%	28.43%
30-34	6.25%	20.21%
35-39	5.52%	14.37%
40-44	4.88%	10.21%
45-49	4.31%	7.26%
50-54	0.00%	5.16%
55-59	0.00%	0.00%
60-64	0.00%	0.00%
65+	0.00%	0.00%

Actuarial Value of Plan Assets

Actuarial gains and losses from Plan investments over the four years prior to the valuation date are recognized at the rate of 20% per year in computing the actuarial value of Plan assets. The actuarial value of assets is constrained to within 20% of market value.

Participant Data

Data on active and inactive Participants and their beneficiaries as of January 1, 2003 was supplied by the Plan Administrator on magnetic media and paper listings. The January 1, 2003 information was projected to January 1, 2004 using the current demographic assumptions. New entrants were added in an amount needed to keep the expected active population level.

As is usual in studies of this type, Participant data was neither verified nor audited.

Section 2:

Asset Information

2.1: Income Statement
January 1, 2002 through December 31, 2002

	<u>Market</u>	<u>Expected</u>
Balance 1-1-02	\$74,859,876	\$74,859,876
Employer Contributions ¹	6,436,083	6,436,083
Investment Income	(19,410,938)	6,400,557
Net Benefit Payments	(5,554,493)	(5,554,493)
Other Expenses	-	-
Balance 12-31-02	\$56,330,528	\$82,142,023
Estimated Return	(25.78%)	8.50%

¹ Employer contributions, investment income, and benefit payments from January 1, 2002 through December 31, 2002 are estimated based on benefits and costs projected as part of the January 1, 2002 actuarial valuation.

2.2: Income Statement
January 1, 2003 through December 31, 2003

	<u>Market</u>	<u>Expected</u>
Balance 1-1-03	\$56,330,528	\$56,330,528
Employer Contributions ²	4,691,246	4,691,246
Investment Income	13,467,800	4,684,162
Net Benefit Payments	(6,622,310)	(6,622,310)
Other Expenses	(514,420)	(514,420)
Balance 12-31-03	67,352,844	\$58,569,206
Estimated Return	24.44%	8.50%

² Employer contributions, investment income, and benefit payments from January 1, 2003 through December 31, 2003 were taken from the December 31, 2003 asset statement.

2.3: Computation of Actuarial Value of Assets

<u>Plan Year</u>	<u>Assumed Earnings³</u>	<u>Actual Earnings</u>	<u>Unexpected Earnings⁴</u>	<u>Phase-In Factor</u>	<u>Phase-In Adjustment⁵</u>
2000	5,115,672	224,183	(4,891,489)	0.2	(978,298)
2001	6,308,621	1,617,765	(4,690,856)	0.4	(1,876,342)
2002	6,400,557	(19,410,938)	(25,811,495)	0.6	(15,486,897)
2003	4,684,162	13,467,800	8,783,638	0.8	7,026,910
Total Adjustment					(11,314,627)
Market Value 1/1/2004					67,352,844
Actuarial Value 1/1/2004 (Market Value less Total Adjustment, within 80%/120% Corridor of Market Value)					78,667,471
Ratio to Market Value					116.80%

³ Computed assuming 8.5% return on market value, all income and expenses assumed to occur mid-year.

⁴ Actual earnings less expected earnings

⁵ Phase-in factor times unexpected earnings

Section 3:
Actuarial Computations

**3.1: Computation of Annual Contribution as of January 1, 2002
As Contained in January 1, 2002 Actuarial Valuation**

	<u>Market Value of Assets</u>
(1) <u>Active Accrued Liability</u>	
ATU	38,894,585
IBEW	9,125,292
Clerical	1,212,328
Non-Contract	<u>23,924,890</u>
Total	73,157,095
(2) <u>Active Projected Liability</u>	
ATU	51,934,730
IBEW	12,177,341
Clerical	1,469,384
Non-Contract	<u>28,123,698</u>
Total	93,705,153
(3) <u>Inactive Liability</u>	
ATU	30,268,097
IBEW	5,109,974
Clerical	1,487,217
Non-Contract	<u>9,755,383</u>
Total	46,620,671
(4) Total Actuarial Accrued Liability (1) + (3)	119,777,766
(5) Assets	74,859,876
(6) Unfunded Accrued Liability (4) - (5)	44,917,890
(7) 30-Year Amortization of Unfunded Accrued Liability	3,852,199
(8) Total Projected Liability (2) + (3)	140,325,824
(9) Present Value of Future Normal Costs (8) - (4)	20,548,058
(10) Present Value of Future Member Payroll	345,074,491
(11) Normal Cost (% of Member Payroll) (9) / (10)	5.955%
(12) Projected Member Payroll	38,245,667
(13) Normal Cost (\$) (11) X (12)	2,277,404
(14) Total Cost (7) + (13)	6,129,603
(15) Total Cost (Interest Adjusted) (14) X 1.05	6,436,083
(16) Cost (% Member Payroll) (15) / (12)	16.828%

3.2: Computation of Annual Contribution as of January 1, 2003

	<u>Expected Assets</u>	<u>Actual Assets</u>
(1) <u>Active Accrued Liability</u>		
ATU	34,095,704	34,095,704
IBEW	9,584,087	9,584,087
Clerical	1,104,368	1,104,368
Non-Contract	<u>19,383,348</u>	<u>19,383,348</u>
Total	64,167,507	64,167,507
(2) <u>Active Projected Liability</u>		
ATU	46,091,366	46,091,366
IBEW	12,458,929	12,458,929
Clerical	1,340,614	1,340,614
Non-Contract	<u>23,356,550</u>	<u>23,356,550</u>
Total	83,247,459	83,247,459
(3) <u>Inactive Liability</u>		
ATU	37,135,585	37,135,585
IBEW	5,205,577	5,205,577
Clerical	2,013,055	2,013,055
Non-Contract	<u>17,062,674</u>	<u>17,062,674</u>
Total	61,416,891	61,416,891
(4) Total Actuarial Accrued Liability (1) + (3)	125,584,398	125,584,398
(5) Assets	82,142,023	56,330,528
(6) Unfunded Accrued Liability (4) - (5)	43,442,375	69,253,870
(7) 30-Year Amortization of Unfunded Accrued Liability	3,725,657	5,939,274
(8) Total Projected Liability (2) + (3)	144,664,350	144,664,350
(9) Present Value of Future Normal Costs (8) - (4)	19,079,952	19,079,952
(10) Present Value of Future Member Payroll	316,774,091	316,774,091
(11) Normal Cost (% of Member Payroll) (9) / (10)	6.023%	6.023%
(12) Projected Member Payroll	34,944,956	34,944,956
(13) Normal Cost (\$) (11) X (12)	2,104,806	2,104,806
(14) Total Cost (7) + (13)	5,830,463	8,044,080
(15) Total Cost (Interest Adjusted) (14) X 1.05	6,121,986	8,446,284
(16) Cost (% Member Payroll) (15) / (12)	17.519%	24.170%

3.3: Computation of Annual Contribution as of January 1, 2004

	<u>Expected Assets</u>	<u>Market Assets</u>	<u>Actuarial Assets</u>
(1) <u>Active Accrued Liability</u>			
ATU	36,132,291	36,132,291	36,132,291
IBEW	10,159,433	10,159,433	10,159,433
Clerical	1,163,987	1,163,987	1,163,987
Non-Contract	<u>20,097,007</u>	<u>20,097,007</u>	<u>20,097,007</u>
Total	67,552,718	67,552,718	67,552,718
(2) <u>Active Projected Liability</u>			
ATU	48,351,564	48,351,564	48,351,564
IBEW	13,141,485	13,141,485	13,141,485
Clerical	1,421,218	1,421,218	1,421,218
Non-Contract	<u>24,175,825</u>	<u>24,175,825</u>	<u>24,175,825</u>
Total	87,090,092	87,090,092	87,090,092
(3) <u>Inactive Liability</u>			
ATU	38,502,932	38,502,932	38,502,932
IBEW	5,591,371	5,591,371	5,591,371
Clerical	2,020,725	2,020,725	2,020,725
Non-Contract	<u>18,639,307</u>	<u>18,639,307</u>	<u>18,639,307</u>
Total	64,754,335	64,754,335	64,754,335
(4) Total Actuarial Accrued Liability (1) + (3)	132,307,053	132,307,053	132,307,053
(5) Assets	58,569,206	67,352,844	78,667,471
(6) Unfunded Accrued Liability (4) - (5)	73,737,847	64,954,209	53,639,582
(7) 30-Year Amortization of Unfunded Accrued Liability	6,323,824	5,570,531	4,600,179
(8) Total Projected Liability (2) + (3)	151,844,427	151,844,427	151,844,427
(9) Present Value of Future Normal Costs (8) - (4)	19,537,374	19,537,374	19,537,374
(10) Present Value of Future Member Payroll	322,481,745	322,481,745	322,481,745
(11) Normal Cost (% of Member Payroll) (9) / (10)	6.058%	6.058%	6.058%
(12) Projected Member Payroll	36,236,639	36,236,639	36,236,639
(13) Normal Cost (\$) (11) X (12)	2,195,376	2,195,376	2,195,376
(14) Total Cost (7) + (13)	8,519,200	7,765,907	6,795,555
(15) Total Cost (Interest Adjusted) (14) X 1.05	8,945,160	8,154,202	7,135,333
(16) Cost (% Member Payroll) (15) / (12)	24.685%	22.503%	19.691%

Section 4:
Disclosure Information

4.1: Schedules of Funding Status and Employer Contributions Required Under GASB Statement No. 25

The Governmental Accounting Standards Board (GASB) Statements No. 25 and 27 relate to the disclosure of pension liabilities on a public employer's financial statements. For accounting periods beginning after June 15, 1996, information required under these statements must be prepared for a public employer who seeks compliance with generally accepted accounting principles (GAAP) on behalf of its public employee retirement system.

GASB Statement No. 25 requires preparation of schedules of funding status and employer contributions, as well as the disclosure of plan provisions, actuarial assumptions, and other information.

The required schedules are shown below. In each case, we have relied upon information from our files and contained in the reports of prior actuaries employed by the employer in completing the schedules. While we have no reason to believe the information in our files or in prior actuaries' reports is inaccurate, we strongly recommend that employer personnel verify the schedules below before they are included in Plan or employer financial statements.

Schedule of Funding Status

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percent of Payroll
7/1/94	41,150,550	48,598,130	7,447,580	85%	30,446,521	24%
7/1/95	43,088,223	49,675,115	6,586,892	87%	30,097,199	22%
7/1/96	52,287,086	51,786,729	(500,357)	101%	29,501,808	-2%
7/1/97	61,387,821	54,474,874	(6,912,947)	113%	32,932,552	-21%
7/1/98	65,958,070	62,203,756	(3,754,314)	106%	34,371,069	-11%
7/1/99	70,915,059	70,205,508	(709,551)	101%	36,705,306	-2%
4/1/00	76,603,624	83,858,909	7,255,285	91%	39,890,376	18%
1/1/01	75,196,033	94,343,205	19,147,172	80%	40,510,107	47%
1/1/02	74,859,876	119,777,766	44,917,890	62%	38,245,667	117%
1/1/03	56,330,528	125,584,398	69,253,870	45%	34,944,956	198%
1/1/04	78,667,471	132,307,053	53,639,582	59%	36,236,639	148%

We note in the schedule above that the in the valuation as of January 1, 2002, the Plan's assumptions were modified to incorporate the results of an actuarial experience study for the years 1997-2000. As a result of these assumption changes and a minor benefit improvement, Plan liabilities and costs increased significantly.

In the valuation as of January 1, 2004, the Actuarial Value of Assets was changed from the market value to a five-year smoothing method.

Schedule of Employer Contributions

Year Ending	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/96	1,774,262	1,774,262	100%
6/30/97	986,683	986,683	100%
6/30/98	446,001	446,001	100%
6/30/99	876,786	876,786	100%
6/30/00	1,351,090	1,351,090	100%
12/31/01	3,068,323	3,068,323 (Est)	100%
12/31/02	6,436,083	6,436,083 (Est)	100%
12/31/03	5,880,631*	4,691,246	80%

* Based on 1/1/02
contribution percentage
multiplied by 2003
projected payroll

The table below summarizes certain information about this actuarial report.

Valuation date	January 1, 2004
Actuarial cost method	Aggregate entry age normal
Amortization method	Level dollar open
Remaining amortization period	30 Years (Level dollar open)
Asset valuation method	Market value less unrecognized investment gains or losses during the prior four years, phased in at 20% per year, but required to be within 20% of market value

Actuarial assumptions:

Investment rate of return*	8.50%
Projected salary increases*	4.00 – 11.00% for drivers and mechanics 5.00% for administrative and clerical members
*Includes inflation at	3.50%
Cost of living adjustments	Up to 2% annually for certain Non-Contract members only



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 32

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 970.6 (PC 30102)

May 27, 2004

Subject:

MTDB: UPDATE ON BORDER PATROL OPERATIONS ON MTS SERVICES

RECOMMENDATION:

That the Board of Directors receive this report for information.

Budget Impact

None.

DISCUSSION:

During the May 13, 2004, MTD Board meeting, several members expressed concerns over the recent activities undertaken by the United States Customs and Border Patrol (CBP) on MTS Services. This report provides information on the enforcement authority and activities of CBP.

Statutory Authority

CBP is the mobile, uniformed law enforcement arm of the Department of Homeland Security (DHS). CBP was officially established on May 28, 1924, by an act of Congress passed in response to increasing illegal immigration. As mandated by this Act, the small border guard, in what was then the Bureau of Immigration, was reorganized into the Border Patrol. The initial force of 450 officers was given the responsibility of combating illegal entries and the growing business of transporting undocumented immigrants.



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

While the CBP has changed dramatically since its inception over 75 years ago, its primary mission remains unchanged: to detect and prevent the illegal entry of immigrants into the United States. Together with other law enforcement officers, the CBP helps maintain borders that work by facilitating the flow of legal immigration and goods while preventing the illegal transportation of people and contraband.

On March 1, 2003, the responsibility for providing immigration related services and benefits, such as naturalization and work authorization, were transferred from the Immigration and Naturalization Service (INS) to the United States Citizenship and Immigration Services (USCIS), a bureau of DHS. The investigative and enforcement responsibilities for enforcement of federal immigration laws, customs laws, and air security laws were transferred to the Bureau of Immigration and Customs Enforcement (ICE). The ICE brings together the enforcement and investigative arms of the Customs Service, the investigative and enforcement functions of the former INS, and the Federal Protective Service (FPS) as part of the DHS.

The CBP assumed responsibilities for protecting our borders within the Department of Homeland Security. Under Title 8 of the United States Code, section 1357, the CBP has the authority to:

1. board vessels, railway cars, aircraft, and other public conveyances to search for undocumented immigrants within a reasonable distance from any external boundary of the United States;
2. ask questions, request to inspect documents, take and consider evidence regarding a person's right to be or remain in the United States, or concerning other immigration enforcement matters;
3. arrest undocumented immigrants who are in the United States in violation of the law; and
4. arrest persons for immigration-related felonies or other crimes committed in an officer's presence while performing immigration law enforcement activities.

Background Experience

Since the inception of light rail transit (LRT) service, the Border Patrol has conducted random, on-site inspections for undocumented immigrants. This arrangement was addressed during preliminary start-up of operations when regional meetings were held with emergency response agencies and other official governmental entities. The discussions centered on the authority of the Border Patrol and the limitations/restrictions with other local entities and SDTI security and code enforcement.

Historically, the Border Patrol has not provided advanced notice to SDTI when random inspections have been performed. The Border Patrol has worked independently in such inspection and enforcement actions with few, if any, complaints. The incident that occurred in February 2002 involved a special/expanded enforcement effort, and assigned agents reacted to community-based rights organizations in an inappropriate and unprofessional manner. The matter was effectively dealt with by Border Patrol

officials, and a meeting was held with command-level Border Patrol representatives to address issues related to the treatment of passengers and our concerns regarding the issue.

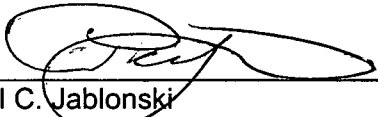
Current Status

The Border Patrol has increased its enforcement/inspection activity in the greater San Diego County area in light of its expanded role as part of the Department of Homeland Security. Due to expressed concerns during post-9/11 and, more recently, the Madrid, Spain terrorist bombings on March 11, 2004, the Border Patrol has increased its level of presence in the County of San Diego region with additional focus on all modes of transportation. This includes expanded inspection and enforcement at Lindberg Field, Amtrak, and trolley and bus services.

Prior to its expanded level of enforcement, the Border Patrol held several meetings with MTS, SDTI, and SDTC senior staffs. The meetings were productive, informative, and assurances were given that essential attention would be given to proper treatment of individuals who were identified for questioning.

Since the additional inspection/enforcement efforts were undertaken, complaints have been few, and no reports have been received about mistreatment or use of excess force. This is despite the fact that numerous community based civil rights groups have filmed Border Patrol agents in the course of their presence on transit. It should also be noted that numerous calls and comments have been received reflecting a positive response to the Border Patrol being present on both bus and trolley services.

Close coordination will be maintained with the Border Patrol related to issues pertaining to its presence on transit services.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Peter Tereschuck, 619.595.4902, peter.tereschuck@sdmts.com and
Tiffany Lorenzen, 619.557.4512, tiffany.lorenzen@sdmts.com

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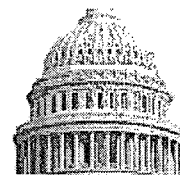
Attachments: A. Title 8, United States Code, §1357
B. Title 8, Code of Federal Regulations, §287.5 } **Board Only**

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[Sec. 1357.](#)

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Sec. 1357. - Powers of immigration officers and employees

(a) Powers without warrant

Any officer or employee of the Service authorized under regulations prescribed by the Attorney General shall have power without warrant -

(1)

to interrogate any alien or person believed to be an alien as to his right to be or to remain in the United States;

(2)

to arrest any alien who in his presence or view is entering or attempting to enter the United States in violation of any law or regulation made in pursuance of law regulating the admission, exclusion, expulsion, or removal of aliens, or to arrest any alien in the United States, if he has reason to believe that the alien so arrested is in the United States in violation of any such law or regulation and is likely to escape before a warrant can be obtained for his arrest, but the alien arrested shall be taken without unnecessary delay for examination before an officer of the Service having authority to examine aliens as to their right to enter or remain in the United States;

(3)

within a reasonable distance from any external boundary of the United States, to board and search for aliens any vessel within the territorial waters of the United States and any railway car, aircraft, conveyance, or vehicle, and within a distance of twenty-five miles from any such external boundary to have access to private lands, but not dwellings, for the purpose of patrolling the

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border to prevent the illegal entry of aliens into the United States;

(4)

to make arrests for felonies which have been committed and which are cognizable under any law of the United States regulating the admission, exclusion, expulsion, or removal of aliens, if he has reason to believe that the person so arrested is guilty of such felony and if there is likelihood of the person escaping before a warrant can be obtained for his arrest, but the person arrested shall be taken without unnecessary delay before the nearest available officer empowered to commit persons charged with offenses against the laws of the United States; and

(5)

to make arrests -

(A)

for any offense against the United States, if the offense is committed in the officer's or employee's presence, or

(B)

for any felony cognizable under the laws of the United States, if the officer or employee has reasonable grounds to believe that the person to be arrested has committed or is committing such a felony,

if the officer or employee is performing duties relating to the enforcement of the immigration laws at the time of the arrest and if there is a likelihood of the person escaping before a warrant can be obtained for his arrest.

Under regulations prescribed by the Attorney General, an officer or employee of the Service may carry a firearm and may execute and serve any order, warrant, subpoena, summons, or other process issued under the authority of the United States. The authority to make arrests under paragraph (5)(B) shall only be effective on and after the date on which the Attorney General publishes final regulations which

(i)

prescribe the categories of officers and employees of the Service who may use force (including deadly force) and the circumstances under which such

force may be used,

(ii)

establish standards with respect to enforcement activities of the Service,

(iii)

require that any officer or employee of the Service is not authorized to make arrests under paragraph (5)(B) unless the officer or employee has received certification as having completed a training program which covers such arrests and standards described in clause (ii), and (iv) establish an expedited, internal review process for violations of such standards, which process is consistent with standard agency procedure regarding confidentiality of matters related to internal investigations.

(b) Administration of oath; taking of evidence

Any officer or employee of the Service designated by the Attorney General, whether individually or as one of a class, shall have power and authority to administer oaths and to take and consider evidence concerning the privilege of any person to enter, reenter, pass through, or reside in the United States, or concerning any matter which is material or relevant to the enforcement of this chapter and the administration of the Service; and any person to whom such oath has been administered, (or who has executed an unsworn declaration, certificate, verification, or statement under penalty of perjury as permitted under section 1746 of title 28) under the provisions of this chapter, who shall knowingly or willfully give false evidence or swear (or subscribe under penalty of perjury as permitted under section 1746 of title 28) to any false statement concerning any matter referred to in this subsection shall be guilty of perjury and shall be punished as provided by section 1621 of title 18.

(c) Search without warrant

Any officer or employee of the Service authorized and designated under regulations prescribed by the Attorney General, whether individually or as one of a class, shall have power to conduct a search, without warrant, of the person, and of the personal effects in the possession of any person seeking admission to the United States, concerning whom such officer or employee may have reasonable cause to suspect that grounds exist for denial of admission to the United States under this chapter which would be disclosed by

such search.

(d) Detainer of aliens for violation of controlled substances laws

In the case of an alien who is arrested by a Federal, State, or local law enforcement official for a violation of any law relating to controlled substances, if the official (or another official) -

(1)

has reason to believe that the alien may not have been lawfully admitted to the United States or otherwise is not lawfully present in the United States,

(2)

expeditiously informs an appropriate officer or employee of the Service authorized and designated by the Attorney General of the arrest and of facts concerning the status of the alien, and

(3)

requests the Service to determine promptly whether or not to issue a detainer to detain the alien,

the officer or employee of the Service shall promptly determine whether or not to issue such a detainer. If such a detainer is issued and the alien is not otherwise detained by Federal, State, or local officials, the Attorney General shall effectively and expeditiously take custody of the alien.

(e) Restriction on warrantless entry in case of outdoor agricultural operations

Notwithstanding any other provision of this section other than paragraph (3) of subsection (a) of this section, an officer or employee of the Service may not enter without the consent of the owner (or agent thereof) or a properly executed warrant onto the premises of a farm or other outdoor agricultural operation for the purpose of interrogating a person believed to be an alien as to the person's right to be or to remain in the United States.

(f) Fingerprinting and photographing of certain aliens

(1)

Under regulations of the Attorney General, the Commissioner shall provide for the fingerprinting and photographing of each alien 14 years of age or older against whom a proceeding is commenced under section 1229a of this title.

(2)

Such fingerprints and photographs shall be made available to Federal, State, and local law enforcement agencies, upon request.

(g) Performance of immigration officer functions by State officers and employees

(1)

Notwithstanding section 1342 of title 31, the Attorney General may enter into a written agreement with a State, or any political subdivision of a State, pursuant to which an officer or employee of the State or subdivision, who is determined by the Attorney General to be qualified to perform a function of an immigration officer in relation to the investigation, apprehension, or detention of aliens in the United States (including the transportation of such aliens across State lines to detention centers), may carry out such function at the expense of the State or political subdivision and to the extent consistent with State and local law.

(2)

An agreement under this subsection shall require that an officer or employee of a State or political subdivision of a State performing a function under the agreement shall have knowledge of, and adhere to, Federal law relating to the function, and shall contain a written certification that the officers or employees performing the function under the agreement have received adequate training regarding the enforcement of relevant Federal immigration laws.

(3)

In performing a function under this subsection, an officer or employee of a State or political subdivision of a State shall be subject to the direction and supervision of the Attorney General.

(4)

In performing a function under this subsection, an officer or employee of a State or political subdivision of a State may use Federal property or facilities, as provided in a written agreement between the Attorney General and the State or subdivision.

(5)

With respect to each officer or employee of a State or political subdivision who is authorized to perform a

function under this subsection, the specific powers and duties that may be, or are required to be, exercised or performed by the individual, the duration of the authority of the individual, and the position of the agency of the Attorney General who is required to supervise and direct the individual, shall be set forth in a written agreement between the Attorney General and the State or political subdivision.

(6)

The Attorney General may not accept a service under this subsection if the service will be used to displace any Federal employee.

(7)

Except as provided in paragraph (8), an officer or employee of a State or political subdivision of a State performing functions under this subsection shall not be treated as a Federal employee for any purpose other than for purposes of chapter 81 of title 5 (relating to compensation for injury) and sections 2671 through 2680 of title 28 (relating to tort claims).

(8)

An officer or employee of a State or political subdivision of a State acting under color of authority under this subsection, or any agreement entered into under this subsection, shall be considered to be acting under color of Federal authority for purposes of determining the liability, and immunity from suit, of the officer or employee in a civil action brought under Federal or State law.

(9)

Nothing in this subsection shall be construed to require any State or political subdivision of a State to enter into an agreement with the Attorney General under this subsection.

(10)

Nothing in this subsection shall be construed to require an agreement under this subsection in order for any officer or employee of a State or political subdivision of a State -

(A)

to communicate with the Attorney General regarding the immigration status of any individual,

including reporting knowledge that a particular alien is not lawfully present in the United States; or

(B)

otherwise to cooperate with the Attorney General in the identification, apprehension, detention, or removal of aliens not lawfully present in the United States

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TITLE 8--ALIENS AND NATIONALITY

CHAPTER I--DEPARTMENT OF HOMELAND SECURITY (IMMIGRATION AND
NATURALIZATION)

PART 287_FIELD OFFICERS; POWERS AND DUTIES--Table of Contents

Sec. 287.5 Exercise of power by immigration officers.

(a) Power and authority to interrogate and administer oaths. Any immigration officer as defined in 8 CFR 103.1(b) is hereby authorized and designated to exercise anywhere in or outside the United States the power conferred by:

(1) Section 287(a)(1) of the Act to interrogate, without warrant, any alien or person believed to be an alien concerning his or her right to be, or to remain, in the United States, and

(2) Section 287(b) of the Act to administer oaths and to take and consider evidence concerning the privilege of any person to enter, reenter, pass through, or reside in the United States; or concerning any matter which is material or relevant to the enforcement of the Act and the administration of the immigration and naturalization functions of the Department.

(b) Power and authority to patrol the border. The following immigration officers who have successfully completed basic immigration law enforcement training are hereby authorized and designated to exercise the power to patrol the border conferred by section 287(a)(3) of the Act:

(1) Border patrol agents, including aircraft pilots;

(2) Special agents;

(3) Immigration inspectors (seaport operations only);

(4) Adjudications officers and deportation officers when in the uniform of an immigration inspector and performing inspections or supervising other immigration inspectors performing inspections (seaport operations only);

(5) Supervisory and managerial personnel who are responsible for supervising the activities of those officers listed in this paragraph; and

(6) Immigration officers who need the authority to patrol the border under section 287(a)(3) of the Act in order to effectively accomplish their individual missions and who are designated, individually or as a class, by the Commissioner of CBP, or the Assistant Secretary for ICE.

(c) Power and authority to arrest--(1) Arrests of aliens under section 287(a)(2) of the Act for immigration violations. The following immigration officers who have successfully completed basic immigration law enforcement training are hereby authorized and designated to exercise the arrest power conferred by section 287(a)(2) of the Act and in accordance with 8 CFR 287.8(c):

(i) Border patrol agents, including aircraft pilots;

(ii) Special agents;

(iii) Deportation officers;

(iv) Immigration inspectors;

- (v) Adjudications officers;
- (vi) Immigration enforcement agents;
- (vii) Supervisory and managerial personnel who are responsible for supervising the activities of those officers listed in this paragraph; and
- (viii) Immigration officers who need the authority to arrest aliens under section 287(a)(2) of the Act in order to effectively accomplish their individual

[[Page 674]]

missions and who are designated, individually or as a class, by the Commissioner of CBP, the Assistant Secretary for ICE, or the Director of the BCIS.

(2) Arrests of persons under section 287(a)(4) of the Act for felonies regulating the admission or removal of aliens. The following immigration officers who have successfully completed basic immigration law enforcement training are hereby authorized and designated to exercise the arrest power conferred by section 287(a)(4) of the Act and in accordance with 8 CFR 287.8(c):

- (i) Border patrol agents, including aircraft pilots;
- (ii) Special agents;
- (iii) Deportation officers;
- (iv) Immigration inspectors;
- (v) Adjudications officers;
- (vi) Immigration enforcement agents;
- (vii) Supervisory and managerial personnel who are responsible for supervising the activities of those officers listed in this paragraph; and
- (viii) Immigration officers who need the authority to arrest persons under section 287(a)(4) of the Act in order to effectively accomplish their individual missions and who are designated, individually or as a class, by the Commissioner of CBP, the Assistant Secretary for ICE, or the Director of the BCIS.

(3) Arrests of persons under section 287(a)(5)(A) of the Act for any offense against the United States. The following immigration officers who have successfully completed basic immigration law enforcement training are hereby authorized and designated to exercise the arrest power conferred by section 287(a)(5)(A) of the Act and in accordance with 8 CFR 287.8(c):

- (i) Border patrol agents, including aircraft pilots;
- (ii) Special agents;
- (iii) Deportation officers;
- (iv) Immigration inspectors (permanent full-time immigration inspectors only);
- (v) Adjudications officers when in the uniform of an immigration inspector and performing inspections or supervising other immigration inspectors performing inspections;

- (vi) Supervisory and managerial personnel who are responsible for supervising the activities of those officers listed in this paragraph; and

- (vii) Immigration officers who need the authority to arrest persons under section 287(a)(5)(A) of the Act in order to effectively accomplish their individual missions and who are designated, individually or as a class, by the Commissioner of CBP, or the Assistant Secretary for ICE.

(4) Arrests of persons under section 287(a)(5)(B) of the Act for any felony. (i) Section 287(a)(5)(B) of the Act authorizes designated immigration officers, as listed in paragraph (c)(4)(iii) of this section, to arrest persons, without warrant, for any felony cognizable under the laws of the United States if:

(A) The immigration officer has reasonable grounds to believe that the person to be arrested has committed or is committing such a felony;

(B) The immigration officer is performing duties relating to the enforcement of the immigration laws at the time of the arrest;

(C) There is a likelihood of the person escaping before a warrant can be obtained for his or her arrest; and

(D) The immigration officer has been certified as successfully completing a training program that covers such arrests and the standards with respect to the immigration enforcement activities of the Department as defined in 8 CFR 287.8.

(ii) The following immigration officers who have successfully completed basic immigration law enforcement training are hereby authorized and designated to exercise the arrest power conferred by section 287(a)(5)(B) of the Act and in accordance with 8 CFR 287.8(c):

(A) Border patrol agents, including aircraft pilots;

(B) Special agents;

(C) Deportation officers;

(D) Immigration inspectors (permanent full-time immigration inspectors only);

(E) Adjudications officers when in the uniform of an immigration inspector and performing inspections or supervising other immigration inspectors performing inspections;

(F) Supervisory and managerial personnel who are responsible for supervising the activities of those officers listed in this paragraph; and

[[Page 675]]

(G) Immigration officers who need the authority to arrest persons under section 287(a)(5)(B) of the Act in order to effectively accomplish their individual missions and who are designated, individually or as a class, by the Commissioner of CBP or the Assistant Secretary for ICE.

(iii) Notwithstanding the authorization and designation set forth in paragraph (c)(4)(ii) of this section, no immigration officer is authorized to make an arrest for any felony under the authority of section 287(a)(5)(B) of the Act until such time as he or she has been certified by the Director of Training as successfully completing a training course encompassing such arrests and the standards for enforcement activities as defined in 8 CFR 287.8. Such certification shall be valid for the duration of the immigration officer's continuous employment, unless it is suspended or revoked by the Commissioner of CBP or the Assistant Secretary for ICE, or their respective designees, for just cause.

(5) Arrests of persons under section 274(a) of the Act who bring in, transport, or harbor certain aliens, or induce them to enter.

(i) Section 274(a) of the Act authorizes designated immigration officers, as listed in paragraph (c)(5)(ii) of this section, to arrest persons who bring in, transport, or harbor aliens, or induce them to enter the United States in violation of law. When making an arrest, the designated immigration officer shall adhere to the provisions of the enforcement standard governing the conduct of arrests in 8 CFR 287.8(c).

(ii) The following immigration officers who have successfully completed basic immigration law enforcement training are authorized and designated to exercise the arrest power conferred by section 274(a) of the Act:

(A) Border patrol agents, including aircraft pilots;

(B) Special agents;

(C) Deportation officers;

(D) Immigration inspectors;

(E) Adjudications officers when in the uniform of an immigration

inspector and performing inspections or supervising other immigration inspectors performing inspections;

(F) Supervisory and managerial personnel who are responsible for supervising the activities of those officers listed in this paragraph; and

(G) Immigration officers who need the authority to arrest persons under section 274(a) of the Act in order to effectively accomplish their individual missions and who are designated, individually or as a class, by the Commissioner of CBP or the Assistant Secretary for ICE.

(6) Custody and transportation of previously arrested persons. In addition to the authority to arrest pursuant to a warrant of arrest in paragraph (e)(3)(iv) of this section, detention enforcement officers and immigration enforcement agents who have successfully completed basic immigration law enforcement training are hereby authorized and designated to take and maintain custody of and transport any person who has been arrested by an immigration officer pursuant to paragraphs (c)(1) through (c)(5) of this section.

(d) Power and authority to conduct searches. The following immigration officers who have successfully completed basic immigration law enforcement training are hereby authorized and designated to exercise the power to conduct searches conferred by section 287(c) of the Act:

- (1) Border patrol agents, including aircraft pilots;
- (2) Special agents;
- (3) Deportation officers;
- (4) Immigration inspectors;
- (5) Adjudications officers;
- (6) Immigration enforcement agents;

(7) Supervisory and managerial personnel who are responsible for supervising the activities of those officers listed in this paragraph; and

(8) Immigration officers who need the authority to conduct searches under section 287(c) of the Act in order to effectively accomplish their individual missions and who are designated, individually or as a class, by the Commissioner of CBP, the Assistant Secretary for ICE, or the Director of the BCIS.

(e) Power and authority to execute warrants--(1) Search warrants. The following immigration officers who have

[[Page 676]]

successfully completed basic immigration law enforcement training are hereby authorized and designated to exercise the power conferred by section 287(a) of the Act to execute a search warrant:

- (i) Border patrol agents, including aircraft pilots;
- (ii) Special agents;
- (iii) Deportation officers;
- (iv) Immigration enforcement agents;

(v) Supervisory and managerial personnel who are responsible for supervising the activities of those officers listed in this paragraph, and

(vi) Immigration officers who need the authority to execute search warrants under section 287(a) of the Act in order to effectively accomplish their individual missions and who are designated, individually or as a class, by the Commissioner of CBP or the Assistant Secretary for ICE.

(2) Issuance of arrest warrants for immigration violations. A warrant of arrest may be issued by an immigration officer who has been authorized or delegated such authority:

- (i) District directors (except foreign);

- (ii) Deputy district directors (except foreign);
- (iii) Assistant district directors for investigations;
- (iv) Deputy assistant district directors for investigations;
- (v) Assistant district directors for deportation;
- (vi) Deputy assistant district directors for deportation;
- (vii) Assistant district directors for examinations;
- (viii) Deputy assistant district directors for examinations;
- (ix) Officers in charge (except foreign);
- (x) Assistant officers in charge (except foreign);
- (xi) Chief patrol agents;
- (xii) Deputy chief patrol agents;
- (xiii) Assistant chief patrol agents;
- (xiv) Patrol agents in charge;
- (xv) Assistant patrol agents in charge;
- (xvi) Field operations supervisors;
- (xvii) Special operations supervisors;
- (xviii) Supervisory border patrol agents;
- (xix) The Assistant Commissioner, Investigations;
- (xx) Institutional Hearing Program directors;
- (xxi) Area port directors;
- (xxii) Port directors;
- (xxiii) Deputy port directors;
- (xxiv) Supervisory deportation officers;
- (xxv) Supervisory detention and deportation officers;
- (xxvi) Director, Office of Detention and Removal;
- (xxvii) Special Agents in Charge;
- (xxviii) Deputy Special Agents in Charge;
- (xxix) Associate Special Agents in Charge;
- (xxx) Assistant Special Agents in Charge;
- (xxxi) Resident Agents in Charge;
- (xxxii) Field Office Directors;
- (xxxiii) Deputy Field Office Directors; or
- (xxxiv) District Field Officers.

(3) Service of warrant of arrests for immigration violations. The following immigration officers who have successfully completed basic immigration law enforcement training are hereby authorized and designated to exercise the power pursuant to section 287(a) of the Act to execute warrants of arrest for administrative immigration violations issued under section 236 of the Act or to execute warrants of criminal arrest issued under the authority of the United States:

- (i) Border patrol agents, including aircraft pilots;
- (ii) Special agents;
- (iii) Deportation officers;
- (iv) Detention enforcement officers or immigration enforcement agents (warrants of arrest for administrative immigration violations only);
- (v) Immigration inspectors;
- (vi) Adjudications officers when in the uniform of an immigration inspector and performing inspections or supervising other immigration inspectors performing inspections;
- (vii) Supervisory and managerial personnel who are responsible for supervising the activities of those officers listed in this paragraph; and
- (viii) Immigration officers who need the authority to execute arrest warrants for immigration violations under section 287(a) of the Act in order to effectively accomplish their individual

[[Page 677]]

missions and who are designated, individually or as a class, by the

Commissioner of CBP or the Assistant Secretary for ICE.

(4) Service of warrant of arrests for non-immigration violations. The following immigration officers who have successfully completed basic immigration law enforcement training are hereby authorized and designated to exercise the power to execute warrants of criminal arrest for non-immigration violations issued under the authority of the United States:

- (i) Border patrol agents, including aircraft pilots;
- (ii) Special agents;
- (iii) Deportation officers;
- (iv) Immigration enforcement agents;

(v) Supervisory and managerial personnel who are responsible for supervising the activities of those officers listed in this paragraph; and

(vi) Immigration officers who need the authority to execute warrants of arrest for non-immigration violations under section 287(a) of the Act in order to effectively accomplish their individual missions and who are designated, individually or as a class, by the Commissioner of CBP or the Assistant Secretary for ICE.

(f) Power and authority to carry firearms. The following immigration officers who have successfully completed basic immigration enforcement training are hereby authorized and designated to exercise the power conferred by section 287(a) of the Act to carry firearms provided that they are individually qualified by training and experience to handle and safely operate the firearms they are permitted to carry, maintain proficiency in the use of such firearms, and adhere to the provisions of the enforcement standard governing the use of force in 8 CFR 287.8(a):

- (1) Border patrol agents, including aircraft pilots;
- (2) Special agents;
- (3) Deportation officers;
- (4) Detention enforcement officers or immigration enforcement

agents;

- (5) Immigration inspectors;

(6) Adjudications officers when in the uniform of an immigration inspector and performing inspections or supervising other immigration inspectors performing inspections;


(7) Supervisory and managerial personnel who are responsible for supervising the activities of those officers listed in this paragraph; and

(8) Immigration officers who need the authority to carry firearms under section 287(a) of the Act in order to effectively accomplish their individual missions and who are designated, individually or as a class, by the Commissioner of CBP or the Assistant Secretary for ICE.

[68 FR 35277, June 13, 2003]


**U.S. Border Patrol
Presentation**

**Immigration Inspections
on
Transportation Conveyances**

May 27, 2004 **SDTI** 


Creation of U.S. Customs and Border Patrol

- The United States Customs and Border Patrol (CBP) is the mobile uniformed law enforcement arm of the Department of Homeland Security (DHS).
- At its inception CBP was given the responsibility of combating illegal entries and the growing business of transporting undocumented immigrants.

SDTI 

Creation of U.S. Customs and Border Patrol

- Following the events of September 11, 2001, the CBP assumed responsibilities for protecting our borders within the Department of Homeland Security.

SDTI 

Statutory Authority

Under Title 8 of the United States Code, section 1357, the CBP has the authority to:

- Board vessels, railway cars, aircraft, and other public conveyances to search for undocumented immigrants within a reasonable distance from any external boundary of the United States
- Ask questions, request to inspect documents, take and consider evidence regarding a person's right to be or to remain in the United States, or concerning other immigration enforcement matters

SDTI



Statutory Authority (cont.)

- Arrest undocumented immigrants who are in the U.S. in violation of the law, and
- Arrest persons for immigration-related felonies, or other felony crimes committed in an officer's presence while performing immigration law enforcement activities

Ref. Title 8, U.S. Code, Sect. 1357
Title 8, C.F.R., Sect. 287.5

SDTI



Background Experience

- Since inception of LRT service, the CBP has conducted random, on-site inspections for undocumented immigrants
- This activity has involved both Light Rail and Bus transit services
- Random inspections vary in duration and frequency

SDTI



Background Experience (cont.)

- Usually no notice in advance of inspections
- Complaints minimal or non-existent in the course of 23 years of inspection activity
- Incident emanating from CBP enforcement in February 2002 resulted in joint SDTI / CBP meeting to increase awareness of proper treatment of transit patrons

SDTI 

Current Status

- U.S Border Patrol transferred to Department of Homeland Security since 9/11
- Recent increased enforcement efforts include transit services, Intercity rail (Amtrak), and airports
- Role enhanced for issues related to status of undocumented immigrants due to 9/11 and Madrid railway bombing on March 11th


SDTI 

Current Status (cont.)

- CBP participated in a joint meeting with MTS / SDTI / SDTC in advance of recent inspection enforcement efforts. Chief Patrol Agent involved.
- Some phone complaints received of a minor nature, no reports of abuse or use of excessive force. Numerous calls in support of stepped up enforcement efforts

SDTI 

Department of Homeland Security – Border Patrol Card



Thank you for your interest in the U.S. Border Patrol's Transportation Check Unit. We welcome your feedback as to your experience with the Border Patrol in San Diego Sector, and we'll be happy to answer any additional questions that you may have regarding our transportation check operations in your community.

For further information or assistance, please call (619) 662-7658, or direct any correspondence to: Chief Patrol Agent, U.S. Border Patrol, San Diego Sector Headquarters, 2411 Howard Road, Chula Vista, California 91914. Please be sure to specify the date, time, and location of your contact with Border Patrol, as well as any other pertinent information.

References: 8 U.S.C. 1257 and H.R.F. c. 287.5

SDTI

Follow-up Efforts

- Continue to work closely with the CBP and address issues relevant to their presence on transit property or services
- Provide the Board with periodic reports through regular security presentations describing current CBP enforcement efforts and advising of a significant issues / complaints or allegations of excessive force of abuse.

SDTI

End

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****

10:46

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 _____

Name (PLEASE PRINT) MARTA PATRICIAAddress 3275 MARKET STREETTelephone (415) 233-4114Organization Represented (if any) COMITÉ DE DERECHOS HUMANOS BARRIO LOGAN

Subject of your remarks: _____

Agenda Item Number on which you request to speak 32

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.

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

32

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****

10:47

1. INSTRUCTIONS

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Date 27 de MayName (PLEASE PRINT) FRANCISCA ROJASAddress SAN DIEGO CA 92113

Telephone _____

Organization Represented (if any) HUMAN RIGHTS COMMITTEE LOGANSubject of your remarks: BORDER PATROL ON TROLLEY

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT

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OPPOSITION

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REQUEST TO SPEAK FORM

AGENDA ITEM NO.

32

ORDER REQUEST RECEIVED

3

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Date 27 de MayoName (PLEASE PRINT) MARTA AYALA

Address _____

Telephone _____

Organization Represented (if any) _____

Subject of your remarks: BORDER PATROL ON TRUCK

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT

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OPPOSITION

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REQUEST TO SPEAK FORM

AGENDA ITEM NO.

32

ORDER REQUEST RECEIVED

7

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10:47

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Date

May 27th 2007

Name (PLEASE PRINT)

PATRICIA VALONZUELA

Address

Telephone

Organization Represented (if any)

HUMAN RIGHTS COMMITTEE COBAN

Subject of your remarks:

BORDER PATROL ON TROLLEY

Agenda Item Number on which you request to speak

Your comments are presenting a position of: SUPPORT

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OPPOSITION

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2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

32

ORDER REQUEST RECEIVED

5

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

10:48

1. INSTRUCTIONS

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Date 05-27-04

Name (PLEASE PRINT) JUAN VAQUERO

Address 2385 Irving Ave. San Diego CA.

Telephone (619) 230-1909

Organization Represented (if any)

Subject of your remarks: Border Patrol on Trilleg

Agenda Item Number on which you request to speak

32

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

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2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

32

ORDER REQUEST RECEIVED

X6

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

Passed 10:48

1. INSTRUCTIONS

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Date MAY 27th 2004Name (PLEASE PRINT) BENJAMIN PRADO

Address _____

Telephone _____

Organization Represented (if any) RAZA RIGHTS COALITIONSubject of your remarks: BORDER PATROL ON TROUCCY

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT

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OPPOSITION

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

32

ORDER REQUEST RECEIVED

4

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10/47

1. INSTRUCTIONS

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Date MAY 27 2001Name (PLEASE PRINT) CHRISTIAN RAMIREZAddress 3275 MARBLE STREETTelephone 233-4114Organization Represented (if any) AMERICAN FRIENDS SERVICE COMMITTEE

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.****



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466, FAX 619.234.3407

Agenda

Item No. 33

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 970.12 (PC 30102)

May 27, 2004

Subject:

SDTI: PRELIMINARY PETCO PARK/PADRES SERVICE REPORT

RECOMMENDATION:

That the Board of Directors receive this report for information.

Budget Impact

None (with the indicated recommendation).

DISCUSSION:

At previous Board meetings, staff presented the PETCO Park operating plan implemented at the beginning of the baseball season. Staff was directed to return with a summary report after the first month of event service.

Initial Preseason PETCO Park Opening

During the initial opening of PETCO Park for the National Collegiate Athletic Association (NCAA) baseball tournament, various aspects of the light rail transit (LRT) service were scrutinized based on fan experiences. This experience caused a variety of measures to be implemented to enhance service and provide more efficient use of the system by fans traveling to the games.



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

These measures included the following:

- Expansion to 22 locations of stations with manual ticket sales outlets.
- Additional manual ticket sales tables at several stations to provide more capacity at locations where high passenger volume exists, e.g., Old Town, Qualcomm Stadium, etc.
- Assignment of station ambassadors at up to six stations to assist passengers with system information and use of ticket vending machines (TVMs).
- Field maintenance teams in the categories of wayside, light rail vehicle (LRV), and track were strategically assigned to stations or locations where problems might develop that required response.
- Security personnel assignments were significantly expanded to include additional areas on the system and in particular key stations where volume was experienced, e.g., Gaslamp Quarter, 12th & Imperial Transfer Station, Qualcomm Stadium, and Old Town Transit Center.
- Backup/standby buses were assigned to locations where initial congestion was observed. Buses were assigned to Qualcomm Stadium, Old Town, and H Street in the event that overcrowding was experienced and to relieve congestion onboard trains.
- Management and supervisory personnel in several operational and maintenance departments were assigned to key locations on the system to observe and respond to incidents and address service-related issues.
- Placement of barricades, enhanced signage, and additional lighting to provide for better post-game passenger processing and efficiency.

Early Season Operating Experience

Based on preseason game experience and after the first several Padres home stands, a more efficient level of service was provided across all categories. The higher degree of service, coupled with a modest reduction of usage of the LRT service due to availability of downtown parking opportunities, provided an opportunity for staff to further refine the operating/service plan. The refinements included elimination of the standby buses at all locations during the latter part of April, modest reductions in manual ticket sales locations at stations where volume did not justify such activity, and retention of base 15-minute Orange Line service to accommodate early game departures.

Through the first 16 games of the 2004 Padres baseball season, the following statistics are noteworthy.

1. Ballpark attendance exceeded 509,000 fans, or 31,843 per game.
2. Trolley ridership averaged 27 percent of the attendance gate.
3. Game ridership averaged 8,620 (17,240 passenger trips).
4. An even split between fans using the 12th & Imperial Transfer and Gaslamp Quarter Stations has existed with 2,000 to 6,000 fans using each station.

5. Through the first month of service, 138,000 fans have arrived via the trolley, accounting for 263,357 total passenger trips.
6. Six days during April accounted for total trolley ridership that varied between 130,400 passengers (low) to 140,219 (high).
7. Overall total ridership for April 2004 reached 2,708,000 the third highest ridership month since the inception of service in 1981 and a 36 percent increase when compared with April 2003.

Specific details of each game and a breakdown of ridership and attendance for the 2004 season, as compared with 2003, are illustrated in Attachment A.

Initial Cost Recovery Experience

Based on the extraordinary level of service provided for the initial home stand and deployment of personnel, operating costs attributed to Padres game service were not indicative of true operating/cost recovery experience.

Staff has continued to develop information related to incremental costs for more recent games and has selected a recent home stand with the New York Mets (April 30 to May 2). The financial breakdown includes all personnel costs, including contract personnel, equipment rentals, car-mile operating costs, etc. Although further refinements are anticipated, the New York Mets series represents what staff believes to be a general indication of operating costs vs. expenses for a typical games series. Based on financial information developed, net revenue generated continues to exceed operating costs, as referenced in Attachment B.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Peter D. Tereschuck, 619.595.4902, peter.tereschuck@sdti.sdmts.com

RGA/JGarde – Global/A_I
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5/20/04

Attachments: A. PETCO Park Service Statistics, April 2004
B. PETCO Park Operations, Cost vs. Revenue Comparison } **Board Only**

SAN DIEGO TROLLEY, INC.
2004 Padres Baseball

PETCO Park Service Statistics
April 2004

PETCO Park Inaugural Season

DAY	DATE	GAME #	TEAM	GAME ATT (GATE)	CUMULATIVE GAME ATTENDANCE	CUMULATIVE ATTENDANCE 2003	% DIFF 03 - 04	GASLAMP	IMPERIAL	TOTAL RIDERS TO GAME	% OF GAME ATT	CUM TOT RIDERS TO GAME	CUMULATIVE RIDERS 2003	% DIFF 03 - 04	RIDERS FROM GAME	GAME TOTAL RIDES	COMMENTS
Sat	4/3	1	Seattle (Pre)	33,563	33,563	61,707	-45.6%	4,802	5,500	10,302	30.7%	10,302	11,500	-10.4%	9,460	19,762	7:05pm Exhibition Game
Sun	4/4	2	Seattle (Pre)	25,678	59,241	91,912	-35.5%	3,352	4,000	7,352	28.6%	17,654	14,720	19.9%	6,702	14,054	1:05 pm Exhibition Game
Thu	4/8	3	San Francisco	40,624	99,865	105,130	-5.0%	4,588	6,072	10,660	26.2%	28,314	16,483	71.8%	10,275	20,935	7:05 pm Opening Day
Sat	4/10	4	San Francisco	39,551	139,416	121,308	14.9%	5,749	5,492	11,241	28.4%	39,555	18,204	117.3%	10,528	21,769	7:05 pm
Sun	4/11	5	San Francisco	38,146	177,562	143,082	24.1%	4,573	5,221	9,794	25.7%	49,349	20,274	143.4%	9,258	19,052	5:05 pm Easter
Tue	4/13	6	Los Angeles	32,562	210,124	176,619	19.0%	4,468	4,777	9,245	28.4%	58,594	22,927	155.6%	7,912	17,157	7:05 pm
Wed	4/14	7	Los Angeles	31,756	241,880	208,141	16.2%	4,809	4,132	8,941	28.2%	67,535	25,022	169.9%	8,178	17,119	7:05 pm
Thu	4/15	8	Los Angeles	36,084	277,964	226,875	22.5%	5,017	5,490	10,507	29.1%	78,042	26,729	192.0%	9,650	20,157	7:05 pm
Fri	4/16	9	Arizona	32,293	310,257	254,909	21.7%	4,653	4,908	9,561	29.6%	87,603	29,153	200.5%	8,542	18,103	7:05 pm
Sat	4/17	10	Arizona	36,369	346,626	271,439	27.7%	4,608	4,616	9,224	25.4%	96,827	30,836	214.0%	8,971	18,195	7:05 pm Fireworks
Sun	4/18	11	Arizona	37,920	384,546	284,193	35.3%	4,854	5,899	10,753	28.4%	107,580	31,936	236.9%	9,365	20,118	1:05 pm
Mon	4/26	12	Montreal	21,001	405,547	295,710	37.1%	2,314	2,272	4,586	21.8%	112,166	32,917	240.8%	4,329	8,915	7:05 pm
Tue	4/27	13	Montreal	22,889	428,436	305,578	40.2%	2,535	2,722	5,257	23.0%	117,423	33,868	246.7%	4,924	10,181	7:05 pm
Wed	4/28	14	Montreal	20,075	448,511	323,174	38.8%	1,994	2,451	4,445	22.1%	121,868	35,350	244.7%	3,663	8,108	7:05 pm
Thu	4/29	15	Montreal	21,347	469,858	348,816	34.7%	2,487	2,726	5,213	24.4%	127,081	37,147	242.1%	4,234	9,447	7:05 pm
Fri	4/30	16	New York Mets	39,627	509,485	367,787	38.5%	4,964	5,882	10,846	27.4%	137,927	38,515	258.1%	9,439	20,285	7:05 pm T-shirts
			TOTALS TO DATE	509,485		367,787	38.5%	65,767	72,160	137,927	27.1%	137,927	38,515	258.1%	125,430	263,357	
			Per Game Averages	31,843		22,987		4,110	4,510	8,620			2,407		7,839	16,460	

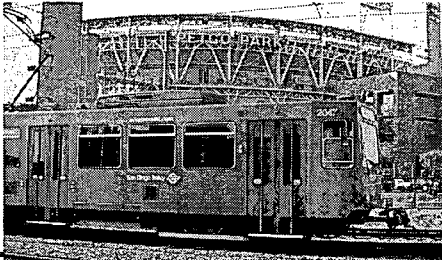
San Diego Trolley, Inc.

Padres vs. Mets
April 30 - May 2, 2004

PETCO Park Operations Cost vs. Revenue Comparison

ITEM	EXPENSES	REVENUE	CURRENT STATUS
Revenue - Personnel Hrs.	(\$6,426.00)		Reduced 20%
Revenue - Rental Vans	(\$144.00)		
Revenue - Temp Agency	(\$292.00)		Eliminated
Transportation - Personnel Hrs.	(\$26,526.00)		
Flagperson Hrs.	(\$274.00)		
MOW - Personnel Hrs.	(\$3,250.32)		Reduced 75%
LRV - Personnel Hrs.	(\$4,488.00)		Reduced 50%
Facilities Personnel Hrs.	(\$9,472.00)		
Security	(\$32,331.00)		Reduced 20%
CCI	(\$3,721.00)		Reduced 90%
Barricade Rental	(\$543.00)		Eliminated
Car Miles	(\$11,061.00)		
Booth Sales		\$61,389.00	
TVM Sales		\$39,868.00	
Coaster		\$408.00	
Totals	(98,528.32)	\$101,665.00	
Difference		\$3,136.68	

**Preliminary PETCO Park/Padres
Service Report**
May 27, 2004



San Diego Trolley, Inc.
An Operator in the Metropolitan Transit System

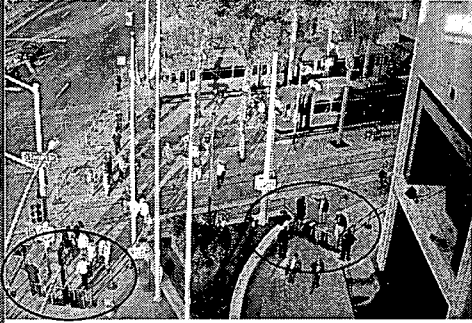
**Changes implemented
for Opening Day**

- 22 manual ticket sales locations for Opening Day
- Increased staffing at specific existing manual sales locations (Qualcomm Stadium, Old Town, etc.)
- "Ambassadors" assigned to assist patrons at TVM's at as many as 6 locations
- Maintenance response "teams" positioned at key locations

**Changes implemented
for Opening Day (cont.)**

- Security deployment enhanced
- Back up buses deployed to key locations
- Management and Supervisory personnel from various disciplines deployed
- Barricades, turnstiles, and permanent fencing in place to provide better passenger processing

Portable barriers and turnstiles are used to positively manage crowds



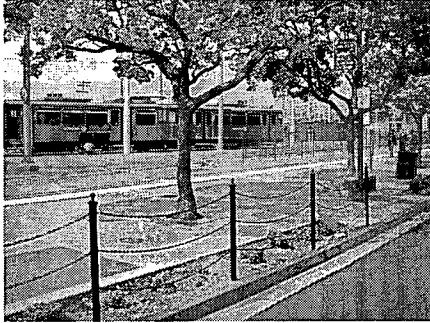
Portable barriers and turnstiles are used to positively manage crowds



Portable barriers and turnstiles are used to positively manage crowds



**Permanent decorative fencing
directs crowds at 12th & Imperial**



**Highlights of first 16 games played at
PETCO Park include...**

- Attendance has exceeded 509,000 fans (31,843 avg.)
- Trolley ridership averaging 27% of the gate (8,620)
- Through the first month, 138,000 fans have arrived at the ballpark via Trolley (263,357 passenger trips)
- System ridership for April 2004 reached 2,708,000; the third highest ridership month ever
- The April 2004 ridership total represents an increase of 36% when compared to April 2003

**Initial cost recovery experience provides
an indication of future results**

- Initial planning efforts included extreme coverage levels to mitigate potential unknown factors
- To date, staff continues to evaluate options to generate further economic efficiency
- A recent cost analysis revealed that a positive balance has been achieved with event sales revenue exceeding incremental operating costs



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466 FAX 619.234.3407

Agenda

Item No. 34

Joint Meeting of the Board of Directors for
Metropolitan Transit Development Board,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

OPS 970 (PC 30102)

May 27, 2004

Subject:

SDTI: REQUEST TO NAME THE SAN DIEGO TROLLEY BUILDING C
MAINTENANCE FACILITY IN HONOR OF LANGLEY C. POWELL

RECOMMENDATION:

That the Board of Directors approve the request as submitted.

Budget Impact

The total estimated cost for repainting the Building C façade to incorporate the name of Langley C. Powell (as shown in Attachment A) is \$2,500.

Executive Committee Recommendation

At its meeting on May 20, 2004, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

Langley C. Powell has enjoyed a distinguished public service career in San Diego, encompassing some 23 years. He was the initial President-General Manager of San Diego Trolley, Inc., serving in that capacity from September 1980 until his transition to San Diego Transit Corporation in December 2001. Over the span of this period,



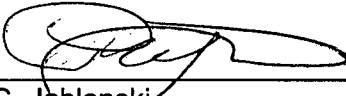
Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies include: 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, and the County of San Diego.

Mr. Powell has distinguished himself, not only in the transportation sector, but also in community service as an active member of the Southeast San Diego Rotary Club where he served as President.

Since his retirement on February 27, 2004, there has been considerable interest expressed by his peers and colleagues in the business to honor Mr. Powell, in light of his significant contributions, by naming the San Diego Trolley Building C Maintenance Facility in his honor. Approval of this plan would result in the name of the building being altered to the following:

San Diego Trolley
Langley C. Powell
LRV Maintenance Facility

The appearance of this change will generally follow the illustration as provided in Attachment A (attached hereto) on the westerly façade of Building C.



Paul C. Jablonski
Chief Executive Officer

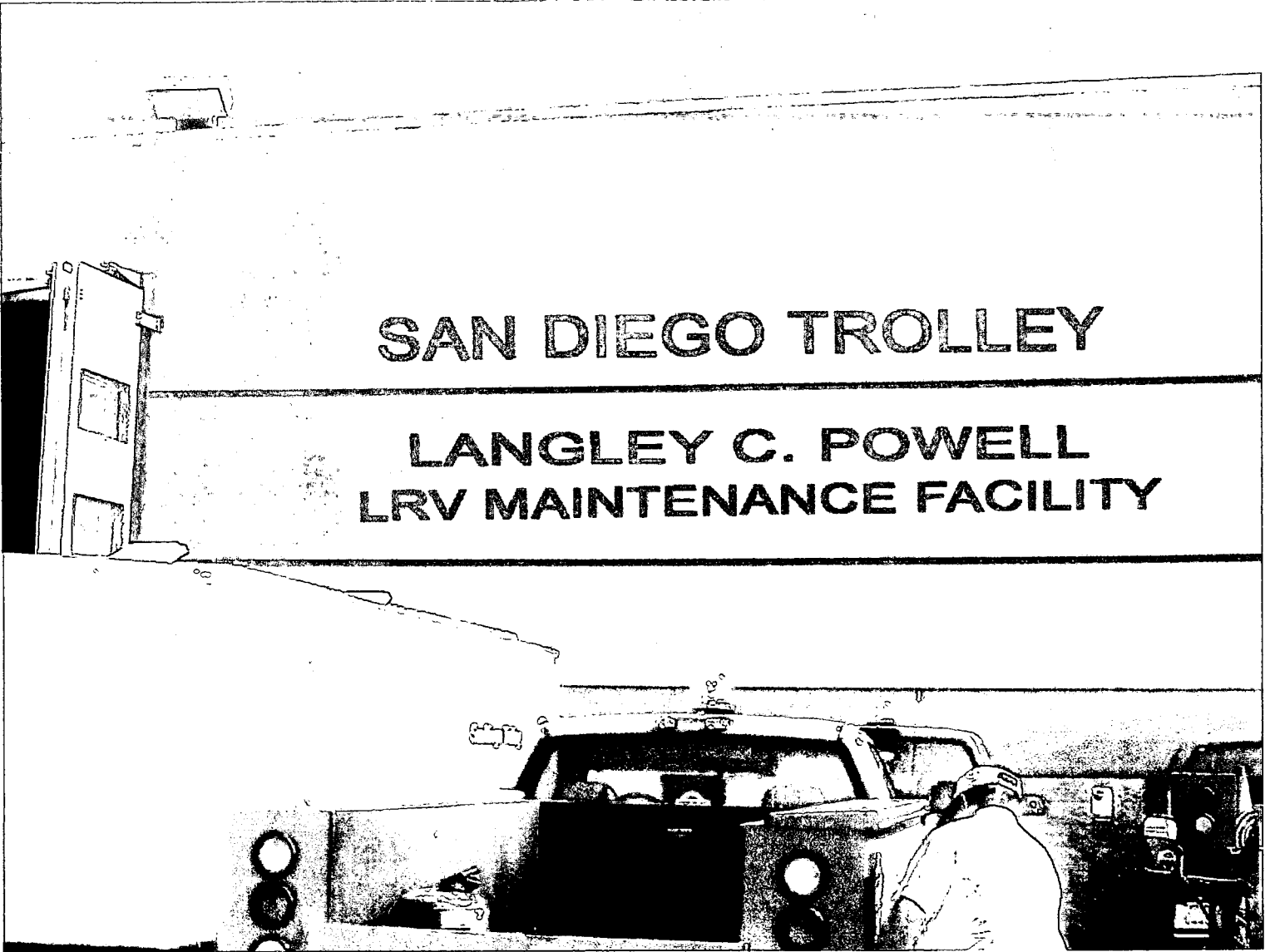
Key Staff Contact: Peter Tereschuck, 619.595.4902, peter.tereschuck@sdmts.com

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5/20/04

Attachment: A. Illustration of Building Façade **(Board Only)**

SAN DIEGO TROLLEY

LANGLEY C. POWELL LRV MAINTENANCE FACILITY





SAN DIEGO TROLLEY

**LANGLEY C. POWELL
LRV MAINTENANCE FACILITY**





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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)

May 27, 2004

Minor Contract Actions

- XPRS – AM for radio spots for target marketing campaign.
- Padre Dam Municipal for adjustments in water rates for Mission Valley East Light Rail Extension.
- KPMG LLP for taxi consulting services.
- West Coast General Corp. for construction services for 12th & market Station reconfiguration.
- Clark Construction Group Incorporated for construction services for SDSU Tunnel and Underground Station for Mission Valley East Light Rail Extension.
- Balfour Beatty/Ortiz Enterprises Inc., for construction services for the Mission Valley East La Mesa Segment of the Mission Valley East Light Rail Extension.

•

Contract Matters

Contract Change Order (CCO) No. 23 with Randall Construction was approved for a reduction in the amount of \$284.20 to balance and close out remaining force account funds. (South Bay Maintenance Facility Expansion project, Contract No. BUS-10485)

CCO No. 11 with GIM Engineering was approved in the amount of \$15,000.00 for additional force account funds. (ADA Bus Stop Improvements project, Contract No. BUS-692C)

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619.231.1466 FAX 619.234.3407

PROGRESS AND PREVIEWS

PROJECTS, PLANS, ACTIVITIES, AND ISSUES AS OF MAY 20, 2004

San Diego Trolley Employees Compete in the 7th Annual Rail Rodeo

The 7th annual San Diego Trolley (SDTI) in-house Rail Rodeo was held on Saturday, April 24, 2004. During the rodeo, LRV Maintainers and Train Operators compete in classification-specific exercises. The competition incorporates a variety of maintenance and operation exercises involving: safety testing, LRV operation, ADA passenger requirements, defect identification, forklift operation, and uniform inspection. The first and second place winners in each classification of the local competition will represent SDTI at the APTA International Rodeo competition at the Rail Transit Conference in Miami, Florida, in June. At this competition, teams from rail transit agencies throughout North America will compete in a variety of similar operations and maintenance exercises to determine the "best of the best". SDTI competitors have done well over the years representing the agency, and finished in the top three over the last several years. This is a testament to the quality of SDTI personnel, and this year should be no different. A follow-up article will be submitted with the results from the Miami competition.

Tunnel Award

Our SDSU Mission Valley East tunnel was awarded the prestigious 2004 United Kingdom Tunnel Industry Award for "Excellence in Tunnel Design". The award was presented to Alun Thomas at the British Tunnelling Society Dinner. Mr. Thomas is with Hatch Mott McDonald, the Mission Valley East designers for the New Austrian Tunnel Method tunnel.

Two Big Winners on Petco Park Opening Day – San Diego Padres and San Diego Trolley

The San Diego Trolley scored a home run on April 8 with service that was deemed a success by passengers and the media alike. The trolley carried over 11,000 baseball fans to the game, representing 26 percent of PETCO's inaugural regular-season game. A couple of trial runs with the Aztec Invitational in March and Padres Exhibition games in April allowed Trolley officials to fine-tune service for opening day. Passengers took heed of a communications campaign urging them to arrive downtown early, stay late, buy tickets in advance, and, after the game, return to the same platforms on which they arrived. Coupled with the Padres overall game transportation plan that was in full effect that night, Trolley operations ran smoothly and efficiently to the delight of Padres fans. Post-game media coverage declared Opening Day Trolley Service a big winner. You can hang a star on that one Baby!

Debut of New MTS Advertising Campaign

The new MTS advertising campaign debuted on Monday, May 3, and will run through June 30. The "Travel Dance" campaign consists of television commercials in English and Spanish as well as an outdoor campaign of transit shelters, mall kiosk ads, and bus posters. The TV spots can be seen on KFMB-TV, KGTV, Univision, Telemundo, and on the Cox Cable Network.

"Travel Dance" builds on last year's MTS "Easy Going" campaign by stressing the economy and convenience of using transit.... "Escape traffic, avoid tickets, no stress." Exciting visuals of athletic dancers are blended with traffic scenes and traffic signs, along



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with the new MTS logo. The campaign's goal is to increase awareness and build ridership, while modernizing the MTS image. It is planned to impact current riders and nonriders by stating the benefits of mass transit versus the solo commute.

San Diego Trolley Hosts California Transit Association Rail Meeting

On April 22 and 23, the Rail Operations and Regulatory (ROAR) Committee's semiannual meeting was hosted by San Diego Trolley, Inc. The ROAR group consists of representatives from each of the California rail properties and the California Public Utilities Commission (CPUC), the agency responsible for regulatory oversight in California. These meetings allow for the sharing of regulatory information that impacts transit agencies from the CPUC's perspective and also as it relates to federal standards. The sessions are beneficial and provide a format to collectively address and resolve regulatory matters that impact each agency. Some of the topics discussed during the two-day session were as follows:

- Reorganization and changes in reporting responsibilities of the CPUC.
- Resolution of CPUC G.O. 74.4f, involving protection from a single-point connection failure on the overhead catenary system.
- CPUC provided a briefing on G.O. 88 changes involving crossings at grade applications and relevant issues.
- The FTA rule for establishing quiet zones (prohibiting horn use) along rail corridors.
- Transit agency concerns about the scope of the CPUC safety oversight role, particularly in the project planning process.

The meeting culminated with a committee review and comment on the Notice of Proposed Rule Making (NPRM) for 49 Code of Federal Regulations (CFR), Part 659, Rail Fixed Guideway Systems – "changes" to the State Safety Oversight Rule. Formal comments on the subject NPRM were submitted on behalf of the ROAR Committee to the FTA.

The meeting locations rotate between the agencies with each sharing the responsibility at the appropriate time. San Diego Trolley was one of the founding members of this committee and was credited with naming the group and elevating the status from a subcommittee to full committee as part of the California Transit Association (CTA). It

remains one of the most productive and active committees in the CTA organization.

MTS/Coca-Cola Scholarships Awarded to 20 Students

The deadline for the MTS/Coca-Cola Scholarship competition has passed and MTS received 152 entries! County high school seniors submitted essays on the importance of public transportation. A selection team is reading the entries, and the winners will be announced on Friday, June 4. Winners and their families will be honored with a breakfast and presentation of their awards at the MTS Board meeting on Thursday, June 24. Twenty well-deserving students will receive laptop computers and \$250 in cash for college expenses. MTS Community Relations Coordinator, **Paulina Gilbert**, is managing this year's scholarship competition.

Balboa Park Celebrates Earth Day

Earth Fair, Balboa Park's big celebration of Earth Day, took place on Sunday, April 25. The MTS booth near the Casa Del Prado was visited by many of the participants in this celebration. MTS takes the opportunity on Earth Day to promote its fleet of clean natural gas buses and to tout the message that riding buses and trolleys is good for Mother Earth. MTS Telephone Information staff members were on hand to help people plan their next transit trip. **Paulina Gilbert**, MTS Community Relations Coordinator, managed the booth and project and helped pass out 500 flower and vegetable seed packets, courtesy of a partnership with Walter Andersons Nursery, and many other small transit giveaway items.

Staff Anniversaries

Congratulations to the following employees, who celebrated anniversaries recently: Assistant Transit Operation Specialist **Jim Perez** - fifth anniversary on April 19; Communications Designer II **Chris Bell** - third anniversary on April 23; Director of Multimodal Operations **Susan Hafner** - third anniversary on April 23; Interim Assistant Clerk of the Board **Jan Gardetto** - third anniversary on April 30; and Associate Transit Operations Specialist **Denis Demond** - fifth anniversary on May 25.

GWilliams – Progress & Previews
04-May17GWilliams
5/18/04