



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

Agenda

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

June 24, 2004

9:00 a.m.

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

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

ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - June 10, 2004 Approve
3. Public Comments - 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 of the Clerk of the Board.
4. Presentation of Employee Awards Receive

MTDB: MTS/Coca-Cola Scholarship Awards



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.

- | | | |
|----|---|-----------------|
| 5. | <u>Closed Session Items</u> | Possible Action |
| a. | <u>MTDB: Conference with Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9: Four Potential Cases</u> | |

Oral Report of Final Actions Taken in Closed Session

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

- | | | |
|-------|--|---------|
| * 6. | <u>SDTI: Financial Report for April 2004</u>
Action would receive the following attachments: Summary of Cash in Treasury, Status of Revenue, Summary of FY 04 Appropriations and Expenditures, and SANDAG Ridership Summaries. | Receive |
| * 7. | <u>MTDB: General Reprographics Services - Contract Amendments</u>
Action would authorize the Chief Executive Officer (CEO) to negotiate the second one-year option to extend the general reprographic services contracts with Kinko's and Advance Reprographics. | Approve |
| * 8. | <u>MTDB: MTS Operators Budget Status Report for April 2004</u>
Action would receive the Metropolitan Transit System (MTS) Operators Budget Status Report for the month of April 2004. | Receive |
| * 9. | <u>MTDB: Consideration of Amending City of San Diego Council Policy No. 500-02 to Temporarily Limit Single Taxicab Permits</u>
Action would forward a recommendation to the City of San Diego Council to amend City of San Diego Policy No. 500-02. | Approve |
| * 10. | <u>MTDB: MTS Poway Transit Services Contract Amendment</u>
Action would authorize the CEO to execute a 48-month contract extension with Laidlaw Transit Services for Poway Transit Services bus service. The extension will cover the period of July 1, 2004, through June 30, 2008. | Approve |
| * 11. | <u>MTDB: Workers' Compensation Coverage for Volunteers</u>
Action would adopt Resolution No. 04-6 declaring that MTDB volunteers are employees for workers' compensation purposes only. | Approve |
| * 12. | <u>MTDB: Controller's Report for January 2004</u>
Action would receive the following reports: FY 2004 Budget Summary – Appropriations/Expenditures/Encumbrances; FY 2004 Budget Summary – Status of Cash Receipts; Detail of Portfolio Balances; Investment Transaction Detail; and Estimated Balance of Contingency Reserve. | Receive |



- * 13. MTDB: Controller's Report for February 2004 Receive
Action would receive the following reports: FY 2004 Budget Summary – Appropriations/Expenditures/Encumbrances; FY 2004 Budget Summary – Status of Cash Receipts; Detail of Portfolio Balances; Investment Transaction Detail; and Estimated Balance of Contingency Reserve.

- * 14. SDTC: Financial Report through April 2004 Receive
Action would receive this report.

- * 15. MTDB: Mission Valley East Light Rail Transit Project: Design Contract Amendment Approve
Action would authorize the CEO to transfer funds between project line items and execute a contract amendment with Mission Valley Designers for the continuation of construction phase services.

- * 16. MTDB: Proposed 2004/2005 Audit Plan Approve
Action would approve the Internal Audit Plan for 2004/2005.

- * 17. SDTI : LRV 1040 Paint: Award Service Contract Approve
Action would authorize the President and General Manager to execute a standard services agreement with Carlos Guzman, Inc., for LRV 1040 paint and bodywork services.

- * 18. MTDB: Courier Service: Exercise of Contract Option Approve
Action would authorize the Chief Executive Officer to exercise the second of three options with Eclipse Messenger Service, Inc., to provide courier services to MTDB on an as-needed basis, and ratify the first option previously executed on January 23, 2003.

NOTICED PUBLIC HEARINGS

- 25. MTDB: FY 05 Budget: Public Hearing and Adoption Hold Public Hearing
and Adopt

That the Board of Directors hold a public hearing, receive testimony, and review and comment on the FY 05 budget information presented in this report; and adopt Resolution No. 04-5 approving the operating and capital budget for MTDB and approving the operating budgets for San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, Chula Vista Transit, National City Transit, and the Coronado Ferry.

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

DISCUSSION ITEMS

30. MTDB: Bus Bay Parking Management Services for the San Ysidro Intermodal Transportation Center Approve
Action would authorize the Board of Directors authorize the Chief Executive Officer (CEO) to award a contract to Ace Parking contingent upon successful negotiations. In the event that the CEO is unable to reach an agreement, the CEO is authorized to begin negotiations with the next ranked proposer(s) and award a contract contingent upon successful negotiations.
31. SDTC: Issuance of Pension Obligation Bonds to Fund Unfunded Accrued Actuarial Liability of SDTC Pension Plans Approve
Action would authorize the Board of Directors receive this report, direct staff to proceed with the review of the potential savings and benefits of the issuance of pension obligation bonds, authorize the Chief Executive Officer (CEO) to enter into a contract with the California Transit Finance Corporation (CTFC) for review and issuance of the bonds, and authorize the CEO to commission a new actuarial evaluation.
44. Chairman's Report Possible Action
45. Chief Executive Officer's Report Information
46. Board Member Communications
47. Additional Public Comments Not on the Agenda
If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous Hearings or agenda items may not again be addressed under Public Comments.
50. Next Meeting Date: July 8, 2004
60. Adjournment

JGarde

AGENDAS EC 6-17-04 BD 6-24-04

6/18/2004

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 6/24/04

CALL TO ORDER (TIME): 9:06 a.m.

RECESS: 9:44 a.m.

RECONVENE: 9:48 p.m.

CLOSED SESSION: 9:49 a.m.

RECONVENE: 10:27 a.m.

PUBLIC HEARING: 10:51 a.m.

CLOSE PUBLIC HEARING: 10:58 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 11:32 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:25 a.m. during AI 4	
CLABBY	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
INZUNZA	<input checked="" type="checkbox"/> (Ungab) <input type="checkbox"/>		10:44 a.m. before AI 45
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		11:07 a.m. before AI 30
LEWIS, Charles	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:17 a.m. during AI 4	11:26 a.m. before AI 31
LEWIS, Mark	<input type="checkbox"/> (Santos) <input checked="" type="checkbox"/>		
MAIENSCHHEIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:21 a.m. during AI 4	11:05 a.m. before AI 30
ROSE	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>	9:20 a.m. during AI 4	
RYAN	<input type="checkbox"/> (Dale) <input type="checkbox"/>		<input checked="" type="checkbox"/>
STERLING	<input checked="" type="checkbox"/> (Ewin) <input type="checkbox"/>		
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
ZUCCHET	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:36 a.m. during AI 4	10:44 a.m. before AI 25

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Tiffany Wenzel

DRAFT

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

June 10, 2004

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

MINUTES

1. Roll Call

Chairman Williams called the meeting to order at 9:06 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 May 27, 2004, Board of Directors meeting. Ms. Atkins seconded the motion and the vote was 13-0 in favor.

3. Public Comment

Clive Richard – Mr. Richard made comments about the separation of operations and operation planning in the new organizational structure with SANDAG. He also made statements in support of a Comprehensive Operational Analysis.

4. Presentation of Employee Awards

The following MTDB employees were presented with years of service awards: For 15 years of service: Irma Carrillo. For 5 years of service: Denis Desmond

The following SDTC employees were also presented with years of service awards: For 30 years of service: Eugene Reed, Oscar Miller and Jerry Kleiboeker. For 25 years of service: Mike Domich, Mark Thomas, Diane Melvin, and Dave Mason. For 20 years of service: Juan Hernandez

5. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:21 a.m. for SDTC: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Pursuant to Subdivision (b) of Section 54956.9: One Potential Case

The Board reconvened to Open Session at 9:35 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported the following: The Board received a report from outside counsel.

CONSENT ITEMS

6. MTDB: Insurance Consultant/Broker Services (LEG 491, ADM 121, PC 30100)

That the Board of Directors authorize the Chief Executive Officer (CEO) to enter into an insurance consultant/broker services contract amendment for \$106,150 with John Burnham Insurance Services, bringing the total contract to \$470,150 and extending the contract to June 30, 2005.

7. MTDB: Finalized Audit Report on the SDTI Procurement Process (LEG 492, PC 30100)

That the Board of Directors receive the San Diego Trolley (SDTI) Procurement Audit Report.

8. MTDB: FY 05 Monthly Passes: Exercise of Contract Option (FIN 330.3, PC 40060)

That the Board of Directors authorize the CEO to exercise the final four options with Mercury Graphics, in substantially the same form as Attachment A of the agenda item, to produce and deliver a total of 1,776,000 monthly passes, for a total cost not to exceed \$118,388.16 (including tax and shipping), based on a \$66.66 unit price per 1,000.

9. MTDB: Transportation Development Act Claim Amendment (FIN 340.3, PC 20201)

That the Board of Directors adopt Resolution No. 04-4, Attachment A of the agenda item, amending FY 03 Transportation Development Act (TDA) Article 4.0, Claim No. 253, for the City of El Cajon.

10. MTDB: Mission Valley East Light Rail Transit Project: Contract Change Orders and Budget Transfers (CIP 10426.7)

That the Board of Directors authorize the Chief Executive Officer to: **(1)** execute Contract Change Order (CCO) No. 104, Supplement No. 2, with Orion/Balboa, Joint Venture (Orion), in substantially the form attached (Attachment A of the agenda item), for various items of work on the San Diego State University (SDSU) campus due to delays and requests of SDSU staff, in an amount not to exceed \$175,770.44; **(2)** execute CCO No. 237 with The Clark Construction Group, Inc. (Clark), in substantially the form attached (Attachment B of the agenda item), for improvements required to be made to the battery room at the SDSU Underground Station, in an amount not to exceed \$300,000; **(3)** transfer \$100,000 from the Project Contingency line item (WBS 10426-3800) into the Construction Management line item (WBS 10426-0700) to fund pending amendments to the Construction Management contract with Washington Infrastructure Services, Inc. (WIS), on the Mission Valley East (MVE) Light Rail Transit (LRT) Project, as shown in Attachment C of the agenda item; and **(4)** transfer \$300,000 from the Project Contingency line item (WBS 10426-3800) into the Contaminated Soils line item

(WBS 10426-4000) to fund expenses for contaminated soils and hazardous materials consulting and contract work on the MVE LRT Project, as shown in Attachment C of the agenda item.

11. MTDB: Increased Authorization for Legal Services (LEG 490, PC 30100)

That the Board of Directors authorize the Chief Executive Officer to enter into contract amendments with Roger Bingham of the law firm Butz, Dunn, DeSantis, Bingham, APC (MTDB Doc. No. G0723.9-02, Attachment A of the agenda item) for general liability services, and Mark Barber of the law firm Wismar & Barber (MTDB Doc. No. G0750.4-02, Attachment B of the agenda item) for workers' compensation legal services in substantially the same form as attached, and ratify prior amendments entered into under the CEO's authority.

Motion on Recommended Consent Items

Mr. Emery moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, and 11. Mr. Charles Lewis seconded the motion and the vote was 12 to 0 in favor.

NOTICED PUBLIC HEARINGS

There were no public hearing items.

DISCUSSION ITEMS

30. SDTI: Preliminary Petco Park/Padres Service Report (OPS 970.12, PC 30102)

Mr. Wayne Terry and Mr. Tom Doogan of SDTI presented the Board with a service report on trolley service to PETCO Park. Mr. Doogan reviewed changes that were implemented before the first Padres game as a result of information gained from serving the Aztec Invitational, which was held at PETCO Park. Staff explained how portable barriers and turnstiles are being used to positively manage crowds and how fencing is being used to direct crowds at 12th & Imperial. Staff reported that trolley ridership is averaging 27 percent of the gate, and April 2004 ridership represents an increase of 36 percent when compared to April 2003. Staff called the Boards attention to Attachment B of the agenda item and pointed out that total expenses for the Padres vs. Mets home stand were \$98,528.32 and revenues were \$101,665.00, which is a farebox recovery of 103 percent. Staff added that some of the expense levels included in this attachment have been reduced, in some cases, by 90 percent. Staff explained that the data in this report was prepared for presentation to the Board on May 27 and has not since been updated. Staff added that the Board will be provided with an update mid season and again at the end of the season. In response to a question from Mr. Monroe, Mr. Doogan reported that the statistics presented in the agenda item were for a series of games rather than the entire season in order to eliminate the anomalies that occurred with the provision of service for the first few games. Mr. Monroe expressed an interest in seeing the data on a game-by-game basis.

Mr. Monroe asked for clarification on two points within staff's report. In response to a question from Mr. Monroe, Mr. Doogan reviewed how game fans can utilize both the Coaster and the Trolley purchasing one ticket and the method that is used to calculate

MTDB's share of that revenue. Also in response to a question from Mr. Monroe, Mr. Doogan reported that, on game days, the Trolley does add staff incrementally above normal operating levels. Mr. Monroe stated that he is concerned about using public money to provide this service. He also encouraged staff to include the revenues from the MTDB parking facility in its report.

Mr. Zucchet complimented staff on a job well done and for their flexibility in adapting service to the circumstances. He also stated that many of the people using the Trolley to get to PETCO Park are first-time users, and it is beneficial to the system to have their first experience be a positive one. He stated that he also appreciated the financial information.

Action Taken

Mr. Zucchet moved to receive this report for information. Mr. Rindone seconded the motion and the vote was 13 to 0 in favor.

31. MTDB: Kearny Mesa Division Underground Tank Improvements Project Budget Transfer (CIP 10958)

Mr. John Haggerty of MTDB reported that this item is a simple budget transfer of funds from the Bus Simulator Project and from the Regional Miscellaneous Operations Capital San Diego Transit Corporation Project. He added that these transfers will be used to fund work related to underground tanks that are out of compliance with secondary containment standards.

Action Taken

Mr. Monroe moved to request that the San Diego Association of Governments (SANDAG) approve the transfer of \$398,000 from the Bus Simulator Project (CIP 11025) and \$90,000 from the Regional Miscellaneous Operations Capital San Diego Transit Corporation (SDTC) Project (CIP 11071) into the Kearny Mesa Division (KMD) Underground Tank Improvement Project (CIP 10958), as shown on Attachment A of the agenda item, to fund additional tank repairs not anticipated in the original project budget. Mr. Emery seconded the motion and the vote was 13 to 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 were no comments on or additions to the Chief Executive Officer's Report.

46. Board Member Communications

Suzuki Rock 'n' Roll Marathon: Mr. Emery passed around pictures of the Napa crossing that were taken during the marathon and pointed out the chaotic situation that occurs at

that location. He stated that he felt the Board's action relative to the marathon was an appropriate one.

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, June 24, 2004, at 9:00 a.m. in the same location.

60. Adjournment

Chairman Williams adjourned the meeting at 9:57 a.m.

Chairman
San Diego Metropolitan Transit
Development Board

Filed by:

Approved as to form:

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

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): 6/10/04

CALL TO ORDER (TIME): 9:06 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:21 a.m.

RECONVENE: 9:35 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 9:57 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 checked="" 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"/>		
LEWIS, Mark	<input checked="" type="checkbox"/> (Santos) <input type="checkbox"/>		
MAIENSCHEN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MATHIS	<input type="checkbox"/> (N/A) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		<input checked="" type="checkbox"/>
ROSE	<input type="checkbox"/> (Janney) <input checked="" type="checkbox"/>		
RYAN	<input type="checkbox"/> (Dale) <input type="checkbox"/>		<input checked="" type="checkbox"/>
STERLING	<input checked="" type="checkbox"/> (Ewin) <input type="checkbox"/>		
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
ZUCCHET	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Paul Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Debra Korman

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

3

ORDER REQUEST RECEIVED

1

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

9:07

1. INSTRUCTIONS

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

Date Peter Warner

Name (PLEASE PRINT) P.O. BOX 2135

Address Hempford CA 93282

Telephone 619 347 6422

Organization Represented (if any) AHS / TRAC

Subject of your remarks: COASTER CONNECTIONS & OTHER MATTERS.

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.****

*22 pages
left
Carson.*

Mission Valley East
Claims
Status/Negotiations

June 24, 2004

Jim Linthicum
Bill Prey

Grantville

- \$100,000: Rock fence on I-8 -- low risk
- \$145,000: Electrical conduit – medium risk
- \$ _____: Extended overhead – medium risk

SDSU

- \$218,000: Fire Marshall work stoppage – medium risk
- \$3.4 million: Fire alarm/fire systems changes – high risk
- \$600,000: No excuse bonus – high risk
- \$ _____: Extended overhead – high risk

La Mesa

- \$100,000: Stray current protection for box culvert
 - Rebar connections not welded
 - Neither contractor nor CM caught the error
 - High risk
 - Contractor offered to settle for \$77,800
 - Recommendation: settle

La Mesa

- \$338,000: Differing site conditions while jacking steel utility casing
 - Encountered rocks larger than shown on plans
 - However, geotechnical report and field conditions describe conditions accurately
 - Medium to high risk claim
 - No offer to settle
 - Recommendation: Reject claim

La Mesa

- \$554,000: Differing site conditions for retaining wall piles
 - Encountered rocks larger than shown on plans
 - However, geotechnical report and field conditions describe conditions accurately
 - Medium to high risk claim
 - Contractor offered to settle for \$357,870
 - Recommendation: Reject offer

La Mesa

- \$1.5 million: Extended overhead – cannot yet assign risk. Reverse of liquidated damages
- \$150,000: Conflicts between electrical conduit and trees @ Alvarado Station – low risk
- \$120,000: Quality of concrete finish – medium risk

Track & Systems

- \$1.2 million: Extended overhead from delays from Grantville and La Mesa – high risk claim

Budget

Board approved budget: \$496 mil exclusive of claims and contingency

Current cost to complete with claims: \$511 mil

Anticipated final cost to complete: \$506 mil

Recommendation

- Negotiate and resolve La Mesa stray current claim for \$77,800 plus markup
- Reject both La Mesa differing site condition claims
- Be open to global resolution of claims for each project



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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)

June 24, 2004

Subject:

SDTI: FINANCIAL REPORT FOR APRIL 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 April 30, 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 April is \$2,380,363.00 divided by operating expenses of \$4,097,087.00, equating to a farebox recovery rate of 58.1 percent.



Farebox Recovery Comparisons

	<u>April 04</u>	<u>April 03</u>	<u>April 02</u>
Month	58.1%	52.6%	53.3%
Fiscal Year Average	59.0%	58.1%	59.7%



Paul C. Jablonski
Chief Executive Officer

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

KET/JGarde – Als
JUNE24-04.6.SMANN
6/8/04

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

SAN DIEGO TROLLEY, INC.

SUMMARY OF CASH IN TREASURY BY DEPOSITORY AND ACCOUNT

April 30, 2004

DEPOSITORY

CHECKING ACCOUNT

Bank of America (General Account)

\$1,412,814.95

TOTAL:

\$1,412,814.95

SAN DIEGO TROLLEY, INC.

FY 04 STATUS OF REVENUE

as of April 30, 2004

<u>REVENUE SOURCE</u>	<u>Ten Month BUDGETED REVENUE</u>	<u>Year-to-Date STATUS OF REVENUE</u>
Passenger Revenue	\$ 19,523,225.00 (83.8%)	\$ 19,946,010.00 (85.6%)
Operating Subsidy	\$ 15,027,688.00	\$ 15,618,279.00
Miscellaneous Income	\$ <u>299,792.00</u>	\$ <u>284,577.00</u>
GRAND TOTAL	\$ <u>34,850,705.00</u>	\$ <u>35,848,866.00</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 April represents 83.8% of the FY 04 budgeted fare revenue vs. total actual fare revenue collected to date of 85.6%, as shown above.

SAN DIEGO TROLLEY, INC.

APPROPRIATIONS AND EXPENDITURES

as of April 30, 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	\$ 18,432,726.00 82.7%	\$ 3,868,049.00
Outside Services	7,298,275.00	6,332,542.00 86.8%	965,733.00
Maintenance Parts & Supplies ⁽²⁾	3,113,675.00	1,994,594.00 64.1%	1,119,081.00
Energy	6,365,500.00	5,058,132.00 79.5%	1,307,368.00
Risk Management	2,320,225.00	1,834,781.00 79.1%	485,444.00
General & Office Expenses	<u>294,525.00</u>	<u>175,714.00</u> <u>59.7%</u>	<u>118,811.00</u>
TOTAL	<u>\$ 41,692,975.00</u>	<u>\$ 33,828,489.00</u> <u>81.1%</u>	<u>\$ 7,864,486.00</u>

*CUMULATIVE EXPENDITURES are shown as a percentage of the total budget for each category. For comparative purposes, the month of April represents 83.3% of the fiscal year vs. actual expenditures of 81.1%, as shown above.

⁽¹⁾ Cumulative expenditures have been offset by \$252,235.04 to reflect claim/expense recovery to date.

⁽²⁾ Cumulative expenditures have been offset by \$360,922.88 to reflect claim/expense recovery to date.

SAN DIEGO TROLLEY, INC.

**SANDAG
MONTHLY RIDERSHIP STATISTICS**

	Apr 97 <u>FY 97</u>	Apr 98 <u>FY 98</u>	Apr 99 <u>FY 99</u>	Apr 00 <u>FY 00</u>	Apr 01 <u>FY 01</u>	Apr 02 <u>FY 02</u>	Apr 03 <u>FY 03</u>	Apr 04 <u>FY 04</u>
<u>BOARDINGS</u>								
Vended Tickets ⁽¹⁾⁽²⁾	612,236	664,544	765,407	751,112	745,059	626,204	570,211	779,784
Non-Vended Tickets	102,002	248,722	139,980	224,033	65,527	54,503	33,206	40,471
Regular Pass	338,376	403,489	403,004	448,948	479,302	428,566	435,273	590,919
Senior/Disabled Pass	233,432	299,238	301,948	336,976	374,865	374,972	367,732	489,520
Youth Pass	72,841	107,165	96,488	114,044	104,427	114,097	100,970	120,157
Day Tripper Tickets	5,587	43,435	30,784	45,824	81,909	121,350	146,130	255,240
Bus Transfer	184,899	232,514	237,092	256,266	216,957	200,004	187,964	231,922
Valid Free	49,551	98,122	109,381	116,650	90,308	63,920	61,493	94,798
No Fare	<u>19,340</u>	<u>66,960</u>	<u>21,538</u>	<u>118,801</u>	<u>92,198</u>	<u>77,888</u>	<u>83,660</u>	<u>105,696</u>
TOTAL	1,618,534	2,164,179	2,105,622	2,412,654	2,250,552	2,061,504	1,986,639	2,708,507
<u>LINE BOARDINGS</u>								
Blue Line	1,161,652	1,496,903	1,461,750	1,685,209	1,547,816	1,391,822	1,333,202	2,013,086
Orange Line	<u>456,882</u>	<u>667,276</u>	<u>643,872</u>	<u>727,445</u>	<u>702,736</u>	<u>669,682</u>	<u>653,437</u>	<u>695,421</u>
TOTAL	1,618,534	2,164,179	2,105,622	2,412,654	2,250,552	2,061,504	1,986,639	2,708,507
Average Daily	53,951	72,139	70,187	80,422	75,018	68,717	66,221	90,284

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

Apr 97	41,560	Apr 01	31,639
Apr 98	24,072	Apr 02	30,766
Apr 99	30,845	Apr 03	29,286
Apr 00	21,344	Apr 04	38,215

⁽²⁾ Includes insufficient fare-vended tickets:

Apr 01	38,382
Apr 02	29,249
Apr 03	21,649
Apr 04	36,209

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	27.89%	\$1.7934
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>2.02%</u>	<u>\$0.8097</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	29.91%	1.7268
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	21.77%	\$0.9410
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	18.16%	\$0.4563
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	4.90%	\$1.2305
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>8.96%</u>	<u>\$0.5576</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%	\$0.7399
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	8.71%	\$0.0710
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	3.17%	\$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>4.42%</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	7.59%	\$0.0000
Average Fare		\$0.8553		\$0.8093		\$0.8195		\$0.7264		\$0.7700		\$0.8712		\$0.8767	100.00%	\$0.9208

* Excerpt from SANDAG monthly ridership reports

** Reflects ten 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	1.52%

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	90,284

ANNUAL AVERAGE DAILY	50,100	69,929	67,308	78,534	79,138	69,679	68,972	71,024
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 ten 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.

CIP 10900

June 24, 2004

Subject:

MTDB: GENERAL REPROGRAPHIC SERVICES - CONTRACT AMENDMENTS

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to negotiate the second one-year option to extend the general reprographic services contracts with the following vendors:

- Kinko's - MTDB Doc. No. L6392.2-02 (Attachment A)
- Advance Reprographics - MTDB Doc. No. G0655.2-01 (Attachment B)

Budget Impact

There is no budget impact at this time. For work orders exceeding \$100,000, the Board would approve the budget, schedule, and scope of services.

DISCUSSION:

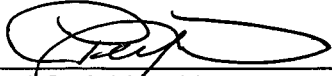
The General Reprographic Services contracts provide MTS with vendors who provide a variety of services, including, but not limited to, blueprint reproduction, duplication of construction contract documents, and large-scale copy services.

Advance Reprographics and Kinko's have continued to provide general reprographics services for numerous projects over the last year, and each one has performed its



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specific service well. The recommended Board action would extend the current base contracts by one year (to July 2005).



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Ryan Boley, 619.235.2633, Ryan.Boley@sdmts.com

JGarde

JUNE24-04.7.RBOLEY

6/1/04

Attachments: A. MTDB Doc. No. L6392.2-02
B. MTDB Doc. No. G0655.2-01

}

Board Only

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

Att. A, AI 7, 6/24/04, CIP 10900

June 24, 2004

MTDB Doc. No. L6392.2-02
 CIP 10900

DRAFT

Mr. Tom Harris
 Branch Manager
 Kinko's
 532 C Street
 San Diego, CA 92101

Dear Mr. Harris:

Subject: AMENDMENT NO. 2 TO MTDB DOC. NO. L6392.0-02: GENERAL REPROGRAPHIC SERVICES

This letter serves as Amendment No. 2 to MTDB Doc. No. L6392.0-02 for professional services, as further described below.

SCOPE OF SERVICES

Continue to provide general printing and reproduction services according to MTDB Contract Doc. No. L6392.0-02.

SCHEDULE

Schedules for completion of individual work order efforts will be within the approved work order document. This contract will remain in effect one year from the date of this amendment, with the option to extend the contract one additional one-year period.

PAYMENT

Payment of each negotiated work order will be stated within the work order document.

If you agree with the above, please sign and return the executed amendment marked "original" to the Contracts Administrator at MTS. The other copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
 Chief Executive Officer

 Calvin Goetz
 Kinko's





JGarde/CL-L6392.2-02.RBOLEY
 6/1/04

Date: _____

A-1

Member Agencies:

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

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

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San Diego, CA 92101-7490
(619) 231-1466
FAX (619) 234-3407

Att. B, AI 7, 6/24/04, CIP 10900

June 24, 2004

MTDB Doc. No. G0655.2-01
CIP 10900

DRAFT

Mr. Larry Kosta, Jr.
Vice President
Advance Reprographics
2265 India Street, Suite 2
San Diego, CA 92101

Dear Mr. Kosta:

Subject: **AMENDMENT NO. 2 TO MTDB DOC. NO. G0655.0-01: GENERAL REPROGRAPHICS SERVICES**

This letter serves as Amendment No. 2 to MTDB Doc. No. G0655.0-01 for professional services, as further described below.

SCOPE OF SERVICES

Continue to provide general printing and reproduction services according to MTDB Contract Doc. No. G0655.0-01.

SCHEDULE

Schedules for completion of individual work order efforts will be within the approved work order document.

This contract will remain in effect one year from the date of this amendment, with the option to extend the contract one additional one-year period.

PAYMENT

Payment of each negotiated work order will be stated within the work order document.

If you agree with the above, please sign 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

Larry Kosta, Jr.
Advance Reprographics





CL-G0655.2-01.RBOLEY

Date: _____

B-1

Member Agencies:

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

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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.

FIN 310 (PC 30100)

June 24, 2004

Subject:

MTDB: MTS OPERATORS BUDGET STATUS REPORT FOR APRIL 2004

RECOMMENDATION:

That the Board of Directors receive the Metropolitan Transit System (MTS) Operators Budget Status Report for the month of April 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 29 Board Meeting.

This is the monthly report for April 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. This report also includes budget-to-actual comparisons for cost-per-revenue



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mile or cost-per-revenue hour for March 2004. These key performance indicators take longer to compile; therefore, they are reported for the previous month.

APRIL 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 April 2004, CNG costs per therm increased \$.005 over the previous month to \$.925, while the year-to-date average remained at \$0.91 per therm, slightly exceeding 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 dramatically again to \$1.625, compared to the previous month of \$1.28 and the unadjusted budget of \$1.05. The year-to-date average increased \$.05 from last month to \$1.19. Since the decision to leave diesel fuel rates at the original budget level, prices have increased significantly creating a substantial risk to meeting current budget projections. Year-to-date electricity costs per kilowatt-hour (kWh) are still favorable at \$0.13 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 midyear from \$.165. Coincidentally, electricity costs are 13.3 percent under budget for the year, while diesel fuel costs are 13.3 percent over the budgeted rate.

Fare Revenue

Fare revenue for the month of April 2004 was \$5,712,395 compared to the amended budget estimate of \$5,049,483, or 13.1 percent above the April estimate. This is largely due to an outstanding revenue month for SDTI, bringing in \$574,587 more than budgeted. Year-to-date fare revenue is \$56.7 million, or 1.9 percent and \$1.1 million 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 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 April 2004 was 6.8 million, which is 8.7 percent above April 2003. Year-to-date ridership is 62.5 million, which represents a 2.5 percent decline compared to the same period last year. This represents an improvement over last month's year-to-date decline of 3.7 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. These negative impacts are rapidly being overcome by the jump in

trolley ridership. Other operators are at or near their April 2003 levels, with the exception of SDTC, which is 8.4 percent below last April. Although moving averages only portray a part of the picture, February, March, and April 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 of March 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 \$6.79, compared to the revised budget estimate of \$6.93, which is 2.0 percent under budget. Following a monthly spike up in March due to implementation and start-up costs of its aggressive preventative maintenance program, SDTC returned to a more comfortable \$6.84. Workers' compensation and paid absences were under budget.

SDTI was over its cost-per-revenue mile budget of \$6.01 by 2 percent for the month, but remains 3.7 percent under for the year-to-date. Revenue miles in April were 11 percent above the average for the previous nine months.

MTS Contracted Services (900 series) is performing 2.7 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 3 percent under budget (with no significant variances overall) with an expected operating subsidy of \$300,000 less than budgeted.

Chula Vista Transit's (CVT's) year-to-date cost-per-revenue mile of \$4.43 was 4.3 percent under the budget estimate of \$4.63, with the month of April dipping to \$4.37.

National City Transit's (NCT's) year-to-date cost-per-revenue mile was \$5.27 compared to the budget estimate of \$6.07, or 13.2 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 March at \$5.19, which is below the year-to-date average. NCT continues to have the highest level of bus passengers per revenue mile among the MTS operators.

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 of March 2004 (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 2.7 percent over for the month. This performance is attributable to fewer revenue hours of service, somewhat offset by revenue that exceeded budget and some 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 10 percent over budget on a year-to-date basis. The

majority of its operating costs are on a contractual basis. March costs per revenue hour exceed previous months, but the net subsidy requirement is projected to be well below budget by year-end.



Paul C. Jablonski
Chief Executive Officer

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

JGarde
JUNE24-04.8.TWATSON
6/7/04

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
APRIL 2004**

Fare Revenue

<u>Current Month</u>	APRIL 2004 <u>Actual</u>	APRIL 2004 <u>Budget</u>	Over (Under) APRIL 2004 <u>Budget</u>	Percent Over (Under) APRIL 2004 <u>Budget</u>
San Diego Transit	\$1,716,351	\$1,731,961	(\$15,610)	-0.9%
San Diego Trolley	2,384,787	1,810,200	574,587	31.7%
MTS Contract Services - 800 Series	326,642	303,000	23,642	7.8%
MTS Contract Services - ADA Suburban	61,704	41,000	20,704	50.5%
MTS Contract Services - 900 Series	863,129	790,000	73,129	9.3%
MTS Contract Services - ADA	74,343	76,231	(1,888)	-2.5%
Chula Vista Transit - Fixed Route	185,536	188,758	(3,222)	-1.7%
National City Transit	99,387	108,333	(8,947)	-8.3%
Total	\$5,711,879	\$5,049,483	\$662,396	13.1%

<u>Year To Date</u>	Actual YTD	FY 04 Budget YTD	Over (Under) Budget YTD	Percent Over (Under) Budget YTD
San Diego Transit	\$19,203,901	\$19,137,211	\$66,690	0.3%
San Diego Trolley	19,948,540	19,411,790	536,750	2.8%
MTS Contract Services - 800 Series	3,605,505	3,475,885	129,620	3.7%
MTS Contract Services - ADA Suburban	438,115	419,982	18,132	4.3%
MTS Contract Services - 900 Series	9,488,232	9,223,956	264,277	2.9%
MTS Contract Services - ADA	807,193	764,363	42,830	5.6%
Chula Vista Transit - Fixed Route	2,122,096	2,116,640	5,456	0.3%
National City Transit	1,134,707	1,148,758	(14,052)	-1.2%
Total	\$56,748,289	\$55,698,586	\$1,049,703	1.9%

Att. A, AI 8, 6/24/04, FIN 310

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

Att. B, AI 8, 6/24/04, FIN 310

Energy

	<u>APRIL 2004 Estimate</u>	<u>FY 04 YTD Estimate</u>	<u>FY 04 Adjusted Budget</u>	<u>Over (Under) Budget YTD</u>	<u>Percent Over (Under) Budget YTD</u>
Per Therm *	\$0.925	\$0.910	\$0.900	\$0.01	1.1%
Per Gallon *	\$1.625	\$1.190	\$1.050	\$0.14	13.3%
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

	<u>APRIL 2004</u>	<u>April-03</u>	<u>FY 04 YTD</u>	<u>FY 03 YTD</u>	<u>YTD CHANGE</u>	<u>Percent Change YTD</u>
<u>Fixed Route</u>						
San Diego Transit	2,121,236	2,315,803	21,326,638	24,395,627	(3,068,989)	-12.6%
San Diego Trolley	2,708,507	1,986,639	21,662,297	20,907,744	754,553	3.6%
MTS Contract Services - 800 Series	378,772	385,569	3,732,810	3,877,548	(144,738)	-3.7%
MTS Contract Services - 900 Series	1,159,535	1,116,590	11,317,544	10,271,884	1,045,660	10.2%
Chula Vista Transit	261,147	271,128	2,638,408	2,779,467	(141,059)	-5.1%
National City Transit	142,881	153,838	1,448,358	1,535,879	(87,521)	-5.7%
Coronado Ferry	8,322	6,464	74,174	73,322	852	1.2%
Total Fixed Route	6,780,400	6,236,031	62,200,229	63,841,471	(1,641,242)	-2.6%
<u>Paratransit</u>						
MTS Contract Services ADA	19,227	19,840	168,673	147,236	21,437	14.6%
MTS Contract Services ADA Suburban	13,339	12,263	117,618	91,845	25,773	28.1%
Total Paratransit	32,566	32,103	286,291	239,081	47,210	19.7%
Total MTS Ridership	6,812,966	6,268,134	62,486,520	64,080,552	(1,594,032)	-2.5%

Costs

	<u>March 2004 Estimate</u>	<u>FY 04 YTD Estimate</u>	<u>FY 04 Adjusted Budget</u>	<u>Over (Under) Budget YTD</u>	<u>Percent Over (Under) Budget YTD</u>	<u>FY 04 Adopted Budget</u>
<u>Cost Per Revenue Mile - Fixed Route ***</u>						
San Diego Transit	\$6.84	\$6.79	\$6.93	(\$0.14)	-2.0%	\$6.98
San Diego Trolley	\$6.13	\$5.79	\$6.01	(\$0.22)	-3.7%	\$6.14
MTS Contract Services - 800 Series	\$4.01	\$4.23	\$4.35	(\$0.12)	-2.8%	\$4.40
MTS Contract Services - 900 Series	\$4.56	\$4.31	\$4.44	(\$0.13)	-2.9%	\$4.32
Chula Vista Transit	\$4.37	\$4.43	\$4.63	(\$0.20)	-4.3%	\$4.64
National City Transit	\$5.19	\$5.27	\$6.07	(\$0.80)	-13.2%	\$6.07
<u>Cost Per Revenue Hour - Paratransit ***</u>						
MTS Contract Services ADA	\$46.41	\$45.66	\$45.20	\$0.46	1.0%	\$44.94
MTS Contract Services ADA Suburban	\$43.91	\$43.58	\$39.63	\$3.95	10.0%	\$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



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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.

TAXI 590.10 (PC 30110)

June 24, 2004

Subject:

MTDB: CONSIDERATION OF AMENDING CITY OF SAN DIEGO COUNCIL
POLICY NO. 500-02 TO TEMPORARILY LIMIT SINGLE TAXICAB PERMITS

RECOMMENDATION:

That the Board of Directors forward a recommendation to the City of San Diego Council to amend City of San Diego Policy No. 500-02.

Budget Impact

None with this action.

DISCUSSION:

Summary

At the Taxicab Committee held on July 30, 2003, Committee members and the public requested that staff research the history of the prior limits placed on City of San Diego individual permit holders. As part of this project, staff has also researched the possible effects of a large increase in single taxicab permit holders. After completing this research and discussions with the City of San Diego, an initial discussion of this item was scheduled to go to the City of San Diego Public Safety and Neighborhood Services Committee on October 15, 2003; however, it was put on hold pending additional community input.



Background

Since 1988 the Metropolitan Transit Development Board (MTDB) has administered the regulation of taxicabs and other transportation services within the City of San Diego limits under an agreement with the City of San Diego. MTDB's role is administrative; the City Council remains the major policy-making entity. At the time of the transfer of the regulatory responsibilities to MTDB, Council Policy No. 500-02 stated that permit holders with only one permit (and operating only one vehicle) could, in aggregate, hold no more than 20 percent of the total number of San Diego taxicab permits. With the City of San Diego's and permit holders' support, MTDB changed the regulations to repeal this provision in 1991. Another provision, which limits any permit holder from controlling more than 40 percent of the total number of taxicab permits is still in effect.

In 2001 the City Council authorized MTDB to issue 135 additional taxicab permits, raising the total taxicabs permitted in the city from 870 to 1,005. About half of these new permits have been issued thus far. At the conclusion of the issuance and as required in Council Policy No. 500-02 (see Attachment A), MTDB will prepare a study to measure the impacts of the new permits on the taxicab industry.

In 2003, at the City's request, MTDB began the process to issue 35 permits for low-speed vehicles (LSVs). LSVs are small vehicles similar to golf carts, which will initially provide for-hire transportation service in the Centre City Development Corporation area. As requested by the City Council, MTDB will also incorporate a study on the impact of LSVs on the taxicab industry.

Discussion

The City's policy rationale for the limits on taxicab permits was to benefit customer service by striking a balance in the taxicab industry between small, one-vehicle operators and larger fleet operations. A mix provides both entrepreneurial opportunities for individuals in the industry, efficiencies of competitive fleets, and eliminates a monopoly situation. Thus, single permit holders were limited to 20 percent of the total, and the largest fleet was limited to 40 percent of the total.

The 1991 repeal of the 20 percent limit on single permit holders was not considered to be a major concern at the time, since the total number of permits available had been frozen since 1984. Recently, however, new permits have been issued and more existing permits have been transferred to single permit holders. Permits held by single permit holders now comprise approximately 23 percent of the total. After completing and reviewing the research (see Attachments B and C), the results indicate having a substantial increase in individual permit ownership would result in a deterioration of customer service, vehicle condition, increased rates of fare, and increased regulatory costs.

However, some industry stakeholders are saying that an individual should have the right to be a permit holder. As a permit holder, the individual would be putting money into his own business versus paying a lease. Other benefits mentioned are that service quality and vehicle condition would improve because the individual would put his resources into building and maintaining his own business. Others point to the driver requirement of the

current City of San Diego Policy No. 500-02 (which industry representatives helped formulate), which in part requires that a driver must be held in good standing and have a minimum of five years of experience to be considered for the award of a taxicab permit.

This is a complicated issue, which needs additional study, and all of the above points of view should be considered. As we will be conducting studies related to the effects of adding the additional taxicab and LSV permits to the City of San Diego, we would like the Committee to consider the following recommendations.

- That these issues be incorporated into the studies at the end of the San Diego-mandated permit issuance.
- A temporary 30 percent cap on individual permit holders be considered.
- Continue the current Policy No. 500-02 requirements as they relate to drivers' eligibility.



Paul C. Jablonski
Chief Executive Officer

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

PSmith/JGarde
JUNE24-04.9.JSCOTT
5/24/04

Attachments: A. Policy No. 500-02
B. Research Data
C. Research Data } **Board Only**

ATTACHMENT A
CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

SUBJECT: TAXICAB PERMITS
POLICY NO.: 500-02
EFFECTIVE DATE: August 6, 2001

BACKGROUND:

Regulation of taxicab service is in the interest of providing the citizens and visitors to the City of San Diego with a good quality local transportation service. Towards this end, the City finds it desirable to regulate the issuance of taxicab permits.

PURPOSE:

To establish a policy for the issuance of additional taxicab permits, for the purpose of expanding the taxi industry to meet growing demand for taxi service throughout the City, and providing opportunity for both existing and new taxi operators and for experienced drivers.

POLICY:

The City will periodically issue additional taxicab permits based on a formula. The formula will take into account changes in civilian population and visitation.

New permits will be issued on a full cost recovery basis. Three methods of issuance will be used:

1. 50% of new permits are issued using a Request for proposal (RFP) process, in which qualified persons, companies, businesses, corporations and other entities may submit proposals meeting specified requirements. Proposers will be evaluated based on experienced, financial viability and proposed quality and level of service and other relevant factors.
2. 25% of new permits are issued by lottery to experienced drivers.
3. 25% of new permits are issued by auction to highest bidders.

The process through which permits are issued will limit the concentration of permits. No permits will be issued or transferred to any person, company, business, corporation, or other entity if such issuance or transfer would result in any permit holder having an interest in more than 40% of the existing permits. New permits shall not be transferred for a period of five years after issuance.

IMPLEMENTATION:

Increases in the number of taxicab permits will be based on a formula to be computed annually. This formula will be applied after a transitional period during which 135 additional permits will be issued. Permits issued during the transitional period shall be distributed using RFP, lottery and auction processes. With the issuance of the 135 additional permits, there will be 1,005 outstanding permits.

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

Any permits returned by permit holders will be re-issued in conjunction with issuance of new permits.

HISTORY:

"Taxicabs - Certificates of Convenience and Necessity"

Adopted by Resolution R-172292 08/21/1962

Amended by Resolution R-216590 08/11/1976

Amended by Resolution R-217293 12/15/1976

Amended by Resolution R-222474 12/19/1978

Repealed by Resolution R-258090 03/14/1983

"Taxicabs - Permits"

Added by Resolution R-260636 05/07/1984

Amended by Resolution R-261739 10/15/1984

Amended by Resolution R-271307 06/28/1988

Amended by Resolution R-295355 08/06/2001

Taxicab Deregulation In Other Cities

Following is a brief review of the experiences of other cities in their attempts to regulate taxicabs with appropriate citations for readers who may want to probe deeper into these collective experiences with taxicab deregulation.

The failure of the U.S. taxicab industry open entries deregulation is well documented. Dr. Sandra Rosenbloom of The University of Texas, and Dr. Roger Teal of The California State University have separately concluded that taxi deregulation has failed to demonstrate any substantial benefits to drivers, taxi firms, or users.^{1,2} Dr. Paul Dempsey, in summarizing the empirical data from these researchers' studies and other commissioned studies³, listed the results of taxi deregulation in 21 major U.S. cities prior to 1983. These were:

1. A significant increase in new entry;
2. A decline in operational efficiency and productivity;
3. An increase in highway congestion, energy consumption and environmental pollution;
4. An increase in rates;
5. A decline in driver income;
6. A deterioration in service; and
7. Little or no improvement in administrative costs.⁴

Other notable authors having once advocated taxi deregulation by removing the maximum number of cabs authorized to provide service and recognizing a single owner/drivers as a cab company have since changed their minds based on the empirical evidence and the failure of their own recommendations.

"The taxicab industry has undergone significant changes in the last decade or so. It passed from a regulated industry to a deregulated one in many cities and municipalities and back again to the regulated environment. A lot of economists who were arguing that regulation causes perverse effects on taxicab industry performance have changed their minds after having observed this industry operating without entry and fare regulations and have invoked back the regime of regulation."⁵

An entry proponent of taxicab deregulation, Professor Teal writes:

"By the late 1980's, the returns were in on the taxi deregulation experiences. These took two forms. The first was actual data on the post-deregulation experiences, obtained in part through studies sponsored by the U.S. Department of Transportation (Gelb, 1982;

¹ Rosenbloom, Sandra The Taxi in the Urban Transport Systems, The Private Challenge To Public Transportation (Charles Lane, ed., 1984)

² Teal, Roger & Berglund, Mary. The Impacts of Taxicab Deregulations in the U.S.A., *Journal of Transportation Economics of policy*, Volume #37, (Jan. 1987)

³ Dempsey, Paul Stephen, "Taxi Industry Regulation, Deregulation & Regulation: The Paradox of Market Failure" *Transportation Law Journal*, University of Denver, College of Law, Denver, Colorado, Volume 24, #1, Summer 1996, p.102

⁴ Dempsey, Op. Lite, p. 102

⁵ Gentzoglani, Anastassios, "The Taxicab Industry: Theoretical and Empirical Evidence from (De) Regulation," *Proceedings; International Conference on Taxi Regulation*, Montreal, Canada, 1992, p.57

Gelb, 1983a; Gelb, 1983b; Teal et al., 1984). The second involved the responses of the local governments which had initiated the regulatory changes, namely continuation, modification, or abandonment of these policies.

"Both analytically and politically, economic deregulation fared relatively poorly, particularly compared to the expectations of its proponents. The local governments which had adopted the most far-reaching forms of deregulation eventually either completely abandoned this policy or sharply scaled back the most significant features of deregulation. In addition, the only comprehensive empirical study of the deregulation experiences came to the conclusion that the benefits of deregulation were "insubstantial" in most locales (Teal and Berglund, 1987). While some economists continue to argue on theoretical grounds for deregulation, apparently not willing to concede to the empirical evidence (Frankena and Pautler, 1984 is an early example; Travers Morgan, 1988 a more recent example), the political debate appears to be largely over. **No large American city has deregulated its taxi industry during the past several years, and the issue has essentially disappeared from the active urban transportation policy agenda.**"⁶ (Original citing from 1992, but is still viable today.)

The deregulation and then re-regulation of taxicabs in the city of Seattle is indicative of the taxicab deregulation experienced by many major U.S. cities. James J. Buck, Manager of Seattle's King County Division of General Services, writes:

"In 1979, the Seattle City Council adopted legislation which eliminated the population ratio as an entry limitation for taxicab licenses. You could license as many cabs as met the licensing requirements, i.e., application fee, insurance, inspected and approved vehicle and taximeter, approved name and color scheme, and approved ownership. At the same time, rates were whatever the licensee filed with the City, as long as the rate followed the prescribed form and was reflected on the taximeter.

"Did the market regulate entry and rates? NO. Were there problems? YES. Rate gouging. Short haul refusals. Surly and discourteous treatment of passengers. Fights at cab stands at the Airport. Experiential data concerning accidents and safety became very damaging, impacting insurance rates and coverage. Government regulators were constantly barraged by industry complaints that "deregulation" wasn't working, they couldn't make any money, unsafe vehicles on the street, tension and animosity among drivers with the potential for violence, etc. Pleas for reviews were frequent."⁷

By 1984, taxicab deregulation in King County was dead --completely reversed with fixed limit on taxicab licenses.

By far the most comprehensive analysis of taxicab deregulation and re-regulation was prepared by Price Waterhouse's Office of Government Services.⁸ Six U.S. cities which had

⁶ Teal, Roger F., "An Overview of the American Experience with Taxi Deregulation" Proceeding LATR, Montreal, Canada, 1992, p. 123

⁷ Buck, James J., "The Seattle U-Turn" Proceedings, International Conference on Taxicab Regulation, Montreal, Canada, 1992, p.141-142

⁸ Analysis of Taxicab Deregulation and Re-regulation, Price Waterhouse, Office of Government Services, Washington, D.C., 1993

deregulated their taxicab previously through open entry were examined in depth. The executive summary of this Price Waterhouse report concludes:

"Deregulation introduced several immediate changes in taxi supply, price, and service quality in the six cities for which detailed case study information is available (Berkeley, Oakland, Phoenix, Portland, San Diego, and Seattle.) The experience of these cities generally indicates that the benefits of deregulation were devalued by unanticipated and unattractive side effects:

"Although the supply of taxi services expanded dramatically, only marginal service improvement were experienced by consumers. Within a year of deregulation, the supply of taxi services increased an average of 23%. Because most new entrants were independent operators and small fleet owners with limited capability to serve the telephone-based market, most new service was concentrated at already well-served locations -- such as airports and major cabstands. Customer wait times at these locations, already short, were reduced further. Response times in the telephone market were similar to pre-deregulation performance. **Trip refusals and no-shows, however, increased significantly.**

"Prices rose in every instance. Paradoxically, the influx of new entrants did not invoke the price competition typically experienced in other newly-deregulated industries. **Prices rose an average of 29% in the year following deregulation.** There appear to be two sources of this unexpected event. First, fare increases prior to deregulation had consistently lagged cost increases. Veteran operators thus corrected prices at the first opportunity. Second, new entrants generally charged higher fares than the veteran operators. The cabstand markets on which these operators focused their services are generally price insensitive and, because of the first-in first-out nature of taxi queues, comparison shopping is discouraged. For these reason, the new entrants had no incentive to introduce price competition.

"Service quality declined. Trips refusals, a decline in vehicles age and condition, and aggressive passenger solicitation associated with an over-supply of taxis are characteristic of a worsening in service quality following deregulation.

"The negative aspects of deregulation were especially evident at airports and major tourist attractions. As a result, deregulation often acquired the enmity of the business community and adverse media coverage. **These effects were most closely associated with cities that implemented an "open entry" policy that enabled influx of independent owner-operators that were unaffiliated with companies or taxi cooperatives.**

The airport taxicab system might have an impact on low-income and residential users - the primary market for non-airport taxicabs. Professor Gorman Gilbert, one of the country's foremost writers on taxicabs and a former commissioner of the New York City Limousine and Taxi Authority, writes the following:

"The increase in taxicab fares in residential areas produces a particularly bitter impact on low-income persons. A major and increasing proportion of residential taxicab business originates in low-income or minority neighborhood....this is not surprising since residents in these areas are often dependent on taxicab service for mobility. These trips

are for essential purposes, such as trips to grocery stores and medical factories. In contrast, the trips from airports and downtown hotel stands are made by persons who are clearly more affluent businesspersons, vacationers, and conventioners.

"Increasing fares to residential areas means that the impact of more taxicab is borne disproportionately by low-income persons. In other words, *those who can least afford to pay would be charged the most*... Those who follow the academic argument of 'letting the market decide' taxicab fares are really 'letting the poor pay more.'"⁹

With such overwhelming evidence against taxi deregulation through open entry of taxi licenses, it is hard for some to understand why cities and airports which currently have managed taxi systems would even contemplate open entry deregulation. There are probably numerous reasons why this occurs, but two prominent ones are usually advanced. First is the political or emotional decision-making vs. an informed decision. The second is the unintentional deregulation approach.

The emotional decision is the result when city and/or decision makers fail to consider the consequences and impacts of their taxicab system. What harm can there be in letting an entrepreneurial individual- probably an existing taxi driver - buy his own cab instead of leasing one? Or, what harm can there bring in letting one more small (5-7 vehicles) cab company into the market? "Let the marketplace decide who shall offer service" is often the over simplistic and uninformed view put forward. Public sentiment goes out for the little guy who "just wants to make a living." Or the small firm that "just wants to expand." No matter that study after study concludes that driver's wages suffer, fares increase and poorer service, especially in economically disadvantaged urban area, results from unlimited entry of taxicabs.

The unintentional open entry deregulation approach is depicted by the small steps taken down the taxicab regulatory slope (see Figure 1). First the city regulatory board or airport permits independent contractor drivers. Then some contractors are permitted to form separate taxicab companies, which entitles them to the same status as full-service taxi firms with multiple vehicles, insurance, radio-dispatch service, business support, etc.

In some cases this can happen without ever changing the regulatory format. A category #2 taxi firm - faced with declining demand - may begin to "sell off" taxi permits (if there is a market for them and the practice is permitted by local regulatory authorities). This is especially possible when there is an open airport policy in the community; a driver can take his/her newly acquired taxi permit, leave the radio dispatch system, and join the other "independents" at the airport. Thus, without any overt policy change, city officials may find the organizational structure

⁹ Gilbert, Gorman, Effect of Open Entry and Variable Fares on the Cost of Taxicab Service to Residential Areas, 1984

for taxicab services within their community completely changed in a few short years. The net result is the evolution of the airport as the day-to-day manager of a very large taxi operation - usually the largest single concentration of taxicab in the region and city residents faced with declining availability and increased fares.

It is therefore incumbent upon the city to design a taxi system that, while utilizing either employees or independent contractor drivers, offers a fair wage to drivers and obtains maximum utilization from vehicles, so as to offer and maintain a high level service at reasonable rates..

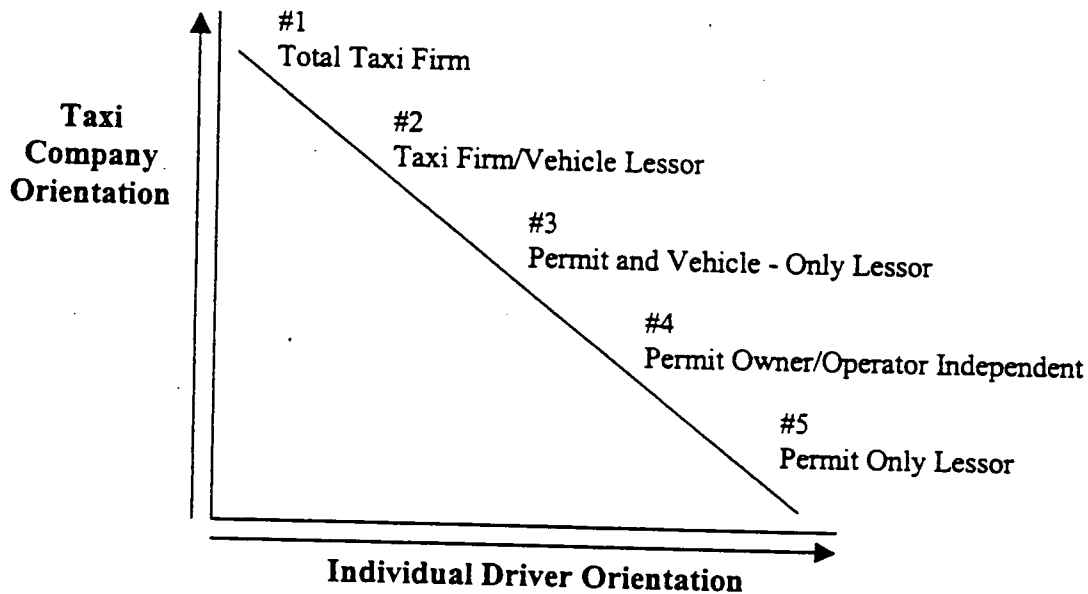
III. Framework for Analysis

A Framework For The Current Status Of In The City Of Dallas, Texas Taxi Service

A thorough knowledge of the City of Dallas taxi service first requires some detailed explanation of the types of taxicab firms found in cities in general and how they are comprised. The North American taxi industry can be perceived as a continuum ranging from a comprehensive taxi firm to single independent taxi drivers acting as a taxi firm. (See Figure 1.)

Figure 1

Continuum of City Taxicab Firms



At the top of the above slope, category #1 represents the total of historical taxi firm. In this category, a taxi firm provides drivers (as employees) significant advertising, comprehensive radio dispatching, insurance, and fleet maintained vehicles. Moreover, this type of taxi firm provides for collective agreements with major clients or social service agencies, accepts credit cards with no additional charge, and represents a firm which stands behind its service – often trying to differentiate its service from the competition. These firms accept all major credit cards,

establish voucher systems with hotels, airlines for group rides, and often pre-sell their services to conference and convention groups.

Only a few major cities currently have this type of full service taxicab firm utilizing employee drivers. Las Vegas, Nevada, is the notable exception. Competitive pressures and industry interests pushed for the elimination of drivers as employees in most other major U.S. cities. In their place are the less costly independent contractors or lease drivers (category #2 in Figure 1). At this level the taxi firm retains all the service and obligations of its former common carrier status, i.e., insurance, vehicle ownership, radio dispatch, service agreements, etc., but elects to lease its fleet vehicles to independent contractor drivers. These independent drivers then decide whether or not to take radio or dispatched trips as they are presented. As independent drivers, the taxi firm dispatchers may only offer the passenger trip. Usually the dispatch offer for business is taken but not always. In order to maintain the non-employee status, the taxi firm dispatchers may not order a driver to take any particular call.

While there is economic gain to the traditional taxi firm to move to category #2, (e.g. no employee taxes, wages, liability for driver accidents, or record keeping), there is a noticeable loss of managerial control. As stated above, a driver does not have to accept a radio dispatched call, but rather can elect to wait for a better fare. This poses a problem for the typical municipal taxi firm, which is required by its original Certificate of Convenience and Necessary to accept all requests for service. This is particularly relevant to out-of-the-way location and/or high crime areas which are often undesirable trips, for obvious reasons.

Category #2 also shifts the decision of hours of work onto the driver, since after leasing the vehicle for a prescribed period, he/she has the option to work none, some, or all of the hours for which the taxi vehicles is leased. The resulting behavior has led cities to pass ordinances or rules which state the maximum number of hours a taxi driver can be on duty out of 24 consecutive hours.

Another level of taxicab firm is represented by category #3 in Figure 1 -- *Permit and Vehicle-Only Lessor*. In this scenario, a single individual, acting as a taxi firm, will lease his/her taxicab permit(s) and vehicle(s) to independent contractor drivers. Such an individual or firm provides very little dispatching and no marketing, other than perhaps a listing in the yellow pages of the local phone company. Today, this is possible because, almost all drivers have cell phones for use with regular patrons. In summary this category #3 taxi firm would offer no real 24-hour radio service, advertising, or service contracts, credit card, or voucher support.

The forth category on the continuum of taxi firms is that of the single permit owner/operator. In this scenario the holder of the permit is also the driver. This driver typically

does not have availability of radio dispatch and/or service contracts with hotels and is forced to work the public cab stands, primarily the airport, and any "personals" he/she may develop. In this scenario, the taxi driver is an independent driver contracted mainly to the city or airport or both. Thus, the airport or the city becomes the de-facto personnel department for these drivers. The city or airport's responsibility is to screen them (issue a permit), manage their conduct (require that they follow the taxi ordinances), and disciplines them when necessary (issues citations/vilations).

Furthest away from the traditional regulated taxi firm is category #5 -- *Permit Only Lessor*. In this scenario the holder of city or airport permits simply pays the city an annual fee for the permit privilege and then leases it to the independent taxi driver who must provide his own vehicle, insurance, maintenance, etc. associated with operating a taxicab. Nothing else is provided. In essence, the permit holder provides no additional economic value to the permit other than to lease it to a city-licensed taxicab driver and inspected vehicle. In this scenario, the city or airport again assumes the role of being the personnel department for the independent taxicab drivers. In addition, the airport under this scenario also becomes the stand dispatcher for these taxicabs when they operate at the airport.

As shown, this continuum of taxicab firms ranges from the total taxi firm which adds significant economic value to the city's taxicab permit down to that of a simple permit holder who leases a city property (the taxi permit) to the highest bidder. At the high end of this continuum, the total taxi firm is adding significant value to the city permit using their own employees which they hold themselves out to manage. As we move toward the concept of the independent driver who owns their own vehicle, the city or airport inherits a much greater role in the management of these taxi drivers on a day-to-day basis. Unfortunately, most city regulatory systems are set up as if we still had category #1 taxi firms and, as such, assume very little management role of the taxi drivers. This framework is an appropriate template upon which the City of Dallas's taxi firms can be placed.

Taxi firms licensed by the City of Dallas would fall into categories #2, and #3. As previously mentioned, there are three larger taxi firms or "groupings" which provide radio dispatch services, lease at least part of their fleets, and assist their drivers in the marketing of their product to individuals and through service contracts. These would be the category #2 firms. The remaining taxi firms are all smaller operations with no or very limited radio services and few if any service contracts. Therefore, most, if not all of their cabs, service the airports, hotels, and public cab stands.

It is for these reasons that the alternative of maintaining the "status quo" was not given consideration. The current situation is untenable for the customers, the drivers, the city, the airports, and the general community. No amount of tinkering with the existing system, or pledges by the existing operators and drivers to do better will alter the fundamentally flawed system now in place.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

9

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****

9:03

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 6-24-04

Name (PLEASE PRINT) HUSHANG NAHAVANDIAN

Address _____

Telephone _____

Organization Represented (if any) _____

Subject of your remarks: _____

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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.****

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

9

ORDER REQUEST RECEIVED

3

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

9:05

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 6/24/09
Name (PLEASE PRINT) AMIR AGHASI
Address 5868 SOLEDAD MT Rd
LA JOLLA, CA 92037
Telephone (858) 459 8791
Organization Represented (if any) ORANG CAB 134 CABS
Subject of your remarks: ITEM # 9

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.****

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

9

ORDER REQUEST RECEIVED

4

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

1. INSTRUCTIONS

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

Date 6/23/04
Name (PLEASE PRINT) ANTHONY PALMERI
Address 639 13th ST
SAN DIEGO CA 92101
Telephone 619-239-8061 - X591
Organization Represented (if any) YELLOW CAB OF S.D.

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.

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

9

ORDER REQUEST RECEIVED

5

10:30

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

1. INSTRUCTIONS

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Date 6-24-04

Name (PLEASE PRINT) Marga Tanquay

Address 229 16th St # 116

San Diego

Telephone 619 231-1144

Organization Represented (if any) _____

Subject of your remarks: _____

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT

OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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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. 10

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

OPS 920.6 (PC 30203)

June 24, 2004

Subject:

MTDB: MTS POWAY TRANSIT SERVICES CONTRACT AMENDMENT

RECOMMENDATION:

That the MTD Board of Directors authorize the Chief Executive Officer (CEO) to execute a 48-month contract extension with Laidlaw Transit Services (Laidlaw) for Poway Transit Services bus service, in substantially the form attached (MTDB Doc. No. B0339.3-02, Attachment A), for an amount not to exceed \$3,616,733. The extension will cover the period of July 1, 2004, through June 30, 2008.

Budget Impact

1. The contract amendment will result in the cost per revenue mile estimated expenditure of \$850,419 (2 percent increase) in FY 05; \$873,827 (2.75 percent increase) in FY 06; \$900,038 (3 percent increase) in FY 07; and \$927,049 (3 percent increase) in FY 08. The total contract extension amount per revenue mile is \$3,551,333.
2. Additionally, the 1999 Bluebird buses owned and operated by Laidlaw that are used to operate the Poway Transit system each have in excess of 200,000 miles. Due to MTS's budget constraints regarding new vehicle procurements, funding is not expected to become available until 2008. Therefore, in order to ensure vehicle reliability, it is agreed that MTS and Laidlaw will share in the estimated costs for major component replacement parts (i.e., engines and transmissions) at a rate of 50 percent of approved actual costs, not to exceed \$65,400 over the life of the four-year extension (FY 05 = \$12.3K; FY 06 = \$15.4K; FY 07 = \$18.4K; and FY 08 = \$19.3K). The above fiscal dollar amounts for major component replacement parts are noncumulative.



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.

3. The total estimated budget impact would be \$3,616,733. This will be charged to the MTS Poway Transit Service Bus Route budget line item 30202-0800CS01. The MTS Poway Transit Service is supported by a combination of Transportation Development Act (TDA) funding and passenger fare revenue.

DISCUSSION:

The County of San Diego originally contracted the Poway Transit Service. Since the divestiture of County Transit Services (CTS) to MTDB in June 2002, MTDB has been responsible for managing and providing this service. Most of the passengers are local, community-based residents. Laidlaw provides weekday and weekend services. Services provided include the Route 844 traveling counterclockwise and Route 845 traveling clockwise. Additionally, the Route 844A operates to the Poway Industrial Park area from midtown Poway with an early morning and afternoon schedule operating weekdays only.

It is recommended that MTS exercise a 48-month amendment with Laidlaw to provide Poway Transit Service in the City of Poway. The proposed contract extension period would be from July 1, 2004, through June 30, 2008. The extension would provide for an estimated 1,232,000 revenue miles of service over the 48-month period at a cost not to exceed \$3,616,733. Laidlaw has agreed to provide this service at an overall rate of 10.75 percent over the 48-month period. The current \$2.7070 rate per revenue mile will increase to a maximum of \$3.0099 per revenue mile rate, at a rate lower than the current consumer price index (CPI).

Due to the favorable pricing of the Laidlaw proposal, which is at a rate slightly below the CPI for a 48-month period, this extension would allow MTS to continue providing cost effective, quality service at the proposed rates per revenue mile.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Jim Perez, 619.235.2651, Jim.Perez@sdmts.com

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5/25/04

Attachments: A. MTDB Doc. No. B0339.3-02
B. Laidlaw Transit Services Workforce Report

} **Board Only**

Metropolitan Transit System

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



June 24, 2004

MTDB Doc. No. B0339.3-02
OPS 920.6 (PC 30202)

DRAFT

Mr. Patrick A. McNiff
Area General Manager
Laidlaw Transit Services
15260 Ventura Boulevard, Suite 1050
Sherman Oaks, CA 91403

Dear Mr. McNiff:

Subject: AMENDMENT NO. 3 TO MTDB DOC. NO. B0339.0-02 – POWAY TRANSIT BUS SERVICE

This letter shall serve as Amendment No. 3 to our original agreement (MTDB Doc. No. B0339.0-02). In accordance with the provisions of the above-referenced contract, MTDB elects to extend the existing agreement for a 48-month period. The term of this third amendment is from July 1, 2004, through June 30, 2008. The rate during this period will be as follows for a newly established revenue mile base amount of 308,000 per year, for total estimated miles of 1,232,000, over the life of the contract extension and shall not exceed \$3,551,333.

Amend Article V. Payment and add:

1. Rate increase shall be:

7/1/04 – 6/30/05 = \$2.7611 per revenue mile (\$850,419)
7/1/05 – 6/30/06 = \$2.8371 per revenue mile (\$873,827)
7/1/06 – 6/30/07 = \$2.9222 per revenue mile (\$900,038)
7/1/07 – 6/30/08 = \$3.0099 per revenue mile (\$927,049)

Amend Article V. deleting the Base Revenue Miles and add the following Change in Estimated Miles

2. Total estimated new base miles of 1,232,000

Amend Article V. On-Time Performance Requirements and add:

3. Reduce the minimum number of on-time performance time checks from 150 per quarter to 100 per quarter.

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!

Add Section 6.6 Bus Maintenance and Repair to Exhibit A to include:

4. Add the following information to Exhibit A, Section 6, defining it as Section 6.6 of the original contract.

Section 6.6.1

It is agreed that MTS and Laidlaw Transit Services (Laidlaw) will share in the estimated costs for major component replacement parts, i.e., engines and transmissions, at a rate of 50 percent of approved actual costs, not to exceed \$65,400 over the life of the four-year extension.

The following fiscal year dollar figures are not accumulative.

FY 05 = \$12.3K
FY 06 = \$15.4K
FY 07 = \$18.4K
FY 08 = \$19.3K

Other Pass-Through Expenses Relating to Section 6.6.1 in the Above Paragraph

Within the agreement there are other pass-through expenses identified, such as the above-referenced amounts regarding engine and transmission rebuild reimbursements. These amounts shall be billed as part of the normal monthly invoice not to exceed the fiscal year dollar amounts.

Section 6.6.2

AGENCY REIMBURSEMENT OF REBUILD COSTS

- 6.6.6 If CONTRACTOR determines that an engines and transmissions to be rebuilt or replaced within 24 hours of determination, the CONTRACTOR shall notify AGENCY, in writing, detailing the reasons for such a determination and including pertinent information from the vehicle file and a detailed outside vendor's cost estimate.
- 6.6.7 After its inspection and review, AGENCY may direct CONTRACTOR, in writing, to proceed with the recommended work.
- 6.6.8 CONTRACTOR will only be permitted to pass through to AGENCY the costs related to any engine or transmission work accomplished following the above-mentioned procedure. AGENCY will not be liable for any costs if CONTRACTOR does not follow the above-mentioned procedure. CONTRACTOR must submit a detailed invoice to AGENCY for all such work.

- 6.6.9 If AGENCY determines that such work is necessary due to poor maintenance performance by CONTRACTOR, AGENCY will not be liable for any costs.
- 6.6.10 CONTRACTOR shall remain responsible for all costs related to repair or replacement of any engine-driven parts, including, but not limited to, generators, hydraulic pumps, water pumps, fuel pumps, valve covers, oil pans, alternators, voltage regulators, air compressors, air-conditioning compressors, vacuum pumps, starter motors, and turbochargers. CONTRACTOR shall also remain responsible for all costs related to repair or replacement of transmission-related parts, including, but not limited to, oil coolers, external oil lines, external filters, external linkage modulators, external speedometers/odometers, "driven" gears or sensors, neutral start switches, and temperature sensors.

5. Additional Pass-Through Miscellaneous Charges

Eliminate the Monthly Hours for the Handling of New Transfers.

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

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Patrick A. McNiff
Laidlaw Transit Services

JGarde/CL-B0339.3-02.JPEREZ
4/15/04

Date: _____



**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:

Laidlaw Transit Services Inc.

B. AKA/DBA:

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

12343 Oak Knoll Road Poway California 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 _____

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

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	
Engineers/Architects/Surveyors											
Professionals (N.E.C.)											
Technicians											
Sales											
Administrative Support		1	2	1					1	1	
Protective Services											
Services (N.E.C.)											
Craft Workers (Skilled)											
Machine Operators, Assemblers and Inspectors											
Transportation and Material Moving	1	1	4		1				5	3	
Laborers (Unskilled)											
Totals For Each Column	1	2	6	1	1				6	5	22

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

Juan Quinones
NAME OF SIGNED

Admin
TITLE

4/13/2004
DATE

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

Juan Quinones 12343 Oak Knoll Rd Poway Ca.92064 Phone # (858)748-8164



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 122.2 (PC 30100)

June 24, 2004

Subject:

MTDB: WORKERS' COMPENSATION COVERAGE FOR VOLUNTEERS

RECOMMENDATION:

That the Board of Directors adopt Resolution No. 04-6 (Attachment A) declaring that Metropolitan Transit Development Board (MTDB) volunteers are employees for workers' compensation purposes only.

Budget Impact

None.

DISCUSSION:

From time to time, MTDB has volunteers who perform services on its behalf. Most of the time, the volunteers are members of MTDB or its member agencies' staffing who provide community outreach services on behalf of MTDB during off-duty hours. Typically, these persons would not be covered by MTDB's workers' compensation insurance policy while providing volunteer services. However, pursuant to Labor Code 3363.5, the Board may cover its volunteers under its workers compensation insurance policy by adopting a resolution authorizing such coverage. The attached proposed resolution would authorize coverage for volunteers as permitted by the Labor Code.

The Office of General Counsel believes it would be in the best interest of MTDB's volunteers for MTDB to provide workers' compensation insurance coverage, which would cover the volunteers should injuries occur while they are providing volunteer



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services. The Office of General Counsel further believes that providing such coverage is also in the best interest of MTDB because it will limit MTDB's liability for injuries to volunteers to the types of claims recoverable under its workers' compensation insurance policy. According to MTDB's insurance broker, extending workers' compensation coverage to volunteers should not cause any increase in MTDB's workers' compensation insurance premiums.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tiffany Lorenzen, 619.557.4512, Tiffany.Lorenzen@sdmts.com

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6/8/04

Attachment: A. Resolution No. 04-6 (**Board Only**)

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

RESOLUTION NO. 04-6

A Resolution Authorizing Workers' Compensation Insurance Coverage For Its Volunteers

WHEREAS, from time to time, volunteers provide various types of services to MTDB; and

WHEREAS, except for certain statutory exceptions, volunteers are not covered by MTDB's workers' compensation insurance policy if they are injured as a result of such volunteer services; and

WHEREAS, Labor Code Section 3363.5 provides that a public agency may declare its volunteers as employees for workers' compensation insurance purposes by adopting a resolution authorizing such coverage;

NOW, THEREFORE, MTDB does hereby resolve as follows:

Section 1. Pursuant to Labor Code Section 3363.5, MTDB does hereby declare that any person who performs voluntary services without pay for MTDB shall be deemed to be an employee of MTDB solely for workers compensation insurance purposes, provided the services are authorized by the Chief Executive Officer or his designated representative of MTDB.

Section 2. The provisions of this resolution shall be prospective in nature.

PASSED AND ADOPTED by the Board of Directors this _____ day of _____ 2004, by the following vote:

AYES:

NAYES:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit
Development Board

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit
Development Board

Office of the General Counsel
San Diego Metropolitan Transit
Development Board

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6/8/04



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.

FIN 305 (PC 30100)

June 24, 2004

Subject:

MTDB: CONTROLLER'S REPORT FOR JANUARY 2004

RECOMMENDATION:

That the MTD Board of Directors receive the following reports:

- FY 2004 Budget Summary – Appropriations/Expenditures/Encumbrances (Attachment A);
- FY 2004 Budget Summary – Status of Cash Receipts (Attachment B);
- Detail of Portfolio Balances (Attachment C);
- Investment Transaction Detail (Attachment D); and
- Estimated Balance of Contingency Reserve (Attachment E).

Budget Impact

None.

DISCUSSION:

The following is a brief summary of the financial/budget activities for the month of January 2004.



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.

Cash

MTDB maintained an average cash balance of \$15,662,124 during January 2004. The amount of cash on deposit at the end of the month was \$9,230,432. The balance of the funds has been invested as described in the Detail of Portfolio Balances (Attachment D).

Revenue

A total of \$8,743,141 in revenue was received during January, primarily comprised of Transportation Development Act (TDA) funds.

Expenditures

During January, MTDB had total expenditures of \$18,735,753, which are itemized as follows:

Transit Support Activities	\$ 7,096
Short-Range Transportation Planning	50,901
General Administration	510,857
Debt Service	6,481,231
Transportation Services	8,286,101
Capital Projects	<u>3,399,567</u>
Total	\$18,735,753

Based on seven months of activity, we should be at an expenditure level of approximately 58 percent of the annual budget amount for most General Administration Budget line items. Following is an explanation of those items that exceed the budget significantly:

- Audit Services – 85 percent of the budget is expended due to the additional costs related to the Comprehensive Annual Financial Report (CAFR) preparation.
- Dues and Subscriptions – 63 percent of the budget is expended due to payment of the American Public Transit Association (APTA) dues in July 2003 for the remainder of FY 04.
- Rent – 92 percent of the budget is expended as the FY 04 debt payment for the MTS Tower was made in July 2003.
- Personnel – 68 percent of the budget is expended due to the expenditures related to employees transferred in October 2003. The budget has been adjusted to reflect only costs for MTS employees and should reflect that as the fiscal year progresses.
- Bus Bench Administration – 79 percent of the budget is expended due to a significant amount of personnel costs at the beginning of the fiscal year. Costs are expected to decrease to within budget during the remainder of FY 04.

- Vehicle Maintenance - 70 percent of the budget is expended. The budget has been decreased to include only MTS vehicles and is expected to be within budget by the end of the fiscal year.
- Postage – 98 percent of the budget is expended. The postage deposits, along with SANDAG reimbursements, are expected to cover costs through the end of the fiscal year.

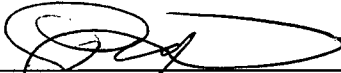
A detail of capital project expenditures is presented as part of the quarterly Capital Projects Status Report.

Investments

MTDB had a total of \$199,216,162 principal amount invested as of January 31, 2004. Of this total, \$36,735,915 is working capital, and \$162,480,247 is debt-related. All investments are consistent with adopted Board Policies and Procedures No. 30.

Contingency Reserve

Attachment E shows the unaudited balance of the Contingency Reserve as of January 31, 2004, and FY 05 board-approved uses. The estimated uncommitted balance as of January 31, 2004, is approximately \$12.7 million. This balance reflects the consolidation of the San Diego Transit Corporation and the San Diego Trolley, Inc., capital replacement reserves into the contingency reserve, which was contemplated with the FY 04 budget action.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Yvonne Moore, 619.557.4532, yvonne.moore@sdmts.com

AIsa/JGarde
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|--------------|--|---------------------|
| Attachments: | A. FY 2004 Budget Summary - Appropriations/Expenditures/Encumbrances | } Board Only |
| | B. FY 2004 Budget Summary - Status of Cash Receipts | |
| | C. Detail of Portfolio Balances | |
| | D. Investment Transaction Detail | |
| | E. Estimated Balance of Contingency Reserve | |

METROPOLITAN TRANSIT DEVELOPMENT BOARD
FY 2004 BUDGET SUMMARY
APPROPRIATIONS/EXPENDITURES/ENCUMBRANCES
JULY 1, 2003 - JANUARY 31, 2004

BUDGET CATEGORY/Line Item	APPROVED FY 04	THIS MONTH	EXPENDITURES YEAR-TO-DATE	% EXPEND	ENCUM- BERED	REMAINING BALANCE
GENERAL FUND						
TRANSIT SUPPORT ACTIVITIES						
Fare Media	\$90,000	-	70,536	78.4%	-	19,464
Regional Transit Store Operations	72,000	5,300	40,619	56.4%	20,217	11,164
Regional Transit Marketing	370,000	1,796	117,083	31.6%	37,538	215,379
TRANSIT SUPPORT SUBTOTAL:	532,000	7,096	228,238	42.9%	57,755	246,007
SHORT-RANGE TRANS. PLANNING						
Operations Planning	393,000	50,901	127,483	32.4%	5,117	260,400
TRANSP. PLANNING SUBTOTAL:	393,000	50,901	127,483	32.4%	5,117	260,400
GENERAL AND ADMINISTRATIVE						
Personnel	4,513,025	382,888	3,074,272	68.1%	-	1,438,753
Consultants	125,000	2,671	73,494	58.8%	41,473	10,033
Legal Services	75,000	-	12,434	16.6%	-	62,566
Board of Directors	141,000	7,242	61,140	43.4%	-	79,860
Travel/Conferences	28,400	880	11,035	38.9%	2,637	14,728
Training	7,000	-	2,883	41.2%	-	4,117
Insurance/Risk Management	848,000	1,569	223,964	26.4%	31,559	592,477
Audit Services	95,000	40,000	81,000	85.3%	70,037	(56,037)
Land Mgmt./Joint Development	207,000	1,488	12,394	6.0%	110,105	84,501
Bus Shelter Administration	150,000	14,675	69,597	46.4%	41,786	38,617
Bus Bench Administration	60,000	5,881	47,586	79.3%	18,399	(5,985)
OFFICE EXPENSES						
Rent	1,170,000	26,514	1,081,773	92.5%	72,841	15,386
Vehicle Maintenance	5,000	234	3,525	70.5%	-	1,475
Equipment Rental/Maintenance	22,000	-	13,087	59.5%	280	8,633
Management Information Systems	63,000	149	25,012	39.7%	4,842	33,146
Furniture/Equipment	12,000	-	1,629	13.6%	-	10,371
General Expenses	70,000	4,109	31,201	44.6%	1,128	37,671
Telecommunications	52,000	3,564	27,538	53.0%	-	24,462
Postage	9,000	-	8,836	98.2%	-	164
Local Meetings	3,000	-	1,123	37.4%	-	1,877
Dues/Subscriptions	32,000	783	20,338	63.6%	-	11,662
Public Notices	5,000	99	2,823	56.5%	-	2,177
G&A SUBTOTAL:	7,692,425	492,746	4,886,684	63.5%	395,087	2,410,654
LABOR/OVERHEAD REIMBURSEMENT	(2,350,000)	(182,120)	(1,806,509)	76.9%	-	(543,491)
TOTAL GENERAL FUND:	6,267,425	368,623	3,435,896	54.8%	457,959	2,373,570
INSURANCE RESERVE CONTRIBUTION	1,950,000	162,500	1,137,500	58.3%	-	812,500
CONTINGENCY RESERVE CONTRIBUTION	214,771	17,898	125,283	58.3%	-	89,488
LAND MGMT. RESERVE CONTRIBUTION	238,000	19,833	138,833	58.3%	-	99,167
TOTAL GEN FUND & CTGCY RSV CONTR.	8,670,196	568,854	4,837,512	55.8%	457,959	3,374,724

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
 FY 2004 BUDGET SUMMARY
 APPROPRIATIONS/EXPENDITURES/ENCUMBRANCES
 JULY 1, 2003 - JANUARY 31, 2004**

BUDGET CATEGORY/Line Item	APPROVED FY 04	THIS MONTH	EXPENDITURES YEAR-TO-DATE	% EXPEND	ENCUM- BERED	REMAINING BALANCE
DEBT SERVICE						
Buses (1990)	2,894,681		2,872,856	99.2%	-	21,825
Regional Transit Management System (2002)	3,808,000		3,608,375	94.8%	-	199,625
LRV Sale/Leaseback (1995)	6,264,070	-	-	0.0%	-	6,264,070
TOTAL DEBT SERVICE:	12,966,751	-	6,481,231	50.0%	-	6,485,520
TRANSPORTATION SERVICES						
TRANSIT OPERATING CONTRACTS:						
San Diego Transit	47,482,833	3,882,281	30,969,053	65.2%	16,513,780	-
San Diego Trolley	18,395,571	1,509,375	12,056,250	65.5%	6,339,321	-
MTS 900 Series	20,572,000	1,186,865	11,357,124	55.2%	9,214,876	-
MTS 800 Series	13,279,380	1,027,533	7,478,201	56.3%	5,801,179	-
Chula Vista Transit	4,305,636	358,803	2,511,621	58.3%	1,794,015	-
National City Transit	1,437,213	119,768	838,376	58.3%	598,837	-
Coronado Ferry	127,308	10,609	74,263	58.3%	53,045	-
Administrative Pass-Through	344,180	-	344,180	100.0%	-	-
County Transit System - Rural	1,400,438	111,386	568,861	40.6%	673,569	158,008
OPERATING CONTRACTS SUBTOTAL:	107,344,559	8,206,620	66,197,929	61.7%	40,988,622	158,008
OTHER SERVICES:						
Taxicab Administration	735,536	66,690	349,939	47.6%	12,339	373,258
San Diego and Arizona Eastern (SD&AE)	180,000	12,791	95,834	53.2%	36,525	47,641
OTHER SERVICES SUBTOTAL:	915,536	79,481	445,773	48.7%	48,864	420,899
TOTAL TRANSPORTATION SERVICES:	108,260,095	8,286,101	66,643,702	61.6%	41,037,486	578,907
GEN. FUND/DEBT SERVICE/TRANSPORTATION:	129,897,042	8,854,955	77,962,445	60.0%	41,495,445	10,439,151
CAPITAL PROJECTS						
LRT EXTENSIONS	162,025,000	2,897,744	68,777,944	42.4%	36,357,132	56,889,924
MAJOR LRT/BUS						
CAPITAL IMPROVEMENTS	18,338,000	501,823	6,442,590	35.1%	7,772,439	4,122,971
TOTAL CAPITAL:	180,363,000	3,399,567	75,220,534	41.7%	44,129,571	61,012,895
GRAND TOTAL:	\$310,260,042	12,254,522	153,182,979	49.4%	85,625,016	71,452,046

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
 FY 2004 BUDGET SUMMARY
 STATUS OF CASH RECEIPTS
 JULY 1, 2003 - JANUARY 31, 2004**

FUND SOURCES	APPROVED FY 04	BUDGET CATEGORIES			% RECEIVED
		GENERAL FUND	TRANSPORTATION SERVICES RECEIPTS TO-DATE	CAPITAL PROJECTS	
STATE					
STIP	2,171,000	-	-	-	0%
Traffic Congest Relief Program	6,972,000	-	-	256,222	4%
Caltrans	68,000	-	-	68,000	100%
MediCal	400,000	-	-	-	0%
SUBTOTAL:	9,611,000	-	-	324,222	3%
FEDERAL					
Transportation Enhancement Activities	402,000	-	-	26,067	6%
FTA 5309 - Planning/Capital	68,936,000	-	-	-	0%
FTA 5307 - Planning/Capital	314,400	-	-	-	0%
FTA 5307 - Debt Service	5,362,145	5,364,582	-	-	100%
FTA 5307/5309 - Maintenance/Operations	23,784,262	-	-	-	0%
SUBTOTAL:	98,798,807	5,364,582	-	26,067	5%
LOCAL - TRANSPORTATION DEVELOPMENT ACT					
TDA - Article 4.0 MTDB Area	54,814,277	-	49,195,400	1,533,617	93%
TDA - Article 4.0 Non-MTDB Area	1,531,247	-	1,202,387	-	79%
TDA - Article 4.5 (ADA)	3,259,000	-	2,715,833	-	83%
TDA - Article 8.0	1,613,728	-	1,344,773	-	83%
TDA - 10% and Administration	5,463,796	4,364,271	-	-	80%
SUBTOTAL:	66,682,048	4,364,271	54,458,393	1,533,617	91%
OTHER LOCAL					
TransNet	9,273,000	-	13,592,000	63,788,335	834%
SANDAG - Inland Breeze	823,245	-	460,000	-	56%
City of San Diego	428,918	-	69,500	-	16%
County of San Diego	87,324	-	-	-	0%
City of Chula Vista	25,000	-	-	-	0%
APCD	490,000	-	-	-	0%
Other Income	-	777	-	-	N/A
SUBTOTAL:	11,127,487	777	14,121,500	63,788,335	700%

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
 FY 2004 BUDGET SUMMARY
 STATUS OF CASH RECEIPTS
 JULY 1, 2003 - JANUARY 31, 2004**

FUND SOURCES	APPROVED FY 04	BUDGET CATEGORIES			% RECEIVED
		GENERAL FUND	TRANSPORTATION SERVICES RECEIPTS TO-DATE	CAPITAL PROJECTS	
STATE TRANSIT ASSISTANCE					
STA - Discretionary	3,138,216	-	784,554	-	25%
STA - Formula	1,638,196	-	324,698	-	20%
SUBTOTAL:	4,776,412	-	1,109,252	-	23%
OTHER FUNDS					
Property Lease/Rental Income	312,000	287,860	-	-	92%
Land Management Rentals	295,000	201,197	-	-	68%
Developer Fees	100,000	-	-	-	0%
Taxicab Administration	692,314	-	717,054	-	104%
Bus Shelter Administration	150,000	54,922	-	-	37%
Bus Bench Administration	60,000	58,729	-	-	98%
SD&AE Revenue	100,000	-	18,504	-	19%
SUBTOTAL:	1,709,314	602,708	735,558	-	78%
RESERVE REVENUE USED IN CURRENT BUDGET					
MTDB Contingency Reserve	8,765,853	-	-	-	0%
SDTI Capital Replacement	5,573,683	-	-	-	0%
SDTC Capital Replacement	1,500,000	-	-	-	0%
Lease/Leaseback Lease Payment Fund	6,264,070	-	-	-	0%
CCDC Reserve	625,000	-	-	-	0%
Land Management	257,000	-	-	-	0%
SD&AE Reserve	80,000	-	-	-	0%
Taxi FY03 Carryover	43,222	-	-	-	0%
SUBTOTAL:	23,108,828	-	-	-	0%
TOTAL: \$	215,813,896	10,332,338	70,424,703	65,672,241	68%

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
 FY 2004 BUDGET SUMMARY
 STATUS OF CASH RECEIPTS
 JULY 1, 2003 - JANUARY 31, 2004**

FUND SOURCES	APPROVED FY 04	BUDGET CATEGORIES			% RECEIVED
		GENERAL FUND	TRANSPORTATION SERVICES	CAPITAL PROJECTS	
OTHER INCOME					
Insurance Reserve Contribution	\$ 1,950,000	1,137,500	-	-	58%
Land Management Reserve Contribution	238,000	138,833	-	-	58%
Contingency Reserve Contribution	214,771	-	-	-	0%
Private Sector - Billboards	75,000	-	43,800	-	58%
Grade Crossing Maint. - PUC	50,000	-	25,000	-	50%
TOTAL:	\$ 2,527,771	1,276,333	68,800	-	53%
REVENUE SUMMARY					
GENRL FUND/SPECIAL REV.	\$ 21,636,947	10,332,338	-	-	48%
TRANSPORTATION SERVICES	108,216,874	-	70,424,703	-	65%
CAPITAL PROJECTS TOTAL	180,363,000	-	-	65,672,241	36%
CARRYOVER	43,222	-	-	-	0%
SUBTOTAL:	310,260,043	10,332,338	70,424,703	65,672,241	47%
OTHER INCOME	2,527,771	1,276,333	68,800	-	53%
GRAND TOTAL:	\$ 312,787,814	11,608,671	70,493,503	65,672,241	47%

MTDB
 DETAIL OF PORTFOLIO BALANCES
 As of January 31, 2004

INVESTMENT	PURCHASE DATE	MATURITY DATE	PURCHASE PRICE	BOOK VALUE	MARKET VALUE	PAR VALUE	YIELD ON COST
WORKING CAPITAL:							
State of CA Local Agency Invest. Fund (LAIF)	N/A	N/A	635,009		635,009	635,009	1.60%
Corporate Securities:							
Citigroup	6/4/2003	2/1/2008	1,345,084	1,343,832	1,309,984	1,300,000	3.50% (1)
CIT Group Inc	7/24/2003	7/29/2005	1,300,000	1,300,000	1,305,070	1,300,000	1.55% (1)
Bear Stearns Co	7/30/2003	3/30/2006	1,117,127	1,116,442	1,115,631	1,100,000	3.00% (1)
American Int'l Group Inc	6/4/2003	5/15/2008	1,313,312	1,312,971	1,272,167	1,300,000	2.88% (1)
Sara Lee Corporation	6/2/2003	6/15/2008	1,295,515	1,295,630	1,263,223	1,300,000	2.75% (1)
Intl Business Machines	8/5/2003	11/1/2006	1,283,815	1,284,291	1,298,882	1,300,000	2.38% (1)
Money Market - Highmark Group	N/A	N/A	315,526		315,526	315,526	0.57% (1)
US Treasury Securities:							
US Treasury Note	5/30/2003	11/15/2006	2,538,187	2,532,179	2,481,000	2,400,000	3.50% (1)
US Treasury Note	1/14/2004	6/30/2005	2,792,891	2,793,335	2,787,680	2,800,000	1.13% (1)
US Government Agency Securities:							
Federal Home Loan Mortgage	6/3/2003	11/15/2004	2,471,558	2,464,403	2,437,800	2,400,000	3.25% (1)
Federal Home Loan Bank TAP Note	5/30/2003	12/15/2004	2,430,563	2,427,784	2,415,365	2,400,000	2.13% (1)
Federal National Mortgage Association Note	5/30/2003	4/15/2006	2,429,531	2,428,395	2,398,176	2,400,000	2.13% (1)
Federal National Mortgage Association Note	6/3/2003	4/15/2006	2,435,344	2,433,984	2,398,176	2,400,000	2.13% (1)
Federal National Mortgage Association Note	6/12/2003	6/16/2006	2,394,912	2,395,087	2,365,286	2,400,000	1.75% (1)
Federal National Mortgage Association Note	6/9/2003	6/15/2008	1,407,109	1,406,932	1,360,632	1,400,000	2.50% (1)
Cash in Bank:							
Bank of America	N/A	N/A	9,230,432		9,230,432	9,230,432	N/A

NOTES:

- (1) Investments managed by LM Capital Management Inc.
 (2) Maturity dates corresponds to lease payment schedules
 (3) Represents yield on market

INVESTMENT	PURCHASE DATE	MATURITY DATE	PURCHASE PRICE	BOOK VALUE	MARKET VALUE	PAR VALUE	YIELD ON COST
DEBT RELATED INVESTMENTS:							
CTFC San Diego MTDB Reserve Fund:							
Cash-COPS, SRS A	N/A	N/A	294,032		294,032	294,032	0.57% (1)
San Diego MTDB 1990 LRV Sale/Leaseback:							
REFCO Zero Coupon Bonds	8/20/1990	(2)	3,680,449	12,265,778	14,654,819	15,886,000	6.94%-7.07% (3)
San Diego MTDB 1995 LRV Lease/Leaseback:							
Treasury Strips	12/29/1995	(2)	11,971,073	19,749,766	23,230,409	39,474,000	11.51%-12.04% (3)
San Diego MTDB 2004 RAN							
FHLB Discount Note	1/8/2004	N/A	2,694,035	2,697,017	2,691,255	2,700,000	N/A (1)
FNMA Discount Note	1/9/2004	N/A	8,572,528	8,579,396	8,572,145	8,600,000	N/A (1)
FNMA Discount Note	1/9/2004	N/A	8,665,200	8,672,160	8,664,862	8,700,000	N/A (1)
Cash	N/A	N/A	85,922		85,922	85,922	0.57% (1)
San Diego MTDB COP 2003 B Reserve Fund							
Federal Home Loan Mortgage	1/22/2004	8/9/2006	3,300,000	3,300,000	3,300,000	3,300,000	2.50% (1)
Cash			12,374		12,374	12,374	0.57% (1)
CTFC San Diego COP 2002 A RTMS Proceeds:							
FHLB Discount Note	1/14/2004	N/A	1,021,860	1,022,600	1,021,714	1,030,000	N/A
US Treasury Note	12/18/2002	2/29/2004	814,875	800,000	801,500	800,000	3.00% (1)
US Treasury Note	1/13/2004	2/28/2005	2,008,047	2,007,376	2,005,000	2,000,000	1.50% (1)
Federal National Mortgage Association Note	12/18/2002	6/15/2004	2,138,883	2,129,162	2,115,094	2,100,000	3.00% (1)
Federal Home Loan Bank	12/16/2002	12/15/2004	2,001,016	2,000,923	2,012,804	2,000,000	2.13% (1)
Federal Home Loan Bank	1/13/2004	4/15/2005	1,004,146	1,003,850	1,002,500	1,000,000	1.63% (1)
Federal Home Loan Mortgage	1/13/2004	8/15/2005	999,102	999,152	996,769	1,000,000	1.50% (1)
Cash	N/A	N/A	4,154,240		4,154,240	4,154,240	0.57% (1)
CTFC San Diego COP 02 A Reserve Fund:							
Federal National Mortgage Association	9/3/2003	8/11/2006	1,686,719	1,687,147	1,703,573	1,700,000	2.75% (1)
Cash	N/A	N/A	84,499		84,499	84,499	0.57% (1)

NOTES:

- (1) Investments managed by LM Capital Management Inc.
(2) Maturity dates corresponds to lease payment schedules
(3) Represents yield on market

INVESTMENT	PURCHASE DATE	MATURITY DATE	PURCHASE PRICE	BOOK VALUE	MARKET VALUE	PAR VALUE	YIELD ON COST
San Diego MTDB COP 2003 B Project Fund:							
US Treasury Note	8/21/2003	1/31/2004	2,521,289	2,500,000	2,500,000	2,500,000	3.00% (1)
US Treasury Note	8/25/2003	9/30/2004	1,709,496	1,708,309	1,708,500	1,700,000	1.88% (1)
US Treasury Note	8/26/2003	7/31/2005	495,977	496,188	499,844	500,000	1.50% (1)
US Treasury Note	9/5/2003	12/31/2004	1,005,039	1,004,581	1,005,000	1,000,000	1.75% (1)
US Treasury Note	9/17/2003	5/31/2005	997,500	997,647	997,813	1,000,000	1.25% (1)
Federal Home Loan Bank	8/26/2003	5/14/2004	3,077,700	3,058,275	3,031,875	3,000,000	4.88% (1)
Federal National Mortgage Association Note	8/26/2003	6/15/2004	3,040,920	3,032,736	3,021,563	3,000,000	3.00% (1)
Federal National Mortgage Association Note	8/21/2003	12/15/2004	2,810,281	2,809,424	2,814,000	2,800,000	1.88% (1)
Federal Home Loan Bank	8/21/2003	4/15/2005	498,262	498,370	501,250	500,000	1.63% (1)
Federal Home Loan Mortgage	9/17/2003	1/15/2005	1,509,785	1,508,970	1,507,500	1,500,000	1.88% (1)
Federal Home Loan Bank	9/5/2003	4/15/2005	1,000,234	1,000,219	1,002,500	1,000,000	1.63% (1)
Cash	N/A	N/A	73,371		73,371	73,371	0.57% (1)
Bank Investment Contract 1995 LRV Lease/Leaseback:							
Rabobank	N/A	N/A	88,551,393	89,712,192	89,712,192	88,551,393	7.69%

NOTES:

- (1) Investments managed by LM Capital Management Inc.
- (2) Maturity dates corresponds to lease payment schedules
- (3) Represents yield on market

MTDB
INVESTMENT TRANSACTION DETAIL
Month of January 2004

<u>INVESTMENT</u>	<u>TRANSACTION DATE</u>	<u>DEPOSIT</u>	<u>WITHDRAWAL</u>
State of CA Local Agency Invest. Fund (LAIF)	1/30/2004	\$44,963.41	
		<u> </u>	<u> </u>
	TOTAL	<u><u>\$44,963.41</u></u>	<u><u>-</u></u>

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

Transaction Ledger Report
 From 12/31/2003 to 01/31/2004

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

Trade Date	Activity	Description	Quantity	Principal Amount	Accrued Pd/Rec	Net Amount	Broke
12/31/2003	Interest	US TREASURY NOTE 12/31/2004 1.75%		8,750.00		8,750.00	
01/02/2004	Dividend	HIGHMARK US GOVT MONEY M		399.95		399.95	
01/05/2004	Withdrawal	WELLS FARGO TRSRY PLUS M. M		0.76		(0.76)	
01/05/2004	Dividend	CASH		547.40		547.40	
01/05/2004	Dividend	CASH		3,372.21		3,372.21	
01/05/2004	Dividend	CASH		880.43		880.43	
01/05/2004	Dividend	WELLS FARGO TRSRY PLUS M. M		27.16		27.16	
01/05/2004	Other Expense	CASH		539.76		(539.76)	
01/05/2004	Other Expense	CASH		3,298.12		(3,298.12)	
01/05/2004	Other Expense	CASH		859.66		(859.66)	
01/05/2004	Other Expense	WELLS FARGO TRSRY PLUS M. M		26.40		(26.40)	
01/08/2004	Deposit	CASH		20,110,184.61		20,110,184.61	
01/08/2004	Withdrawal	CASH		92,500.00		(92,500.00)	
01/08/2004	Buy	FHLB DISCOUNT NOTE 03/31/2004	2,700,000	2,694,034.50		(2,694,034.50)	SB
01/09/2004	Buy	FNMA DISCOUNT NOTE 05/03/2004	8,600,000	8,572,527.78		(8,572,527.78)	SB
01/09/2004	Buy	FNMA DISCOUNT NOTE 06/01/2004	8,700,000	8,665,200.00		(8,665,200.00)	SB
01/13/2004	Buy	FEDERAL HOME LN MORTGAGE 08/15/2005 1.50%	1,000,000	999,102.00	7,375.00	(1,006,477.00)	SB
01/13/2004	Buy	FEDERAL HOME LOAN BANK 04/15/2005 1.625%	1,000,000	1,004,146.00	4,017.36	(1,008,163.36)	DB
01/13/2004	Buy	US TREASURY NOTE 02/28/2005 1.50%	2,000,000	2,008,046.88	11,208.79	(2,019,255.67)	DB
01/13/2004	Sell	FEDERAL NATL MTGE ASSOC. 06/15/2008 2.50%	(1,000,000)	976,406.25	2,013.89	978,420.14	Merrill
01/13/2004	Sell	MERRILL LYNCH & CO. 03/08/2005 4.54%	(1,400,000)	1,448,888.00	22,599.11	1,471,487.11	ONE
01/14/2004	Buy	FHLB DISCOUNT NOTE 10/01/2004	1,030,000	1,021,860.43		(1,021,860.43)	SB
01/14/2004	Buy	US TREASURY NOTE 06/30/2005 1.125%	2,800,000	2,792,890.63	1,298.08	(2,794,188.71)	DB
01/15/2004	Interest	FEDERAL HOME LN MORTGAGE 01/15/2005 1.875%		14,062.50		14,062.50	
01/15/2004	Sell	US TREASURY NOTE 01/31/2004 3.00%	(1,500,000)	1,501,171.88	20,543.48	1,521,715.36	Goldm
01/16/2004	Withdrawal	CASH		3,660,673.00		(3,660,673.00)	
01/21/2004	Management Fee	HIGHMARK US GOVT MONEY M		5,823.19		(5,823.19)	
01/22/2004	Buy	FEDERAL HOME LN MORTGAGE 08/09/2006 2.50% Call 08/09/2004 100.00	3,300,000	3,300,000.00	0.00	(3,300,000.00)	UBS
01/26/2004	Withdrawal	CASH		1,309,457.00		(1,309,457.00)	
01/27/2004	Other Expense	HIGHMARK US GOVT MONEY M		875.00		(875.00)	

Transaction Ledger Report
From 12/31/2003 to 01/31/2004

SAN DIEGO MTDB Acct #: COMBINED

<u>Trade Date</u>	<u>Activity</u>	<u>Description</u>	<u>Quantity</u>	<u>Principal Amount</u>	<u>Accrued Pd/Rec</u>	<u>Net Amount</u>	<u>Broke</u>
01/29/2004	Interest	CIT GROUP INC 07/29/2005 1.55%		5,286.49		5,286.49	
						<u>(12,040,626.98)</u>	

**ESTIMATED BALANCE OF CONTINGENCY RESERVE
JANUARY 31, 2004**

June 30, 2003 audited balance	\$25,861,957 *
Less Board approved appropriations:	
FY 04 operations	(6,815,853)
FY 05 operations	(5,184,147)
Capital projects	(2,544,245)
Plus:	
Estimated FY 04 savings in MTDB General Fund	214,771
Estimated interest earnings (through 1/31/04)	665,000
Estimated balance at January 31, 2004	<u>\$12,197,483</u>

*SDTC and SDTI Capital Replacement Reserves combined into Contingency Reserve. FY 04 Budget process combined all reserves and programmed \$12 million for use in FY 04 and FY 05, leaving a balance of approximately \$8-10 million for contingency purposes. The balance shown above is higher because of FY 03 interest earnings (\$2.8 million) on the capital replacement reserves, and FY 03 budget savings of approximately \$1.1 million. Of the balance above, approximately \$6.3 million is being used on a temporary basis for the fare technology project, pending state reimbursement.



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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.

FIN 305 (PC 30100)

June 24, 2004

Subject:

MTDB: CONTROLLER'S REPORT FOR FEBRUARY 2004

RECOMMENDATION:

That the Board of Directors receive the following reports:

- FY 2004 Budget Summary – Appropriations/Expenditures/Encumbrances (Attachment A);
- FY 2004 Budget Summary – Status of Cash Receipts (Attachment B);
- Detail of Portfolio Balances (Attachment C);
- Investment Transaction Detail (Attachment D); and
- Estimated Balance of Contingency Reserve (Attachment E).

Budget Impact

None.

DISCUSSION:

The following is a brief summary of the financial/budget activities for the month of February 2004.



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.

Cash

MTDB maintained an average cash balance of \$8,861,859 during February 2004. The amount of cash on deposit at the end of the month was \$10,513,846. The balance of the funds has been invested as described in the Detail of Portfolio Balances (Attachment C).

Revenue

A total of \$20,413,069 in revenue was received during February, primarily comprised of Transportation Development Act (TDA) funds.

Expenditures

During February, MTDB had total expenditures of \$19,608,627, which are itemized as follows:

Transit Support Activities	\$ 6,318
Short-Range Transportation Planning	8,469
General Administration	497,274
Debt Service	-0-
Transportation Services	7,845,846
Capital Projects	<u>11,250,720</u>
Total	\$19,608,627

Based on eight months of activity, we should be at an expenditure level of approximately 67 percent of the annual budget amount for most General Administration Budget line items. Following is an explanation of those items that exceed the budget significantly:

- Audit Services – 85 percent of the budget is expended due to the additional costs related to the Comprehensive Annual Financial Report (CAFR) preparation.
- Rent – 95 percent of the budget is expended as the FY 04 debt payment for the MTS Tower was made in July 2003.
- Personnel – 74 percent of the budget is expended due to the expenditures related to employees transferred in October 2003. The budget has been adjusted to reflect only costs for MTS employees and should reflect that as the fiscal year progresses.
- Bus Bench Administration – 81 percent of the budget is expended due to a significant amount of personnel costs at the beginning of the fiscal year. Costs are expected to decrease to within budget during the remainder of FY 04.
- Vehicle Maintenance - 82 percent of the budget is expended. The budget has been decreased to include only MTS vehicles and is expected to be within budget by the end of the fiscal year.

- Postage – 137 percent of the budget is expended. The postage deposits, along with San Diego Association of Governments (SANDAG) reimbursements, are expected to cover costs through the end of the fiscal year.

A detail of capital project expenditures is presented as part of the quarterly Capital Projects Status Report.

Investments

MTDB had a total of \$199,216,162 principal amount invested as of January 31, 2004. Of this total, \$36,735,915 is working capital, and \$162,480,247 is debt-related. All investments are consistent with adopted Board Policies and Procedures No. 30.

Contingency Reserve

Attachment E shows the unaudited balance of the Contingency Reserve as of January 31, 2004, and FY 05 Board-approved uses. The estimated uncommitted balance as of January 31, 2004, is approximately \$12.7 million. This balance reflects the consolidation of San Diego Transit Corporation and the San Diego Trolley, Inc., capital replacement reserves into the contingency reserve, which was contemplated with the FY 04 budget action.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Yvonne Moore, 619.557.4532, yvonne.moore@sdmts.com

JGarde
JUNE24-04.13.YMOORE
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- Attachments:
- A. FY 2004 Budget Summary - Appropriations/Expenditures/Encumbrances
 - B. FY 2004 Budget Summary - Status of Cash Receipts
 - C. Detail of Portfolio Balances
 - D. Investment Transaction Detail
 - E. Estimated Balance of Contingency Reserve

} **Board
Only**

METROPOLITAN TRANSIT DEVELOPMENT BOARD
FY 2004 BUDGET SUMMARY
APPROPRIATIONS/EXPENDITURES/ENCUMBRANCES
JULY 1, 2003 - FEBRUARY 29, 2004

BUDGET CATEGORY/Line Item	APPROVED FY 04	THIS MONTH	EXPENDITURES YEAR-TO-DATE	% EXPEND.	ENCUM- BERED	REMAINING BALANCE
GENERAL FUND						
TRANSIT SUPPORT ACTIVITIES						
Fare Media	\$90,000	-	70,536	78.4%	-	19,464
Regional Transit Store Operations	72,000	6,318	46,936	65.2%	15,871	9,193
Regional Transit Marketing	370,000	0	76,429	20.7%	37,538	256,033
TRANSIT SUPPORT SUBTOTAL:	532,000	6,318	193,901	36.4%	53,409	284,690
SHORT-RANGE TRANS. PLANNING						
Operations Planning	393,000	8,469	135,952	34.6%	3,807	253,241
TRANSP. PLANNING SUBTOTAL:	393,000	8,469	135,952	34.6%	3,807	253,241
GENERAL AND ADMINISTRATIVE						
Personnel	4,513,025	272,804	3,347,075	74.2%	-	1,165,950
Consultants	125,000	20,628	94,121	75.3%	20,845	10,034
Legal Services	75,000	-	12,434	16.6%	161,420	(98,854)
Board of Directors	141,000	10,168	71,308	50.6%	2,512	67,180
Travel/Conferences	28,400	1,833	12,869	45.3%	3,893	11,638
Training	7,000	135	3,018	43.1%	-	3,982
Insurance/Risk Management	848,000	2,787	226,751	26.7%	31,559	589,690
Audit Services	95,000	-	81,000	85.3%	70,037	(56,037)
Land Mgmt./Joint Development	207,000	2,334	14,728	7.1%	144,979	47,293
Bus Shelter Administration	150,000	8,379	77,976	52.0%	40,661	31,363
Bus Bench Administration	60,000	1,125	48,711	81.2%	17,274	(5,985)
OFFICE EXPENSES						
Rent	1,170,000	30,167	1,111,941	95.0%	51,980	6,079
Vehicle Maintenance	5,000	562	4,088	81.8%	-	912
Equipment Rental/Maintenance	22,000	809	13,897	63.2%	280	7,823
Management Information Systems	63,000	1,621	26,633	42.3%	-	36,367
Furniture/Equipment	12,000	-	1,629	13.6%	-	10,371
General Expenses	70,000	6,443	37,644	53.8%	896	31,460
Telecommunications	52,000	7,989	35,527	68.3%	-	16,473
Postage	9,000	3,521	12,356	137.3%	-	(3,356)
Local Meetings	3,000	38	1,161	38.7%	-	1,839
Dues/Subscriptions	32,000	224	20,562	64.3%	-	11,438
Public Notices	5,000	20	2,843	56.9%	-	2,157
G&A SUBTOTAL:	7,692,425	371,587	5,258,272	68.4%	546,336	1,887,817
LABOR/OVERHEAD REIMBURSEMENT	(2,350,000)	(74,544)	(1,881,053)	80.0%	-	(468,947)
TOTAL GENERAL FUND:	6,267,425	311,830	3,707,072	59.1%	603,552	1,956,801
INSURANCE RESERVE CONTRIBUTION	1,950,000	162,500	1,300,000	66.7%	-	650,000
CONTINGENCY RESERVE CONTRIBUTION	214,771	17,898	143,181	66.7%	-	71,590
LAND MGMT. RESERVE CONTRIBUTION	238,000	19,833	158,667	66.7%	-	79,333
TOTAL GEN FUND & CTGCY RSV CONTR.	8,670,196	512,061	5,308,919	61.2%	603,552	2,757,724

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
 FY 2004 BUDGET SUMMARY
 APPROPRIATIONS/EXPENDITURES/ENCUMBRANCES
 JULY 1, 2003 - FEBRUARY 29, 2004**

BUDGET CATEGORY/Line Item	APPROVED FY 04	THIS MONTH	EXPENDITURES YEAR-TO-DATE	% EXPEND	ENCUM- BERED	REMAINING BALANCE
DEBT SERVICE						
Buses (1990)	2,894,681		2,872,856	99.2%	-	21,825
Regional Transit Management System (2002)	3,808,000		3,608,375	94.8%	-	199,625
LRV Sale/Leaseback (1995)	6,264,070	-	-	0.0%	-	6,264,070
TOTAL DEBT SERVICE:	12,966,751	-	6,481,231	50.0%	-	6,485,520
 TRANSPORTATION SERVICES						
TRANSIT OPERATING CONTRACTS:						
San Diego Transit	47,482,833	3,767,354	34,736,407	73.2%	16,513,780	(3,767,354)
San Diego Trolley	18,395,571	1,207,500	13,263,750	72.1%	6,339,321	(1,207,500)
MTS 900 Series	20,572,000	1,401,902	12,600,834	61.3%	7,971,166	-
MTS 800 Series	13,279,380	877,307	8,344,612	62.8%	4,934,768	-
Chula Vista Transit	4,305,636	358,803	2,870,424	66.7%	1,794,015	(358,803)
National City Transit	1,437,213	119,768	958,144	66.7%	598,837	(119,768)
Coronado Ferry	127,308	10,609	84,872	66.7%	53,045	(10,609)
Administrative Pass-Through	344,180	-	344,180	100.0%	-	-
County Transit System - Rural	1,400,438	72,844	641,706	45.8%	606,250	152,482
OPERATING CONTRACTS SUBTOTAL:	107,344,559	7,816,087	73,844,929	68.8%	38,811,182	(5,311,552)
 OTHER SERVICES:						
Taxicab Administration	735,536	28,890	378,829	51.5%	12,339	344,368
San Diego and Arizona Eastern (SD&AE)	180,000	869	96,703	53.7%	43,698	39,599
OTHER SERVICES SUBTOTAL:	915,536	29,759	475,532	51.9%	56,037	383,967
TOTAL TRANSPORTATION SERVICES:	108,260,095	7,845,846	74,320,461	68.6%	38,867,219	(4,927,585)
GEN. FUND/DEBT SERVICE/TRANSPORTATION:	129,897,042	8,357,907	86,110,611	66.3%	39,470,771	4,315,659
 CAPITAL PROJECTS						
LRT EXTENSIONS	162,025,000	9,143,154	77,921,098	48.1%	41,793,122	42,310,780
MAJOR LRT/BUS						
CAPITAL IMPROVEMENTS	18,338,000	2,107,566	8,550,156	46.6%	2,973,985	6,813,859
TOTAL CAPITAL:	180,363,000	11,250,720	86,471,254	47.9%	44,767,107	49,124,639
GRAND TOTAL:	\$310,260,042	19,608,627	172,581,865	55.6%	84,237,878	53,440,298

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
FY 2004 BUDGET SUMMARY
STATUS OF CASH RECEIPTS
JULY 1, 2003 - FEBRUARY 29, 2004**

FUND SOURCES	APPROVED FY 04	BUDGET CATEGORIES			% RECEIVED
		GENERAL FUND	TRANSPORTATION SERVICES RECEIPTS TO-DATE	CAPITAL PROJECTS	
STATE					
STIP	2,171,000	-	-	-	0%
Traffic Congest Relief Program	6,972,000	-	-	2,772,574	40%
Caltrans	68,000	-	-	694,632	1022%
MediCal	400,000	-	-	-	0%
SUBTOTAL:	9,611,000	-	-	3,467,206	36%
FEDERAL					
Transportation Enhancement Activities	402,000	-	-	26,067	6%
FTA 5309 - Planning/Capital	68,936,000	-	-	1,245,451	2%
FTA 5307 - Planning/Capital	314,400	-	11,958	280,101	93%
FTA 5307 - Debt Service	5,362,145	5,364,582	-	-	100%
FTA 5307/5309 - Maintenance/Operations	23,784,262	-	168,622	-	1%
SUBTOTAL:	98,798,807	5,364,582	180,580	1,551,619	7%
LOCAL - TRANSPORTATION DEVELOPMENT ACT					
TDA - Article 4.0 MTDB Area	54,814,277	-	58,102,081	1,533,617	109%
TDA - Article 4.0 Non-MTDB Area	1,531,247	-	1,435,795	-	94%
TDA - Article 4.5 (ADA)	3,259,000	-	3,259,000	-	100%
TDA - Article 8.0	1,613,728	-	1,613,728	-	100%
TDA - 10% and Administration	5,463,796	6,669,000	-	-	122%
SUBTOTAL:	66,682,048	6,669,000	64,410,604	1,533,617	109%
OTHER LOCAL					
TransNet	9,273,000	-	14,280,000	64,551,335	850%
SANDAG - Inland Breeze	823,245	-	690,000	-	84%
City of San Diego	428,918	-	69,500	-	16%
County of San Diego	87,324	-	-	-	0%
City of Chula Vista	25,000	-	-	-	0%
APCD	490,000	-	-	-	0%
Other Income	-	777	-	-	N/A
SUBTOTAL:	11,127,487	777	15,039,500	64,551,335	715%

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
 FY 2004 BUDGET SUMMARY
 STATUS OF CASH RECEIPTS
 JULY 1, 2003 - FEBRUARY 29, 2004**

FUND SOURCES	APPROVED FY 04	BUDGET CATEGORIES			% RECEIVED
		GENERAL FUND	TRANSPORTATION SERVICES RECEIPTS TO-DATE	CAPITAL PROJECTS	
STATE TRANSIT ASSISTANCE					
STA - Discretionary	3,138,216	-	1,569,108	-	50%
STA - Formula	1,638,196	-	734,247	-	45%
SUBTOTAL:	4,776,412	-	2,303,355	-	48%
OTHER FUNDS					
Property Lease/Rental Income	312,000	341,733	-	-	110%
Land Management Rentals	295,000	222,081	-	-	75%
Developer Fees	100,000	-	-	-	0%
Taxicab Administration	692,314	-	886,161	-	128%
Bus Shelter Administration	150,000	54,922	-	-	37%
Bus Bench Administration	60,000	63,985	-	-	107%
SD&AE Revenue	100,000	-	18,960	-	19%
SUBTOTAL:	1,709,314	682,721	905,121	-	93%
RESERVE REVENUE USED IN CURRENT BUDGET					
MTDB Contingency Reserve	8,765,853	-	-	-	0%
SDTI Capital Replacement	5,573,683	-	-	-	0%
SDTC Capital Replacement	1,500,000	-	-	-	0%
Lease/Leaseback Lease Payment Fund	6,264,070	-	-	-	0%
CCDC Reserve	625,000	-	-	-	0%
Land Management	257,000	-	-	-	0%
SD&AE Reserve	80,000	-	-	-	0%
Taxi FY03 Carryover	43,222	-	-	-	0%
SUBTOTAL:	23,108,828	-	-	-	0%
TOTAL: \$	215,813,896	12,717,080	82,839,160	71,103,777	77%

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
 FY 2004 BUDGET SUMMARY
 STATUS OF CASH RECEIPTS
 JULY 1, 2003 - FEBRUARY 29, 2004**

FUND SOURCES	APPROVED FY 04	BUDGET CATEGORIES			% RECEIVED
		GENERAL FUND	TRANSPORTATION SERVICES RECEIPTS TO-DATE	CAPITAL PROJECTS	
OTHER INCOME					
Insurance Reserve Contribution	\$ 1,950,000	1,300,000	-	-	67%
Land Management Reserve Contribution	238,000	158,667	-	-	67%
Contingency Reserve Contribution	214,771	-	-	-	0%
Private Sector - Billboards	75,000	-	43,800	-	58%
Grade Crossing Maint. - PUC	50,000	-	25,000	-	50%
TOTAL:	\$ 2,527,771	1,458,667	68,800	-	60%
REVENUE SUMMARY					
GENRL FUND/SPECIAL REV.	\$ 21,636,947	12,717,080	-	-	59%
TRANSPORTATION SERVICES	108,216,874	-	82,839,160	-	77%
CAPITAL PROJECTS TOTAL	180,363,000	-	-	71,103,777	39%
CARRYOVER	43,222	-	-	-	0%
SUBTOTAL:	310,260,043	12,717,080	82,839,160	71,103,777	54%
OTHER INCOME	2,527,771	1,458,667	68,800	-	60%
GRAND TOTAL:	\$ 312,787,814	14,175,747	82,907,960	71,103,777	54%

MTDB
 DETAIL OF PORTFOLIO BALANCES
 As of February 29, 2004

INVESTMENT	PURCHASE DATE	MATURITY DATE	PURCHASE PRICE	BOOK VALUE	MARKET VALUE	PAR VALUE	YIELD ON COST
WORKING CAPITAL:							
State of CA Local Agency Invest. Fund (LAIF)	N/A	N/A	635,009		635,009	635,009	1.60%
Corporate Securities:							
Citigroup	6/4/2003	2/1/2008	1,345,084	1,343,796	1,321,788	1,300,000	3.50% (1)
CIT Group Inc	7/24/2003	7/29/2005	1,300,000	1,300,000	1,305,525	1,300,000	1.55% (1)
Bear Stearns Co	7/30/2003	3/30/2006	1,117,127	1,116,413	1,120,064	1,100,000	3.00% (1)
American Int'l Group Inc	6/4/2003	5/15/2008	1,313,312	1,312,962	1,291,810	1,300,000	2.88% (1)
Sara Lee Corporation	6/2/2003	6/15/2008	1,295,515	1,295,633	1,276,834	1,300,000	2.75% (1)
Intl Business Machines	8/5/2003	11/1/2006	1,283,815	1,284,305	1,306,708	1,300,000	2.38% (1)
Money Market - Highmark Group	N/A	N/A	1,539,881		1,539,881	1,539,881	0.57% (1)
US Treasury Securities:							
US Treasury Note	5/30/2003	11/15/2006	2,538,187	2,531,906	2,494,512	2,400,000	3.50% (1)
US Treasury Note	1/14/2004	6/30/2005	2,792,891	2,793,365	2,794,764	2,800,000	1.13% (1)
US Government Agency Securities:							
Federal Home Loan Mortgage	6/3/2003	11/15/2004	2,471,558	2,463,607	2,435,256	2,400,000	3.25% (1)
Federal Home Loan Bank TAP Note	5/30/2003	12/15/2004	2,430,563	2,427,506	2,418,000	2,400,000	2.13% (1)
Federal National Mortgage Association Note	5/30/2003	4/15/2006	1,214,766	1,214,175	1,205,628	1,200,000	2.13% (1)
Federal National Mortgage Association Note	6/3/2003	4/15/2006	2,435,344	2,433,930	2,411,256	2,400,000	2.13% (1)
Federal National Mortgage Association Note	6/12/2003	6/16/2006	2,394,912	2,395,094	2,382,000	2,400,000	1.75% (1)
Federal National Mortgage Association Note	6/9/2003	6/15/2008	1,407,109	1,406,927	1,374,184	1,400,000	2.50% (1)
Cash in Bank:							
Bank of America	N/A	N/A	9,590,412		9,590,412	9,590,412	N/A

NOTES:

- (1) Investments managed by LM Capital Management Inc.
- (2) Maturity dates correspond to lease payment schedules
- (3) Represents yield on market

INVESTMENT	PURCHASE DATE	MATURITY DATE	PURCHASE PRICE	BOOK VALUE	MARKET VALUE	PAR VALUE	YIELD ON COST
DEBT RELATED INVESTMENTS:							
CTFC San Diego MTDB Reserve Fund:							
Cash-COPS, SRS A	N/A	N/A	294,082		294,082	294,082	0.57% (1)
San Diego MTDB 1990 LRV Sale/Leaseback:							
REFCO Zero Coupon Bonds	8/20/1990	(2)	3,680,449	12,265,778	14,811,687	15,886,000	6.94%-7.07% (3)
San Diego MTDB 1995 LRV Lease/Leaseback:							
Treasury Strips	12/29/1995	(2)	11,971,073	19,749,766	23,744,682	39,474,000	11.51%-12.04% (3)
San Diego MTDB 2004 RAN							
FHLB Discount Note	1/8/2004	N/A	2,694,035	2,700,000	2,697,772	2,700,000	N/A (1)
FNMA Discount Note	1/9/2004	N/A	8,572,528	8,581,685	8,584,711	8,600,000	N/A (1)
FNMA Discount Note	1/9/2004	N/A	8,665,200	8,673,900	8,677,525	8,700,000	N/A (1)
Cash	N/A	N/A	85,922		85,922	85,922	0.57% (1)
San Diego MTDB COP 2003 B Reserve Fund							
Federal Home Loan Mortgage	1/22/2004	8/9/2006	3,300,000	3,300,000	3,316,467	3,300,000	2.50% (1)
Cash			12,374		12,374	12,374	0.57% (1)
CTFC San Diego COP 2002 A RTMS Proceeds:							
FHLB Discount Note	1/14/2004	N/A	1,021,860	1,022,674	1,021,942	1,030,000	N/A
US Treasury Note	12/18/2002	2/29/2004	814,875	800,000	800,000	800,000	3.00% (1)
US Treasury Note	1/13/2004	2/28/2005	2,008,047	2,007,315	2,006,875	2,000,000	1.50% (1)
Federal National Mortgage Association Note	12/18/2002	6/15/2004	2,138,883	2,125,922	2,111,813	2,100,000	3.00% (1)
Federal Home Loan Bank	12/16/2002	12/15/2004	2,001,016	2,000,914	2,015,000	2,000,000	2.13% (1)
Federal Home Loan Bank	1/13/2004	4/15/2005	1,004,146	1,003,827	1,004,063	1,000,000	1.63% (1)
Federal Home Loan Mortgage	1/13/2004	8/15/2005	999,102	999,155	999,690	1,000,000	1.50% (1)
Cash	N/A	N/A	4,162,907		4,162,907	4,162,907	0.57% (1)
CTFC San Diego COP 02 A Reserve Fund:							
Federal National Mortgage Association	9/3/2003	8/11/2006	1,686,719	1,687,161	1,707,973	1,700,000	2.75% (1)
Cash	N/A	N/A	84,499		84,499	84,499	0.57% (1)

NOTES:

- (1) Investments managed by LM Capital Management Inc.
- (2) Maturity dates correspond to lease payment schedules
- (3) Represents yield on market

INVESTMENT	PURCHASE DATE	MATURITY DATE	PURCHASE PRICE	BOOK VALUE	MARKET VALUE	PAR VALUE	YIELD ON COST
San Diego MTDB COP 2003 B Project Fund:							
US Treasury Note	8/25/2003	9/30/2004	1,709,496	1,708,140	1,708,500	1,700,000	1.88% (1)
US Treasury Note	8/26/2003	7/31/2005	495,977	496,200	501,250	500,000	1.50% (1)
US Treasury Note	9/5/2003	12/31/2004	1,005,039	1,004,535	1,005,310	1,000,000	1.75% (1)
US Treasury Note	9/17/2003	5/31/2005	997,500	997,656	1,000,000	1,000,000	1.25% (1)
Federal Home Loan Bank	8/26/2003	5/14/2004	3,077,700	3,051,800	3,023,438	3,000,000	4.88% (1)
Federal National Mortgage Association Note	8/26/2003	6/15/2004	3,040,920	3,030,690	3,016,875	3,000,000	3.00% (1)
Federal National Mortgage Association Note	8/21/2003	12/15/2004	2,810,281	2,809,347	2,814,875	2,800,000	1.88% (1)
Federal Home Loan Bank	8/21/2003	4/15/2005	498,262	498,377	502,031	500,000	1.63% (1)
Federal Home Loan Mortgage	9/17/2003	1/15/2005	1,509,785	1,508,896	1,508,438	1,500,000	1.88% (1)
Federal Home Loan Bank	9/5/2003	4/15/2005	1,000,234	1,000,218	1,004,063	1,000,000	1.63% (1)
Cash	N/A	N/A	2,614,621		2,614,621	2,614,621	0.57% (1)
Bank Investment Contract 1995 LRV Lease/Leaseback:							
Rabobank	N/A	N/A	88,551,393	89,712,192	89,712,192	88,551,393	7.69%

NOTES:

- (1) Investments managed by LM Capital Management Inc.
- (2) Maturity dates correspond to lease payment schedules
- (3) Represents yield on market

**MTDB
INVESTMENT TRANSACTION DETAIL
Month of February 2004**

<u>INVESTMENT</u>	<u>TRANSACTION DATE</u>	<u>DEPOSIT</u>	<u>WITHDRAWAL</u>
State of CA Local Agency Invest. Fund (LAIF)	No Activity		
		<u> </u>	<u> </u>
	TOTAL	<u> </u>	<u> </u>

**ESTIMATED BALANCE OF CONTINGENCY RESERVE
FEBRUARY 29, 2004**

June 30, 2003 audited balance	\$25,861,957 *
Less Board approved appropriations:	
FY 04 operations	(6,815,853)
FY 05 operations	(5,184,147)
Capital projects	(2,544,245)
Plus:	
Estimated FY 04 savings in MTDB General Fund	214,771
Estimated interest earnings (through 2/29/04)	<u>760,000</u>
Estimated balance at February 29, 2004	<u><u>\$12,292,483</u></u>

*SDTC and SDTI Capital Replacement Reserves combined into Contingency Reserve. FY 04 Budget process combined all reserves and programmed \$12 million for use in FY 04 and FY 05, leaving a balance of approximately \$8-10 million for contingency purposes. The balance shown above is higher because of FY 03 interest earnings (\$2.8 million) on the capital replacement reserves, and FY 03 budget savings of approximately \$1.1 million. Of the balance above, approximately \$6.3 million is being used on a temporary basis for the fare technology project, pending state reimbursement.



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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 960.3 (PC 30101)

June 24, 2004

Subject:

SDTC: FINANCIAL REPORT THROUGH APRIL 2004

RECOMMENDATION:

That the Board of Directors receive this report.

Budget Impact

None.

DISCUSSION:

The San Diego Transit Corporation (SDTC) FY 04 financial comparison to budget through April 30, 2004, showed operating revenues of \$19,902,000 (\$7,000 under the amended budget). Operating expenses for the period amounted to \$58,752,000 (\$927,000, or 1.6 percent, under the amended budget). This combined for a net subsidy amount of \$38,850,000 (\$920,000 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 ten months ending April 30, 2004.

Our farebox recovery ratio stood at 32.7 percent compared to 34.7 percent for the same time last year. This was mostly due to the drop in ridership and related revenue. Our cost per revenue mile was \$6.79, 6.4 percent above the \$6.48 cost per revenue mile for the same period last year. This was primarily the result of spreading fixed costs over a smaller number of revenue miles. Additionally, the cost of fuel for vehicles was \$598,000 more than the same period in FY 03.

Our cost per total passenger for the fiscal year to date was \$2.75 compared against \$2.38 for the same period last year. This large increase stemmed from spreading more fixed costs amongst a smaller base of riders.

The trend in ridership dropped our total passengers per revenue mile to 2.47.

Revenue/Ridership

The first component of operating revenue is passenger fares. Through April 2004, passenger fares were up \$67,000, or 0.3 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 on Attachment E and the graph on Attachment F. SDTC carried 21,338,000 passengers through April 2004. This was 3,058,000 less than the same period last year (a decline of 12.5 percent). The loss of Route 55 began in March 2003. Without Route 55, the decline to FY 03 was 9.3 percent.

SDTC's average fare per passenger in FY 04 was \$.900 compared to \$.838 last year. This 7.4 percent increase showed the effect of the price increase. This was also why the passenger fare revenue dropped 6.1 percent when ridership dropped 12.5 percent.

Advertising revenue was \$558,000 against a budget of \$670,000. Advertising for the past several months has declined sharply. This appears to be due to consolidations amongst radio stations.

Expenses

FY 04 expenses through April 30, 2004 were \$927,000, or 1.6 percent, under budget (Attachment A and the graph in Attachment G). This was 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 \$431,000, or 1.0 percent, under budget (see Attachment H). This was due primarily to four items. Workers' compensation costs came in lower than budgeted (shown in the graph in Attachment I) by \$481,000. Workers' compensation costs were \$2,999,000 through April 30, 2004. The costs for year-to-date April FY 03 were \$4,034,000. This represented a decrease of \$1,035,000, or 26 percent. This was the most significant positive budget development this fiscal year.

Paid absences, such as sick, vacation, and holiday, came in \$378,000 lower than budget. These savings are 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 \$120,000 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 \$308,000 higher than budgeted. This was driven primarily by operators' and mechanics' overtime.

Outside Services: These costs were \$259,000 (8.2 percent) less than budgeted. The largest area, other than outside services, was \$231,000 below budget. This area includes legal expenses, general professional services, temporary help, contract services, custodial services, and the printing of schedules. The difference in budget resulted from timing on a variety of services in progress and reductions in spending in these areas to cover overages in other areas.

Materials and Supplies: This area was \$34,000 over budget (1.0 percent). This was primarily due to the aggressive preventative maintenance program that began in January. This area will finish approximately \$300,000 over budget for the fiscal year. Reductions in other areas, such as outside services and savings from lower personnel costs (as discussed above), will cover this expected overage.

Energy: Diesel fuel for the fiscal year has averaged \$1.21 per gallon (\$1.05 in the budget). Diesel prices for the last 12 months are illustrated in the graph on Attachment J. Compressed natural gas (CNG) for the fiscal year through April was \$.92 per therm (amended budget of \$.90). The pricing for CNG has can be seen on the graph on Attachment K.

SDTC saw very high diesel prices recently. Our cost for the month of April was \$1.44 per gallon (the highest in SDTC history). 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 April under budget by \$110,000. This was primarily the result of lower-than-anticipated claims (\$281,000 under budget) offset by high legal costs (\$108,000 over budget).

The individual departments' expenses against the amended budget are captured on Attachment M.

Executive Administration: This area was \$42,000 under budget primarily due to an unfilled position.

Transportation: This area was \$289,000 under budget. The two large factors involved here are the lower-than-budgeted workers' compensation costs and paid absences offset by higher operator overtime costs.

Maintenance: This area was \$474,000 over budget. This was a combination of higher energy cost (diesel and CNG), higher supplies usage, and higher mechanics' and foremen's overtime. These were offset somewhat by lower paid absences and outside repair costs.

Passenger Services: This area was \$109,000 under budget primarily due to unfilled positions in Telephone Information Services.

Administrative Services: This area was \$200,000 under budget primarily due to outside services as discussed above and temporarily unfilled positions.

Risk Management Services: This area was \$175,000 under budget as discussed above in Risk Management.

Human Resources and Training: This area was \$122,000 under budget primarily due to unfilled positions in the training area.

Quality Assurance/Storeroom: This area was \$97,000 under budget due to unfilled positions earlier in the fiscal year.

Safety: This area was \$17,000 under budget due to the timing of payments for fees and licenses.

General Expense: This area was \$350,000 under budget mainly due to lower legal costs, lower electrical usage, and the timing of sick and vacation payouts.

Net Subsidy

Overall, SDTC lost \$7,000 against the amended budget in revenue. We gained \$927,000 of lower expenses, a significant portion of which is of a timing nature.

The net subsidy amount for fiscal year-to-date April was \$38,850,000 compared to an amended budget of \$39,970,000, for a difference of \$920,000 less subsidy (see the graph in Attachment N).



Paul C. Jablonski
Chief Executive Officer

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

JGarde
JUNE24-04.14.CTELFER
6/10/04

- Attachments:
- A. Financial Comparison to Budget
 - B. Operating Statistics
 - C. Comparative Fares
 - D. Passenger Fares
 - E. Comparative Ridership
 - F. Ridership
 - G. Operating Expenses
 - H. Personnel Cost
 - 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
APRIL 2004
(in \$000's)

	TEN MONTHS ENDING APRIL 30, 2004				FULL YEAR	
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
REVENUE						
Passenger Fares	19,204	19,137	67	0.4%	22,600	3,396
Advertising	558	670	(112)	-16.7%	800	242
Contracted Service Revenue	17	17	0	0.0%	25	8
Other	123	85	38	44.7%	100	(23)
Total Operating Revenue	19,902	19,909	(7)	0.0%	23,525	3,623
Operating Support	39,649	39,009	640	1.6%	48,123	8,474
Total Revenue	59,551	58,918	633	1.1%	71,648	12,097
Personnel	44,557	44,988	431	1.0%	53,927	9,370
Outside Services						
Marketing	185	185	0	0.0%	222	37
Security	777	803	26	3.2%	964	187
Repair/Maintenance Services	399	484	85	17.6%	582	183
Engine and Transmission Rebuild	571	488	(83)	-17.0%	640	69
Other Outside Services	983	1,214	231	19.0%	1,446	463
Purchased Transportation						
Other Contracted Bus Services						
Total Outside Services	2,915	3,174	259	8.2%	3,854	939
Materials & Supplies						
Lubricants	92	100	8	8.0%	120	28
Tires/Tubes	463	507	44	8.7%	604	141
Other Materials and Supplies	2,890	2,804	(86)	-3.1%	3,358	468
Total Main. Parts and Supplies	3,445	3,411	(34)	-1.0%	4,082	637

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

	<u>TEN MONTHS ENDING APRIL 30, 2004</u>				<u>FULL YEAR</u>	
	<u>ACTUAL</u>	<u>AMENDED BUDGET</u>	<u>VARIANCE</u>	<u>% VAR</u>	<u>AMENDED BUDGET</u>	<u>REMAINING</u>
<u>Energy</u>						
Diesel Fuel	1,777	1,678	(99)	-5.9%	2,014	237
CNG	2,713	2,691	(22)	-0.8%	3,229	516
Fuel and Electricity for Facilities	406	488	82	16.8%	592	186
Total Energy	4,896	4,857	(39)	-0.8%	5,835	939
<u>Risk Management</u>	2,604	2,804	200	7.1%	3,432	828
<u>General and Administrative</u>	335	445	110	24.7%	518	183
OPERATING EXPENSES	58,752	59,679	927	1.6%	71,648	12,896
TOTAL REVENUE LESS OPERATING EXPENSES	799	(761)	1,560	-205.0%	0	(799)
OPERATING REVENUE LESS OPERATING EXPENSES	(38,850)	(39,770)	920	-2.3%	(48,123)	(9,273)

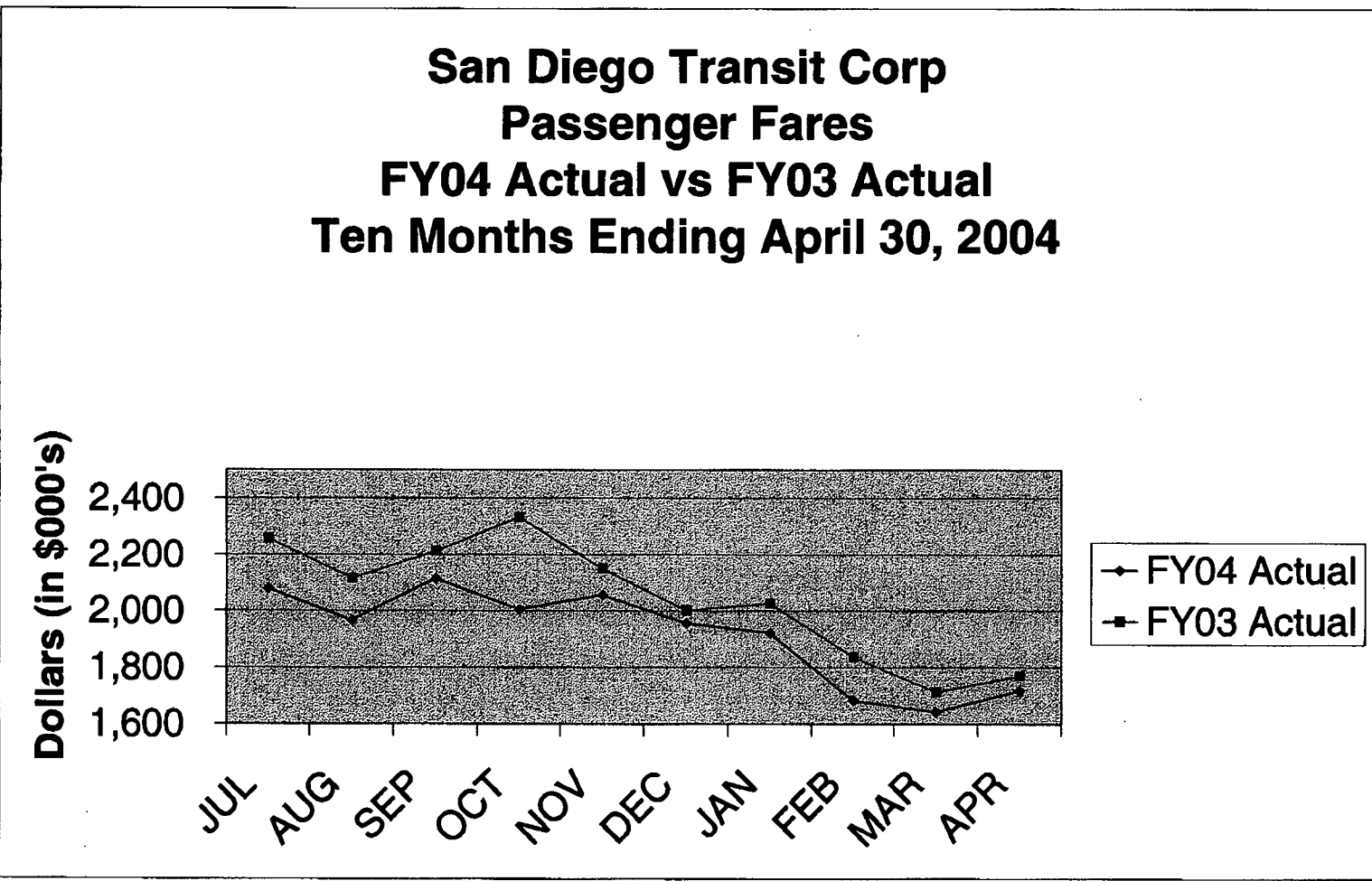
SAN DIEGO TRANSIT CORP
OPERATING STATISTICS FY04/FY03
APRIL 2004

FARE CATEGORY	NINE MONTHS ENDING APRIL 30, 2004		FULL YEAR FY04 AMENDED BUDGET
	FY04 ACTUAL	FY03 ACTUAL	
Farebox Recovery %	32.7%	34.7%	31.5%
Cost per Revenue Mile	\$6.79	\$6.38	\$6.93
Cost per Total Passenger	\$2.75	\$2.38	\$2.84
Average Fare per Total Passenger	\$0.900	\$0.838	\$0.897
Total Passengers per Revenue Mile	2.47	2.68	2.44
Total Employees (FTEs)	890	935	901

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

FARE CATEGORY	TEN MONTHS ENDING APRIL 30, 2004			
	FY04	FY03	VARIANCE	% VAR
Full Fare Cash	8,063	8,593	(530)	-6.2%
Senior and Disabled Cash	430	410	20	4.9%
Full Fare Pass	4,226	4,602	(376)	-8.2%
Senior and Disabled Pass	2,765	2,985	(220)	-7.4%
Youth Pass	2,396	2,638	(242)	-9.2%
Trippers and Tickets	1,049	907	142	15.7%
Tokens	275	316	(41)	-13.0%
Fare Box Revenue	<u>19,204</u>	<u>20,451</u>	<u>(1,247)</u>	<u>-6.1%</u>

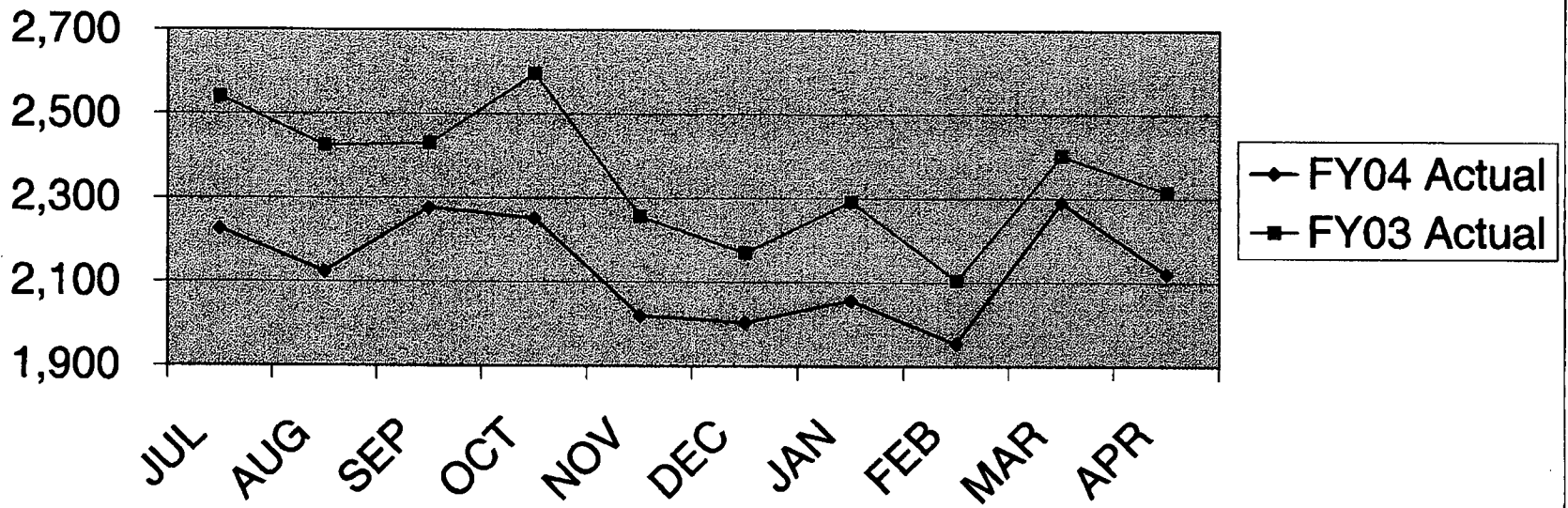
San Diego Transit Corp Passenger Fares FY04 Actual vs FY03 Actual Ten Months Ending April 30, 2004



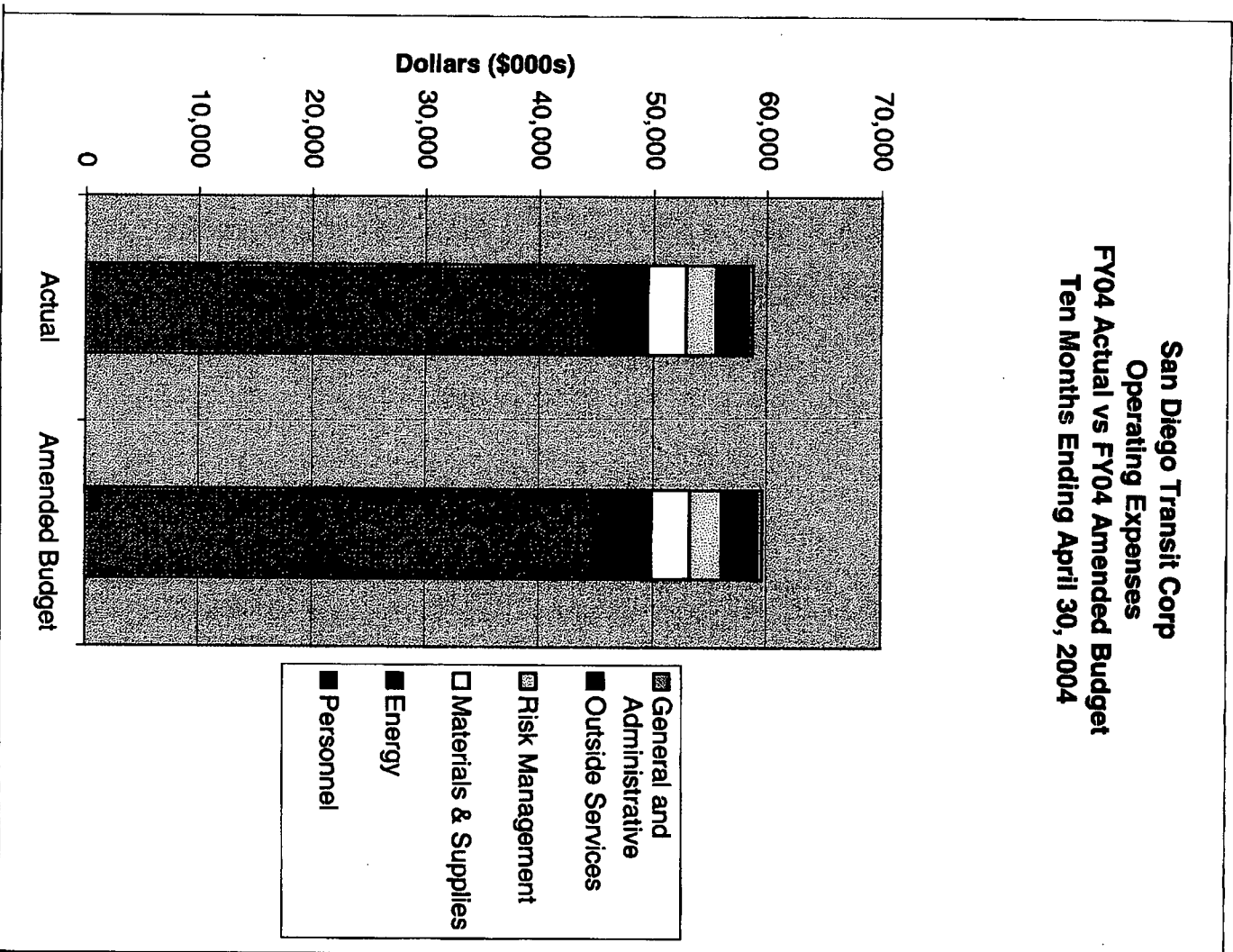
SAN DIEGO TRANSIT CORP
COMPARATIVE RIDERSHIP FY04/FY03
APRIL 2004
(in 000's of passengers)

PASSENGER CATEGORY	TEN MONTHS ENDING APRIL 30, 2004			
	FY04	FY03	VARIANCE	% VAR
Full Fare Cash	3,534	4,221	(687)	-16.3%
Senior and Disabled Cash	429	409	20	4.9%
Full Fare Pass	4,503	5,272	(769)	-14.6%
Senior and Disabled Pass	5,913	6,405	(492)	-7.7%
Youth Pass	1,929	2,315	(386)	-16.7%
Trippers and Tickets	540	570	(30)	-5.3%
Tokens	135	179	(44)	-24.6%
Revenue Passengers	<u>16,983</u>	<u>19,371</u>	<u>(2,388)</u>	<u>-12.3%</u>
Transfers	3,407	3,954	(547)	-13.8%
Non Revenue	<u>948</u>	<u>1,071</u>	<u>(123)</u>	<u>-11.5%</u>
Total Passengers	<u><u>21,338</u></u>	<u><u>24,396</u></u>	<u><u>(3,058)</u></u>	<u><u>-12.5%</u></u>

San Diego Transit Corp Ridership (Without Route 55) FY04 Actual vs FY03 Actual Ten Months Ending April 30, 2004



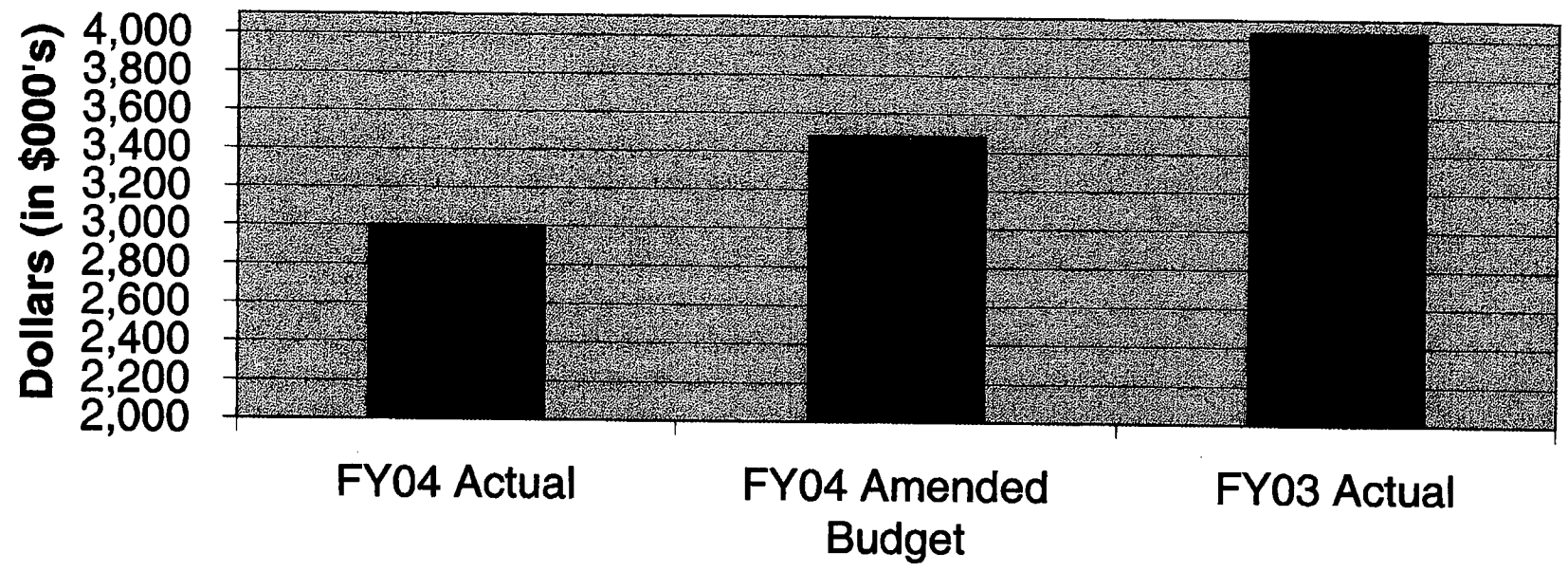
San Diego Transit Corp
Operating Expenses
FY04 Actual vs FY04 Amended Budget
Ten Months Ending April 30, 2004

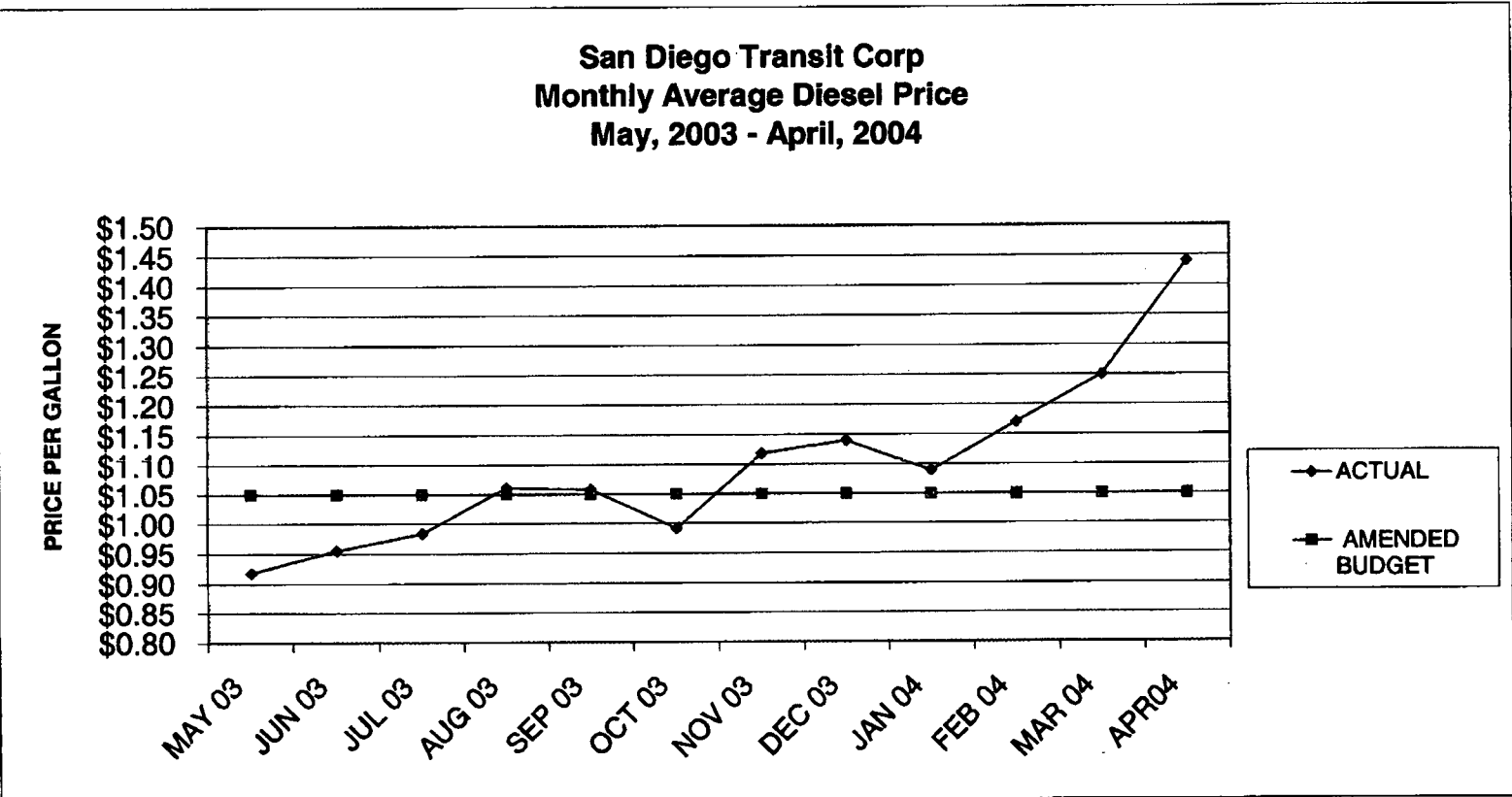


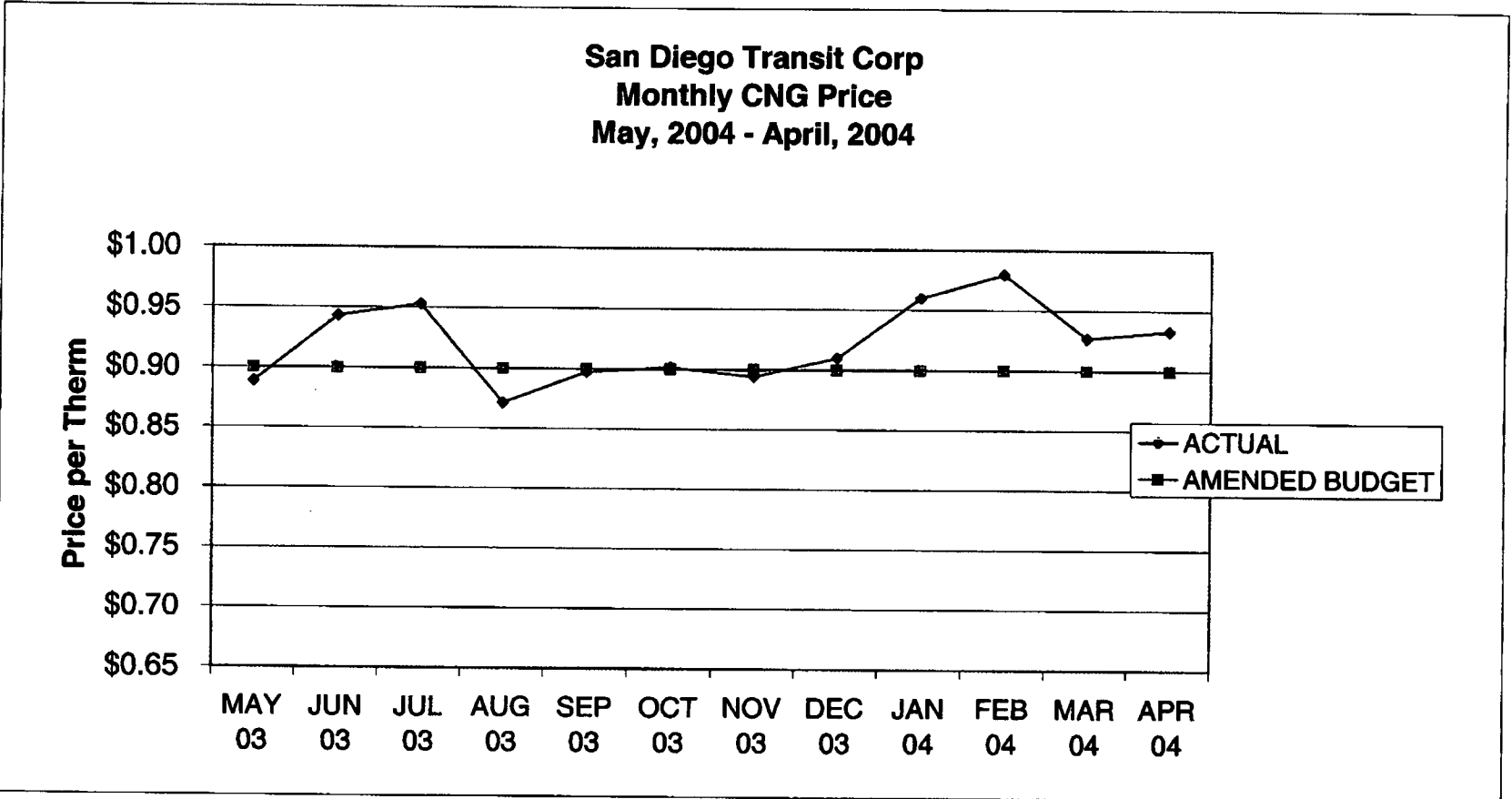
**SAN DIEGO TRANSIT CORP
 FY04 PERSONNEL COST
 APRIL 2004
 (in \$000's)**

DEPARTMENT	TEN MONTHS ENDING APRIL 30, 2004				FULL YEAR	
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
Wages	26,442	26,134	(308)	-1.2%	31,367	4,925
Paid Absences	3,940	4,318	378	8.8%	5,124	1,184
Workman's Compensation	2,999	3,480	481	13.8%	4,180	1,181
Fringes	7,398	7,278	(120)	-1.6%	8,686	1,288
Pension	4,428	4,428	0	0.0%	5,319	891
Cost Recovery	(650)	(650)	0	0.0%	(749)	(99)
Total Personnel Costs	44,557	44,988	431	1.0%	53,927	9,370

San Diego Transit Corp Workers' Compensation Costs FY04/03 Actual and FY04 Amended Budget Ten Months Ending April 30, 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>\$461,350</u>	<u>\$1,746,891</u>
COST PER \$.01 INCREASE IN DIESEL PRICE	<u>\$4,310</u>	<u>\$15,590</u>

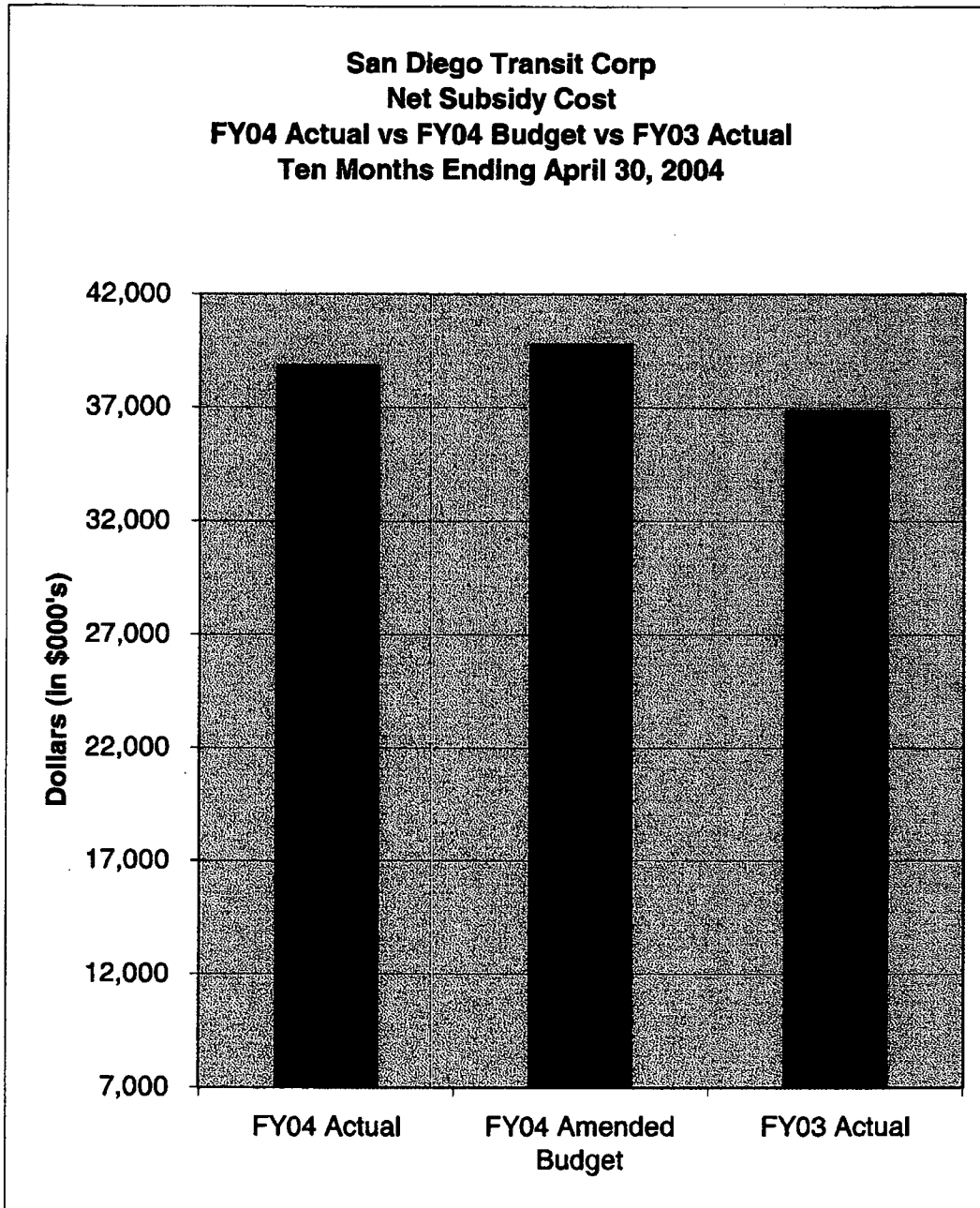
BUDGET IMPACT (INCREASED COST) AT VARIOUS PRICE POINTS

\$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
APRIL 2004
(in \$000's)

DEPARTMENT	TEN MONTHS ENDING APRIL 30, 2004				FULL YEAR	
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
Executive Administration	948	990	42	4.2%	1,192	244
Transportation	26,267	26,556	289	1.1%	31,774	5,507
Maintenance	17,737	17,263	(474)	-2.7%	20,738	3,001
Passenger Services	1,204	1,313	109	8.3%	1,587	383
Administrative Services	1,792	1,992	200	10.0%	2,434	642
Risk Management Services	2,766	2,941	175	6.0%	3,596	830
Human Resources & Training	856	978	122	12.5%	1,174	318
Quality Assurance/Stores	783	880	97	11.0%	1,072	289
Safety	134	151	17	11.3%	174	40
General Expense	6,265	6,615	350	5.3%	7,907	1,642
Total Departmental Expenses	58,752	59,679	927	1.6%	71,648	12,896

Att. M, AI 14, 6/24/04, OPS 960.03





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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.

CIP 10426.9

June 24, 2004

Subject:

**MTDB: MISSION VALLEY EAST LIGHT RAIL TRANSIT PROJECT: DESIGN
CONTRACT AMENDMENT**

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer to:

1. transfer \$400,000 from the Mission Valley East Light Rail Transit (LRT) Project SDSU Design line item (WBS #10426-0610) and \$300,000 from the Mission Valley LRT Project Fare Collection line item (WBS #10426-1400) to the Mission Valley East LRT Project Line Segment Design line item (WBS #10426-0618) as shown in Attachment A; and
2. execute Contract Amendment No. 22 (MTDB Doc. No. L6229.22-99) with Mission Valley Designers, in substantially the same form as shown in Attachment C, in an amount not to exceed \$700,000, for the continuation of construction phase services.

Budget Impact

Transferring \$400,000 from the Mission Valley LRT Project SDSU Design line item (WBS #10426-0610) would leave a balance of \$121,600. Transferring \$300,000 from the Mission Valley East LRT Project Fare Collection line item (WBS #10426-1400) would leave a balance of \$400,000. The \$700,000 for the contract amendment would come from the Mission Valley East LRT Project Line Segment Design line item (WBS #10426-0618), leaving a balance of \$43,000.



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:

Mission Valley Designers, a joint venture of Parsons Brinckerhoff Quade & Douglas, Inc., and Parsons Transportation Group, Inc., is the designer for the Grantville, La Mesa, and Trackwork/Systems contracts. On January 29, 2004, the MTD Board approved a contract amendment to Mission Valley Designers that included continued construction-phase support services for the six-month period between February 2004 and July 2004. We assumed an expenditure rate for submittal reviews, responses to requests for information, and other routine design support tasks to be \$150,000 in February, when all three contracts would be active; \$120,000 in March, April, and May, when La Mesa and Track/Systems would be active; and \$70,000 in June and July when just Track/Systems would remain. The Grantville contract completion date has slipped from February to July, and the La Mesa contract completion date has slipped from May to August. Revising the assumed expenditure rates to \$150,000 through the end of June and \$120,000 in July requires the addition of \$220,000 to the contract.

Mission Valley Designers has been asked to perform several design tasks beyond what would be assumed to be typical construction-phase support. These efforts total \$270,000. Several of these appear to be the contractor's responsibility, and we will try to recover these costs through construction change orders. For example, openings through the bridge soffit (underside) were required to repair leaks in the drain lines, and openings through the bridge deck (topside) were required to fix overhead catenary system foundations constructed at the incorrect offset from the tracks. Review of shop drawings for these openings has cost \$4,000. Mission Valley Designers has spent \$30,000 checking the as-built locations of the catenary pole foundations and preparing fixes when necessary. While the checking is probably our cost, designing fixes should be the contractor's. Hinge B of the Alvarado Bridge cracked. Mission Valley Designers is investigating the cause of this crack and reviewing the contractor's repair plans at an estimated cost of \$10,000. At this point, it appears the problem was caused by concrete getting into an area that was supposed to be protected, and therefore the investigation and repair will likely be the contractor's responsibility. The La Mesa Segment Contractor removed curb, gutter, fencing, and landscaping from Keeney Street that was intended to be preserved. Mission Valley Designers spent \$7,000 preparing plans showing the replacement of these items.

In other cases, the designer has performed tasks that would have otherwise been performed by the construction manager. While Mission Valley Designers costs increased, the construction manager's cost should have decreased by the same amount. For example, assisting the construction manager with preparation of as-built plans by providing electronic copies of all design changes and sketches has cost Mission Valley Designers \$50,000. The architect (rather than the inspector) visited the fabrication facility in Denver to approve the La Mesa Segment station canopies prior to their shipment. This and several visits to the job site is estimated to have cost Mission Valley Designers \$9,000. The station platforms must be built at a precise height above the rail for the low-floor vehicles to have Americans with Disabilities Act (ADA)-compliant ramps. Mission Valley Designers has spent \$10,000 checking elevations and recommending fixes where elevations were not correct. Checking as-built grades and then designing revisions to assure ADA compliance with ramps and platform cross-slopes at the Grantville and 70th Street Stations has cost \$20,000. Grounding system test results

were sent to Mission Valley Designers and found to be inadequate. Mission Valley Designers has spent \$5,000 to make sure the correct data is provided.

There have been instances where the construction manager has asked the designer to provide information to assist the contractor. For example, the contractor is required to submit drawings showing where they plan to locate expansion and construction joints for concrete paving. For the Grantville and 70th Street Stations, the contractor and construction manager felt that due to the complexity, the architect was better suited to locate these at a cost of \$11,000. In addition, while coordination of the various elements being installed in the stations is a contractor responsibility, Mission Valley Designers has spent \$12,000 preparing sketches to help the contractors precisely locate station equipment. Mission Valley Designers has also spent \$14,000 modifying foundation designs to avoid conflicts or, in some cases, providing foundation designs that were not included in the original plans.

Finally, as construction progresses, there have been some instances where we have discovered that additional design is needed. For example, at a preliminary walk-through, the state's elevator inspector requested structural calculations for the standard angle brackets that support the glass enclosure at a cost of \$9,000. Helix Water District abandoned three different water lines shown on its as-builts that we were planning to connect to for water service, requiring \$14,000 of redesign. After construction of retaining wall No. 100RT on the Grantville Segment, it was discovered that when it rained, sediment was being carried across Alvarado Canyon Road and into a private parking lot. Mission Valley Designers was requested to design a return wall at a cost of \$7,000. To accommodate the change to eliminate the sewer relocation on Airoso Avenue, the trellis at the Alvarado Station that fits over the sewer drop structure pipe cleanouts had to be redesigned to have removable sections. This and landscape redesign at the station cost \$11,000. The La Mesa contract assumed that the artist would sandblast text on 36 precast concrete light-pole bases. The artist has submitted a \$22,000 proposal to perform this work. The original design did not include a fire alarm system for the Grantville Station's underground electrical rooms. During construction, we found that this was required by code, and Mission Valley Designers has spent \$3,000 reviewing shop drawings. At the Baltimore junction, the utility relocation conflicted with the planned catenary pole relocation. The redesigned catenary poles conflicted with an existing retaining wall that had to be removed and replaced. The design for the catenary and retaining walls is estimated to cost \$22,000.

At this time, we also recommend extending the construction support services another three months, from August 1 to October 31, 2004, at an assumed expenditure rate of \$70,000 per month for the Track and Systems contract, which amounts to \$210,000. We continue to closely monitor Mission Valley Designers' expenditure rate, which experienced some increases, but is now decreasing as expected. While we are hopeful that we can complete the construction support with this contract amendment, it is possible that additional work will arise and another amendment may be needed.

Mission Valley Designers' contract amendment history is provided for your information (Attachment D), as well as Workforce Reports for Parsons Brinckerhoff Quade & Douglas, Inc., and Parsons Transportation Group, Inc. (Attachment E).



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Jim Hecht, 619.557.4542, jim.hecht@sdmts.com

JGarde
JUNE24-04.15.JHECHT
6/9/04

- Attachments:
- A. Budget Change Summary
 - B. Budget Transfer History
 - C. Contract Amendment No. 22 (without attachments)
 - D. Contract Amendment History
 - E. Workforce Reports

} **Board Only**

**Mission Valley East LRT Project
Budget Change Summary
June 24, 2004**

WBS	Line Item	Current	Revised	Change
10426-0610	SDSU Design	\$15,600,350	\$15,200,350	(\$400,000)
10426-1400	Fare Collection	\$700,000	\$400,000	(\$300,000)
10426-0618	Line Segment Design	\$26,750,000	\$27,450,000	\$700,000
	Unchanged Items	\$445,957,502	\$445,957,502	\$0
	Total Project Budget	\$489,007,852	\$489,007,852	\$0

MISSION VALLEY EAST BUDGET TRANSFER HISTORY

Budget Transfers

			28	29	30	31	32	33		
Board Approval Date>			10/16/2003	10/30/2003	12/11/2003	1/29/2004	6/10/2004	6/24/2004		Current
Board Item Number>			#4	#9	# 5	#6	#10	#	Cumulative	Approved
WBS	Budget Line Item	@ FFGA							Changes	Budget
0100	Admin	14,900,000							-	14,900,000
0599SDSU	SDSU Utility Betterments								1,500,000	1,500,000
0610	Design Tunnel	8,800,000						(400,000)	8,400,350	16,200,350
0618	Design Line Segment	14,500,000				800,000		700,000	12,950,000	27,450,000
0700	Construction Management	21,300,000					100,000		22,000,000	43,300,000
0800	Prof. Services	2,400,000							1,000,000	3,400,000
0900	Right of Way	31,200,000	1,700,000						1,700,000	32,900,000
1010	SDSU Construction*	86,500,000		1,000,000	1,000,000				21,573,875	108,073,875
1099	SDSU Mitigation	-							13,489,000	13,489,000
1018	Const. Line Segment	179,400,000							(179,400,000)	-
109918GR	Const. Grantville				500,000				72,023,875	72,023,875
109918LM	Const. La Mesa								64,550,000	64,550,000
109918TS	Const. Track & Sys.								47,000,000	47,000,000
109910SR	SDSU Steam Line Repair								1,960,102	1,960,102
1300	Vehicles	30,000,000							7,850,000	37,850,000
1400	Fare Collection	1,100,000						(300,000)	(700,000)	400,000
1500	Communications	1,100,000							(600,000)	500,000
1900	Start up	2,400,000							-	2,400,000
3800	Contingency	31,400,000	1,300,000	(1,000,000)	(1,500,000)	700,000	(400,000)		(29,689,350)	810,650
4000	Contaminated soils	1,000,000					300,000		300,000	1,300,000
Totals**		424,000,000							65,907,852	489,007,852
										486,647,760
										3,460,102
										Approved Budget
										MTDB Funded Budget
										SDSU & Insurance Claim
3900	Project Reserve		0	(3,000,000)		(1,500,000)			(22,547,750)	3,452,250
										Available Reserves

* - Includes \$4,000,000 in SDSU Utility Relocations
 ** - excludes 7,000,000 in planning budget

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

Att. C, AI 15, 6/24/04, CIP 426.9

June 24, 2004

MTDB Doc. No. L6229.22-99
 CIP 10426.9

DRAFT

Mr. Bob Sergeant
 Mission Valley Designers
 110 West A Street, Suite 1050
 San Diego, CA 92101

Dear Mr. Sergeant:

Subject: AMENDMENT NO. 22 TO THE MISSION VALLEY EAST LRT PROJECT GRANTVILLE AND LA MESA LINE SEGMENTS FINAL DESIGN CONTRACT

This letter will serve as Amendment No. 22 to our original agreement (MTDB Doc. No. L6229.0-99) for final design of the Grantville and La Mesa Line Segments of the Mission Valley East LRT Project for the continuation of construction phase services.

SCOPE OF WORK

Work shall be completed in accordance with the attached Scope of Work.

SCHEDULE

The amendment continues construction phase services from August 1, 2004, to October 31, 2004.

PAYMENT

Payment shall be in an amount not to exceed \$700,000 without prior written approval of MTDB. This amendment brings the total contract to a not-to-exceed cost of \$27,193,493. All other conditions of MTDB Doc. No. L6229.0-99 shall remain unchanged.

To execute this contract, please sign both copies of this document, keep one copy for your records, and return the copy marked "original" to MTDB, attention Contracts Administrator.

Sincerely,

Accepted:

Paul C. Jablonski
 Chief Executive Officer

 Bob Sergeant
 Mission Valley Designers





JGarde
 CL-L6229.22-99.JHECHT

Date: _____

Attachment: Scope of Work

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!

**MISSION VALLEY DESIGNERS
CONTRACT AMENDMENT HISTORY**

Att. D, AI 15, 6/24/04, CIP 426.9

Amendment Number	Purpose	Amendment Amount	Contract Total	Approval Date
Original Contract	Final design services for the Mission Valley East LRT Project, Grantville and La Mesa Line Segments.		\$9,700,000	11/19/98
1	Incorporate public art into the station designs.	\$100,000	\$9,800,000	12/10/98
2	Investigate the feasibility of adding a wye track and storage track at the Orange Line Junction.	\$50,000	\$9,850,000	2/25/99
3	Evaluate Value Engineering proposals.	\$25,000	\$9,875,000	7/30/99*
4	Reestablish Final LRT alignment.	\$114,000	\$9,989,000	9/23/99
5	Utility potholing.	\$119,200	\$10,108,200	10/7/99
6	Incorporate changes to the project since the beginning of final design.	\$2,946,300	\$13,054,500	11/18/99
7	Additional utility potholing and relocation design.	\$280,500	\$13,335,000	3/23/00
8	Added geotechnical, hydraulic, utility, retaining wall, traffic, and traction power design.	\$1,229,300	\$14,564,300	5/11/00
9	Additional 70th Street bridge design and redesign of drainage culvert to avoid Alvarado Hospital impacts.	\$186,468	\$14,750,768	7/13/00
10	Begin investigation of existing retaining wall footings and production of Structure Foundation Reports for non-standard structures.	\$25,000	\$14,775,768	11/15/00*
11	Outside agency requirements, internally generated design changes, and recently discovered design issues.	\$546,000	\$15,321,768	12/14/00
12	Minor extra design services, as authorized by Extra Design Work Orders.	\$90,000	\$15,411,768	3/19/01*
13	Added utility, drainage, station, structural, civil, and systems design.	\$714,725	\$16,126,493	4/19/01
14	Added track, street, station, traffic handling, retaining wall, traction power, landscaping, and storm drain plans, and added project management and Extra Design Work Orders.	\$2,520,000	\$18,646,493	6/28/01
15	Construction and bid phase services, and additional costs to complete the plans and specifications.	\$1,429,300	\$20,075,793	11/15/01
16	Additional geotechnical design services.	\$117,700	\$20,193,493	1/24/02
17	Continuation of construction phase services, completion of Caltrans and City requirements, and added costs to complete the track and systems plans and specifications.	\$1,153,000	\$21,346,493	5/9/02
18	Continuation of construction phase services, modifications to the 70 th Street Station design, and completion of safety certification forms	\$1,227,000	\$22,573,493	9/12/02
19	Continuation of construction phase services.	\$1,105,000	\$23,678,493	2/13/03
20	Continuation of construction phase services.	\$1,867,000	\$25,545,493	6/26/03
21	Continuation of construction phase services.	\$948,000	\$26,493,493	1/29/03
22	Continuation of construction phase services.	\$700,000	\$27,193,493	6/24/04

* Indicates Approval Under General Manager's Authority


**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:

PARSONS BRINCKERHOFF, INC.

B. AKA/DBA:

PARSONS BRINCKERHOFF QUADE & Douglas, Inc.

C. ADDRESS OF ESTABLISHMENT LOCATED IN SAN DIEGO COUNTY:

707 Broadway,

Suite 1600

San Diego, CA 92101

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

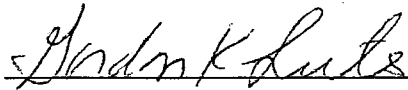
City _____ County _____ State _____ Zip _____

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									2	1	3
Engineers/Architects/Surveyors				1	2		1		6	3	13
Professionals (N.E.C.)										1	1
Technicians					2						2
Sales											
Administrative Support		1					1			2	4
Protective Services											
Services (N.E.C.)											
Craft Workers (Skilled)											
Machine Operators, Assemblers & Inspectors											
Transportation and Material Moving											
Laborers (Unskilled)											
Totals For Each Column		1		1	4	1	1		8	7	23
<i>Indicate by gender and ethnic code the number of the above workforce which are persons with disabilities</i>											
Disabled											

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


Gordon K. Lutes
Vice President
10/6/99
 AUTHORIZED SIGNATURE NAME OF SIGNEE TITLE DATE

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

Gordon Lutes 619-338-9376

707 Broadway, Suite, 1600, San Diego, CA 92101



**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:

PARSONS TRANSPORTATION GROUP

B. AKA/DBA:

C. ADDRESS OF ESTABLISHMENT LOCATED IN SAN DIEGO COUNTY:

9404 GENESEE AVENUE, SUITE 140

SAN DIEGO, CA 92037

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

120 HOWARD STREET, SUITE 850

City SAN FRANCISCO County _____ State CA Zip 94105

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					12	5	18
Engineers/Architects/Surveyors	3	2	6	1	27	4			78	12	132
Professionals (N.E.C.)	2	2			1	1			20	8	34
Technicians	1	1	5	1	8	4			14	3	37
Sales											
Administrative Support		9		6		1			3	10	29
Protective Services											
Services (N.E.C.)											
Craft Workers (Skilled)											
Machine Operators, Assemblers & Inspectors											
Transportation and Material Moving											
Laborers (Unskilled)											
Totals For Each Column	6	14	11	9	36	10			126	38	250
<i>Indicate by gender and ethnic code the number of the above workforce which are persons with disabilities</i>											
Disabled											

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


 AUTHORIZED SIGNATURE

Robert M. Sergent
 NAME OF SIGNEE

Vice President
 TITLE

10/06/99
 DATE

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

Francy Alders, Parsons Transportation Group

120 Howard Street, Suite 850

San Francisco, CA 94105



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

Agenda

Item No. 16

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

LEG 492 (PC 30100)

June 24, 2004

Subject:

MTDB: PROPOSED 2004/2005 AUDIT PLAN

RECOMMENDATION:

That the Board of Directors approve the Internal Audit Plan (Attachment A).

Budget Impact

None.

DISCUSSION:

In 2002, KPMG LLP completed a risk assessment and proposed a five-year internal audit business plan. The MTDB Internal Auditor has completed year one of this business plan, which consisted of the highest risk projects identified by KPMG. The attached 2004/2005 plan consists of projects identified by KPMG in year two of the five-year plan. The proposal requires the current in-house staff of one Internal Auditor. The attached proposal consists of 12 audit projects plus an allowance of 280 hours for completion of various management and Board requests. Below is a list of the projects. The estimated time required to complete these projects is shown on Attachment A.

MTDB	San Diego Transit Corporation	San Diego Trolley, Inc.
Payroll	Payroll	Payroll
IT Review	Revenue Collection	Revenue Collection
Taxi Administration	Risk Management	Security
Accounting	The Transit Store	Procurement

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Mark Abbey, 619.557.4573, mark.abbey@sdmts.com

JGarde/JUNE24-04.16.MABBHEY/6/9/04

Attachment: A. Internal Audit Plan (**Board Only**)



PROPOSED 2004/2005 INTERNAL AUDIT PLAN SUMMARY

Goals, Objectives, and Activities		Agency - Process	Gross Risk Assessment	Number of Task Hours
Risk				
<u>GOAL 1:</u> Strengthen the Board and its subsidiaries' performance and accountability to the public in managing resources and achieving outcomes				
<u>OBJECTIVE 1:</u> Improve performance levels and outcomes for the Board and its subsidiaries				
	Misappropriation, waste or loss of collected revenue (evaluate controls)	SDTI - Revenue Collection	Extreme	160
	Misappropriation, waste or loss of collected revenue (evaluate controls)	SDTC - Payroll	Medium	80
	Misappropriation, waste or loss of collected revenue, (evaluate controls)	SDTI - Payroll	Medium	80
	Misappropriation, waste or loss of collected revenue (evaluate controls)	MTDB - Payroll	Medium	80
	Regulatory noncompliance and possible loss of federal and state funding	MTDB - I.T. Review	High	120
	Program ineffectiveness, poor administration and/or lack of oversight.	MTDB - Taxi Administration	High	120
	Exposure to legal/regulatory noncompliance	SDTC - Risk Management	High	120
	Misappropriation, waste or loss of collected revenue (evaluate controls)	SDTC - Transit Store	Extreme	120
	Regulatory noncompliance and possible loss of federal and state funding	MTDB- Accounting	High	120
	Bodily harm to customers or employees	SDTI - Security	High	120
	Misappropriation, waste or loss of collected revenue (evaluate controls)	SDTC - Revenue Collection	Extreme	160
	Potential monetary misappropriation, waste, or loss	MTDB- Procurement	High	120
TOTAL				1,400

PROPOSED 2004/2005 INTERNAL AUDIT PLAN SUMMARY

Goals, Objectives, and Activities		Agency - Process	Gross Risk Assessment	Number of Task Hours
Risk				
<u>OBJECTIVE 2:</u> Improve the public's ability to hold the Board and its subsidiaries accountable				
	Follow-up on all MTDB and subsidiary audit and audit-related projects conducted in FY 2003/04 and evaluate the quality and timeliness of action plans			120
TOTAL				120
<u>GOAL 2:</u> Improve the auditing and consulting capabilities of the internal audit function				
<u>OBJECTIVE 1:</u> Improve staff knowledge and skills				
	Identify opportunities for improvement and obtain appropriate training			40
<u>OBJECTIVE 2:</u> Improve customer satisfaction and Internal Audit reputation through delivering high quality and timely services				
	Prioritize special requests and conduct special projects.			280
TOTAL AUDIT HOURS				1,840



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

Agenda

Item No. 17

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)

June 24, 2004

Subject:

SDTI: LRV 1040 PAINT: AWARD SERVICE CONTRACT

RECOMMENDATION:

That the Board of Directors authorize the President and General Manager to execute a Standard Services Agreement (Attachment A) with Carlos Guzman, Inc., for providing LRV 1040 painting and bodywork services, for a total cost not to exceed \$44,137.25.

Budget Impact

A total of \$44,137.25 would be charged to appropriate LRV Maintenance line item of the FY 05 San Diego Trolley, Inc. (SDTI), operating budget; however, a portion of this cost (\$21,539.75) would be reimbursed by the insurance company. The total budget impact would be \$22,597.50.

DISCUSSION:

LRV 1040 was one of three cars involved in an accident in the Trolley Yard on July 15, 2003. The Board approved a service contract on September 26, 2003, with Siemens Transportation Systems to repair major structural damages to all three LRVs. LRV 1040 suffered significant body damage requiring repainting 45 percent of the car. The repainting and finishing work was not included in the original contract as it is specialized work and getting it done by a separate bid was considered more cost-effective.



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.

In May 2004, after all structural work was completed, we solicited bids for repainting the car. Due to the poor condition of the paint and rust spots on the half of the car that was not affected by the accident, it was decided to paint the entire car as opposed to just the half affected by the accident. We received two bids (Attachment B). The low bid was submitted by Carlos Guzman, Inc. Carlos Guzman, Inc., is a 100 percent disadvantaged business enterprise firm. Its Workforce Report (Attachment C) is attached for information.



Paul C. Jablonski
Chief Executive Officer

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

JGarde
JUNE24-04.17.RDESAI
6/9/04

Attachment: A. Standard Services Agreement
B. Bid Summary
C. Workforce Report for Carlos Guzman, Inc. } **Board Only**

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

DRAFT

Att. A, AI 17, 6/27/04, OPS 970.6

STANDARD SERVICES 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: Carlos Guzman, Inc.

Address: 1619 East Creston Street

Form of Business: Corporation
(Corporation, partnership, sole proprietor, etc.)

Signal Hill, CA 90755

Telephone: 562.427.8497

Authorized person to sign contracts: Carlos Guzman
Name

President
Title

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

Provide paint and bodywork services for LRV 1040 in accordance with the attached cost proposal. All work shall be completed in four weeks. The total cost of this service, including all labor, materials, and taxes, shall not exceed \$44,137.25.

SAN DIEGO TROLLEY, INC. (BOARD)

CONTRACTOR AUTHORIZATION

By: _____
President-General Manager

Firm: _____

Approved as to form:

By: _____
Signature

By: _____
General Counsel

Title: _____

AMOUNTS ENCUMBERED

BUDGET ITEM

FISCAL YEAR

\$44,137.25

LRV Maintenance

2005

By: _____
Vice President of Finance and Administration

Date
JGarde - AG-GUZMAN.RDESAI
6/9/04

(Continued on ___ sheets, each bearing contract number)

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!

BID SUMMARY

LRV 1040 Paint and Bodywork

	BIDDER	BID AMOUNT
1.	Carlos Guzman, Inc.	\$44,137.25*
2.	Siemens/Trickshot	\$48,750.00
3.	Siemens/Perfect-It, Inc.	No Bid

JGarde
GUZMANBIDSUM.RDESAI
6/9/04

* Low Bid

MTDB 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:

CARLOS GUZMAN INC

B. AKA/DBA:

CG INC.

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

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.

1619 CRESTON ST.

City SIGNAL HILL County LOS ANGELES State CA Zip 90755

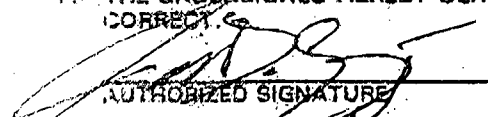
Metropolitan Transit Development Board
1255 Imperial Avenue, Suite 1000
San Diego, California 92101-7490

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			3	2							5
Engineers/Architects/Surveyors											
Professionals (N.E.C.)											
Technicians			9								9
Sales											
Administrative Support											
Protective Services											
Services (N.E.C.)											
Craft Workers (Skilled)			9								9
Machine Operators, Assemblers and Inspectors											
Transportation and Material Moving											
Laborers (Unskilled)			8								8
Totals For Each Column			29	2							31
<i>Indicate by gender and ethnic code the number of the above workforce which are persons with disabilities.</i>											
Disabled											

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


 AUTHORIZED SIGNATURE
 JOHN D. GUZMAN
 NAME OF SIGNEE
 VICE-PRESIDENT
 TITLE
 6/9/04
 DATE

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

JOHN D. GUZMAN
 1619 CASSIDON ST SIGNAL HILL, CA 90755
 (562) 544-3978



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

Agenda

Item No. 18

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

FIN 330.3 (PC 40060)

June 24, 2004

Subject:

MTDB: COURIER SERVICE: EXERCISE OF CONTRACT OPTION

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer to exercise the second of three options with Eclipse Messenger Service, Inc., to provide courier services to MTDB on an as-needed basis, and ratify the first option previously executed on January 23, 2003.

Budget Impact

The total cost (not to exceed \$100,000) would be charged against the FY 05 General Postage and Delivery Budget line item.

DISCUSSION:

In compliance with procurement policies and procedures, staff needs to renew the annual contract for courier services. In FY 01, MTDB conducted a competitive procurement process that resulted in a contract with Eclipse Messenger Service, Inc., for courier service. The contract contains three renewal options. This action would exercise the second option year covering the period from January 31, 2004, through January 30, 2005. Due to the consolidation of staff and employees, the second option was not executed in January even though Eclipse Messenger Service, Inc., continued to provide courier services. In addition, the Board is requested to ratify the first option covering the period of January 31, 2003, through January 30, 2004. The first option was



written for a not-to-exceed amount of \$100,000. Although the total dollar value spent on this contract to date did not exceed the Chief Executive Officer's authority, the dollar value assigned to the base contract plus the first option did.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Theresa George, 619.699.1933, tge@sandag.org

DDarro/JGarde
JUNE24-04.18.TGEORG
6/10/04

Attachment: A. Proposed Contract Amendment (**Board Only**)

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

ORIGINAL

June 9, 2004

MTDB Doc. No. T0401.2-01
 FIN 330.3 (PC 40060)

Mr. Dale Peronteau
 Eclipse Messenger Service, Inc.
 3400 Irvine Avenue, #13
 Newport Beach, CA 92660

Dear Mr. Peronteau:

Subject: AMENDMENT NO. 2 TO MTDB DOCUMENT NO. T0401.0-01, COURIER SERVICE

This letter serves as Amendment No. 2 to the original contract (MTDB Document No. T0401.0-01) for professional services, as further described below. This amendment exercises the second of three option years.

SCOPE OF WORK

Provide courier services to MTDB and SANDAG on an as-needed basis in accordance with the attached Scope of Work, Bid Forms, and Designation of Subcontractors. Please also provide Certificate of Insurance (see Attachment A, Scope of Work, No. 19).

SCHEDULE

The Scope of Work, as described above, shall extend through January 31, 2005.

PAYMENT

All conditions of the original contract remain in full force and effect. Payment will be made on a monthly basis per Eclipse Messenger Service, Inc., invoices received and may be adjusted for any discrepancies.




CONTRACT CHANGES

Under Section 2, INSURANCE, subsection B. ADDITIONAL COVERAGES REQUIRED (AS INDICATED), eliminate the requirement for Fidelity and Crime coverage, and decrease the Cargo Insurance coverage from \$250,000 to \$100,000 per occurrence.

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. Dale Peronteau
June 9, 2004
Page 2

If the terms of this agreement are acceptable, please sign below and return the document marked "original" to the Contracts Administrator at MTDB. The remaining copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Dale Peronteau
Eclipse Messenger Service, Inc.

AIsIa/CL-T0401.2-01.TGEORGE

Date: _____

- Attachments:
- A. Scope of Work
 - B. Bid Forms
 - C. 2004 Agenda Mail-Out Deadline
 - D. Designation of Subcontractors

ATTACHMENT A

SCOPE OF WORK

Eclipse Messenger Service, Inc., will provide the Metropolitan Transit Development Board (MTDB) and the San Diego Association of Governments (SANDAG) with courier services. The following represents the primary types of courier services expected to be provided in a timely, professional manner. (Please see Attachment B for all formal bid lists.)

1. Express Delivery – Pick up package from MTDB, SANDAG, or other location, and deliver to the designated San Diego County location within two hours of receiving/accepting request from MTDB or SANDAG. (See Attachment B – Bid Form No. 1.)
2. Regular Delivery – Pick up package from MTDB, SANDAG, or other location, and deliver to the designated San Diego County location within four hours of receiving/accepting request from MTDB. (See Attachment B – Bid Form No. 1.)
3. Overnight Delivery – Every night, Monday through Friday, pick up packages from MTDB or SANDAG at 4:30 p.m., and deliver to the designated San Diego County location no later than 4:00 p.m. the following business day. There will be no service charge or flat rate per-month fee for this overnight service. (See Attachment B – Bid Form No. 4.)
4. Special Board Deliveries on Friday at MTDB – Two times each month, every other Friday between 2:00 p.m. and 3:00 p.m., there will be 11 Board notebooks/boxes that will need to be delivered by 5:00 p.m. that same day. (See Attachment B – Bid Form No. 2.)
5. Special Executive Committee Deliveries on Monday at MTDB – Two times each month, every other Monday between 2:00 p.m. and 3:00 p.m., there will be five packages that will need to be delivered by 5:00 p.m. that same day. (See Attachment B – Bid Form No. 3.)
6. Special Monthly Run at SANDAG – Each month there will be a delivery of over 400 packages and/or boxes to be delivered for the overnight rate. Date to vary per month, usually around the 18th of the month.
7. The selected firm will need a computerized billing system with an effective tracking system and be able to have a point system for company's name and address when calling in an order for a same day delivery, **NO EXCEPTIONS.**
8. Each invoice must have the project code and the caller's name on it. Please make sure to divide the invoices per account number. **NO EXCEPTIONS.**
9. If, for any reason, an MTDB or SANDAG package is not delivered on time and has to be redelivered, MTDB or SANDAG will not be charged for the original delivery or the redelivery.
10. There will be no added charges for military bases, schools, hospitals, gas surcharges, weight, etc. This contract is for one year with one option year left. A rate increase of 5 percent has been increased on your behalf, starting with this first option year. (See Attachment B, Bid Forms 1-4.)

11. There will be no added charges for newly appointed Board members for delivery fees. Board members can change without notice and have different delivery locations as per Attachment B, Bid Forms 2 and 3. You will be informed of all name and delivery locations.
12. Not at any time will any package be left unattended during pickup, routing, or during delivery, except Executive Committee and Board of Director Agenda packages from MTDB(see Attachment B, Bid Forms 2 and 3.) **All vehicles must be locked at all times. No open-bed trucks shall be used, NO EXCEPTIONS.**
13. All packages/boxes must have a legible signature on all deliveries and pick-ups, except Executive Committee and Board of Director Agenda packages. (See Attachment B, Bid Forms 2 and 3), **NO EXCEPTIONS.**
14. Must supply two (2) baskets on-site for same-day delivery and overnight delivery, and two-page duplicate log sheet forms for both locations.
15. Must carry proper insurance. If at any time a package or box is lost, Eclipse Messenger Service, Inc., will be liable for loss (most packages are worth \$500 to \$500,000), **NO EXCEPTIONS.** This procedure still applies to companies that are self-insured up to a minimal amount before your insurance covers or using any kind of a subcontractor. See Standard Service Agreement, Section B, Additional Coverages Required.
16. MTDB Policies and Procedures No. 14.6.2 (a) – The General Manager's authority to commit MTDB funds is strictly limited to \$100,000 per year for firms located in San Diego County and \$25,000 per year for firms located outside San Diego County. Any amount expended by the firm above these amounts, prior to receiving Board approval, will not be reimbursed under any circumstances.
17. Must supply a heavy-duty dolly for your employee or subcontractor for the overnight pick-up, and must wear an identification tag at all times.
18. All Eclipse drivers or subcontracted drivers must get a signature from a store manager for all Vons Grocery, Ralphs Grocery, and Longs Drug Store deliveries, **NO EXCEPTIONS.**
19. Must update your Certificate of Insurance General Liability, Automobile Liability, Workers Compensation Employer's Liability, and your Fidelity and Crime coverage by June 1, 2004. If Fidelity and Crime coverage is included in your General Liability, please provide evidence of this.

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ATTACHMENT B

Company Name: Eclipse Messenger Service, Inc.

Toll Free Number: (877) 546-3001

MTDB Account Number: 2810

BID FORM NO. 1

SANDAG Account Number: 3309

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

ZIP Code	Community	Express 0-2 Hours	Regular 2-4 Hours	ZIP Code	Community	Express 0-2 Hours	Regular 2-4 Hours
91902	Bonita	\$ 9.45	\$ 7.22	92116	Normal Heights	\$ 8.82	\$ 5.51
92007	Cardiff	\$ 21.07	\$ 16.12	92104	North Park	\$ 8.82	\$ 5.51
92008	Carlsbad	\$ 30.92	\$ 23.65	92107	Ocean Beach	\$ 8.82	\$ 5.51
92130	Carmel Valley	\$ 19.68	\$ 15.76	92054	Oceanside	\$ 33.74	\$ 25.80
91910	Chula Vista	\$ 8.82	\$ 6.62	92057	Oceanside - East	\$ 39.13	\$ 35.84
91950	Chula Vista - East	\$ 13.23	\$ 11.03	92110	Old Town	\$ 8.82	\$ 5.51
92117	Clairemont	\$ 10.58	\$ 8.10	91911	Otay Mesa	\$ 11.79	\$ 8.60
92118	Coronado	\$ 10.47	\$ 8.26	92109	Pacific Beach	\$ 8.82	\$ 5.51
92014	Del Mar	\$ 17.33	\$ 13.25	92154	Palm City	\$ 11.79	\$ 9.04
92101	Downtown San Diego	\$ 8.82	\$ 5.51	92139	Paradise Hills	\$ 8.82	\$ 5.51
91914	Eastlake	\$ 12.64	\$ 9.66	92106	Point Loma	\$ 8.82	\$ 5.51
92020	El Cajon	\$ 15.93	\$ 12.18	92064	Poway	\$ 21.55	\$ 16.47
92114	Encanto	\$ 8.82	\$ 5.51	92065	Ramona	\$ 33.74	\$ 25.80
92024	Encinitas	\$ 24.36	\$ 18.63	92128	Rancho Bernardo	\$ 21.55	\$ 16.47
92026	Escondido	\$ 29.51	\$ 22.58	92129	Rancho Penasquitos	\$ 21.55	\$ 16.47
92028	Fallbrook	\$ 53.51	\$ 40.85	92067	Rancho Santa Fe	\$ 26.24	\$ 20.07
92102	Golden Hills	\$ 8.82	\$ 5.51	92115	Rolando	\$ 8.82	\$ 5.51
92103	Hillcrest, S.D.	\$ 8.82	\$ 5.51	92119	San Carlos	\$ 16.49	\$ 12.62
91932	Imperial Beach	\$ 13.63	\$ 10.38	92069	San Marcos	\$ 36.54	\$ 27.94
92111	Kearny Mesa	\$ 11.25	\$ 9.04	92071	Santee	\$ 17.33	\$ 13.25
92037	La Jolla	\$ 11.79	\$ 9.04	92173	San Ysidro	\$ 14.52	\$ 11.08
92040	Lakeside	\$ 20.07	\$ 15.32	92131	Scripps Ranch	\$ 12.09	\$ 9.23
91941	La Mesa	\$ 11.25	\$ 8.60	92123	Serra Mesa	\$ 8.82	\$ 5.51
91945	Lemon Grove	\$ 8.82	\$ 5.51	92075	Solana Beach	\$ 19.68	\$ 15.05
92024	Leucadia	\$ 24.36	\$ 18.63	92121	Sorrento Valley	\$ 12.18	\$ 9.31
92113	Logan Heights	\$ 8.82	\$ 5.51	91977	Spring Valley	\$ 11.14	\$ 8.60
92126	Miramar	\$ 13.11	\$ 10.03	92592	Temecula	\$ 60.91	\$ 46.85
92121	Mira Mesa	\$ 12.18	\$ 9.31	92124	Tierrasanta	\$ 9.20	\$ 7.16
92108	Mission Valley	\$ 8.82	\$ 5.51	92122	University City	\$ 11.79	\$ 9.04
91950	National City	\$ 13.23	\$ 11.03	92084	Vista	\$ 42.44	\$ 32.47
92154	Nestor	\$ 11.79	\$ 9.04				

San Diego County Overnight Rate: \$8.82

A-5

ATTACHMENT B

BID FORM NO. 2

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD
BOARD OF DIRECTORS

NOTE: Every other Friday, MTDB will call in between 2:00 p.m. and 3:00 p.m., and will need Board books delivered by 5:00 p.m. the same day. The names and addresses may change due to the primary elections.

Name/Title	Address	Delivery Cost
Hal Ryan Councilmember	City of Santee 10601 Magnolia Avenue, Ste. 270 Santee, CA 92071	\$17.33
Nick Inzunza Mayor	City of National City 1243 National City Boulevard National City, CA 91950	\$8.82
Thomas Clabby Mayor Pro Tem	City of Lemon Grove 3232 Main Street Lemon Grove, CA 91945	\$8.82
Robert Emery Deputy Mayor	City of Poway 13325 Civic Center Drive Poway, CA 92074	\$21.55
Diane Rose Councilmember	City of Imperial Beach 825 Palm Avenue Imperial Beach, CA 91932	\$13.58
Ruth Sterling Councilmember	City of La Mesa 9480 Gregory Street La Mesa, CA 91941	\$11.25
Jerry Rindone Vice Mayor	City of Chula Vista 226 Guava Avenue Chula Vista, CA 91910	\$8.82
Ron Roberts County Board of Supervisors	County of San Diego 1600 Pacific Highway, Room 335 San Diego, CA 92101	\$8.82
Mark Lewis Mayor	City of El Cajon 200 East Main Street, Second Floor El Cajon, CA 92020	\$15.93
Phil Monroe Mayor Pro Tem	City of Coronado 1825 Strand Way Coronado, CA 92118	\$10.47
Receptionist: Council Offices	City of San Diego 202 C Street, 10th Floor San Diego, CA 92101	\$8.82
Shirley J. Kaltenborn SDTC Board of Directors	4327 Mount Hukee Avenue San Diego, CA 92117	\$8.82
Harry Mathis Ex-Officio Member	5640 Sandburg Avenue San Diego, CA 92122	\$8.82

ATTACHMENT B

BID FORM NO. 3

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

EXECUTIVE COMMITTEE

NOTE: Every other Monday, MTDB will call in between 2:00 p.m. and 3:00 p.m., and will need Executive Committee books delivered by 5:00 p.m. the same day. The names and addresses may change due to the primary elections.

Name/Title	Address	Delivery Cost
Jerry Rindone Vice Mayor	City of Chula Vista 226 Guava Avenue Chula Vista, CA 91910	\$8.82
Ron Roberts County Board of Supervisors	County of San Diego 1600 Pacific Highway, Room 335 San Diego, CA 92101	\$8.82
Robert Emery Deputy Mayor	City of Poway 13325 Civic Center Drive Poway, CA 92074	\$11.03
Toni Atkins	City of San Diego 202 C Street, 10th Floor San Diego, CA 92101	\$8.82
Harry Mathis	5640 Sandburg Avenue San Diego, CA 92122	\$8.82
Shirley Kaltenborn	4327 Mount Hokee Avenue San Diego, CA 92117	\$8.82

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ATTACHMENT B

BID FORM NO. 4

SAN DIEGO TRANSIT DEVELOPMENT BOARD

San Diego County overnight rate.	<u>\$8.82</u>
Los Angeles County overnight rate; please write N/A if your company does not offer this service.	<u>\$46.31</u>
Overall percentage – discount to be taken off of the total of each monthly billing.	<u>0%</u>
Percentage increase per year, per each line item on all Attachment “B” Bid Forms after a two-year period, or starting with the third year of the five-year contract.	<u>5%</u>

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ATTACHMENT C

2004 AGENDA MAIL-OUT DEADLINES

	Exec Comm Mail-Out	Exec Comm Meeting	Bd Agenda Mail-Out	Board Meeting
<u>January 15 Board</u>	1/ 5	1/ 8	1/ 9	1/15
<u>January 29 Board</u>	1/16	1/22	1/23	1/29
<u>February 12 Board</u>	2/ 2	2/ 5	2/ 6	2/12
<u>February 26 Board</u>	2/13	2/19	2/20	2/26
<u>March 11 Board</u>	3/ 1	3/ 4	3/ 5	3/11
<u>March 25 Board</u>	3/15	3/18	3/19	3/25
<u>April 15 Board</u>	4/ 5	4/ 8	4/ 9	4/15
<u>April 29 Board</u>	4/19	4/22	4/23	4/29
<u>May 8 Budget Workshop</u>			4/30	Saturday 5/ 8
<u>May 13 Board</u>	5/ 3	5/ 6	5/ 7	5/13
<u>May 27 Board</u>	5/17	5/20	5/21	5/27
<u>June 10 Board</u>	5/28	6/ 3	6/ 4	6/10
<u>June 24 Board</u>	6/14	6/17	6/18	6/24
<u>July 8 Board</u>	6/28	7/ 1	7/ 2	7/ 8
<u>July 22 Board</u>	7/12	7/15	7/16	7/22
<u>August 12 Board</u>	8/ 2	8/ 5	8/ 6	8/12
<u>September 9 Board</u>	8/30	9/ 2	9/ 3	9/ 9
<u>September 23 Board</u>	9/13	9/16	9/17	9/23
<u>October 7 Board</u>	9/27	9/30	10/ 1	10/ 7
<u>October 28 Board</u>	10/18	10/21	10/22	10/28
<u>November 18 Board</u>	11/ 1	11/ 4	11/12	11/18
<u>December 9 Board</u>	11/29	12/ 2	12/ 3	12/ 9
<u>January 13, 2005 Board</u>	1/ 3	1/ 6	1/ 7	1/13

NOTE: This schedule could change at any time. If a change is needed you will be informed immediately.

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 3/17/04

ATTACHMENT D
DESIGNATION OF SUBCONTRACTORS
COURIER SERVICES

All bids received by the Metropolitan Transit Development Board (MTDB) from the Contractor shall include the type of work, name, address, status as a disadvantaged business enterprise (DBE) or non-DBE, and amount of work, in dollars, for each subcontractor who will perform work, or labor, or render service, to the Contractor for this proposal.

Indicate after name, with a "✓," if subcontractor is a certified DBE.

Legal Name and Street Address of Subcontractor	DBE (✓)	Description of Work	Amount of Work By Subcontractor In Dollars

Name of Contractor: _____

Signature of Contractor: _____ Date: _____

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3/17/04



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

Agenda

Item No. 25

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)

June 24, 2004

Subject:

MTDB: FY 05 BUDGET: PUBLIC HEARING AND ADOPTION

RECOMMENDATION:

That the Board of Directors:

1. hold a public hearing, receive testimony, and review and comment on the FY 05 budget information presented in this report; and
2. adopt Resolution No. 04-5 (page III of Attachment A) approving the operating and capital budget for MTDB and approving the operating budgets for San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, Chula Vista Transit, National City Transit, and the Coronado Ferry.

Budget Impact

None at this time. No changes are proposed for the existing FY 04 budget. The action today establishes the FY 05 budget.

Executive Committee Review

The Executive Committee reviewed a budget update report on June 17, 2004.



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 27, 2004, the MTD Board of Directors met and took action regarding the next steps in the budget process. The Board adopted an FY 05 budget balancing strategy, including the following steps:

- Defined \$3.5 million in TransNet funds from the San Diego Association of Governments (SANDAG) originally planned for bus rapid transit (BRT) planning to subsidize MTS transit operations;
- Implemented minor service adjustments resulting in an FY 05 savings of \$200,000 with a potential \$260,000 in annual future savings;
- Implemented reorganization steps with a goal of \$256,000 in personnel savings over the next fiscal year; and
- Authorized the use of \$2.4 million in contingency reserves in addition to the previously planned \$5.2 million of contingency reserves.

This was an opportunity for the Board to review the immediate FY 05 budget balancing and discuss the long-range, five-year outlook. We have now finalized all budget inputs for the FY 05 budget action on June 24, 2004.

Changes Since the May 27, 2004, Board Meeting

Energy Costs. Diesel and gasoline fuel prices have been quite volatile, and the price of natural gas is tracking a little higher than budget. Diesel fuel was assumed in the FY 05 MTS budget at \$1.10 per gallon. Compressed natural gas (CNG) was assumed at \$0.90 per therm. In recent months, diesel and gasoline unit pricing has increased substantially, peaking in April 2004 at \$1.86 per gallon for diesel (without taxes) and near \$2.40 per gallon for gasoline (with taxes). Over the past six weeks, bulk diesel prices have dropped from \$1.86 to \$1.27 per gallon. Meanwhile, CNG prices have been very stable these past several months at \$0.91 to \$0.93 per therm. However, there are indications that CNG prices may increase a few cents per therm based on the most recent spot and futures prices that have been rising over the past month.

As a result of these trends and the volatility of the fuel markets, we are recommending a status quo position in our fuel assumptions and fuel budgets at this time. We are recommending including within the budget an **energy contingency line item of \$350,000** that can be utilized at a later time to adjust either diesel, gasoline, or CNG fuel budgets of the transit operators. We would bring back a report to the Board in the early fall, with an energy update on the first couple months of the fiscal year with projections and recommendations for any changes in the existing energy budgets.

Revenue Anticipation Notes. We have not discussed this with the Board up to this time. However, it is likely that for cash flow needs, MTS will have to issue revenue anticipation notes for FY 05. Federal funds and other grant funds often come to the agency later in

the fiscal year, resulting in a cash flow shortfall. We will be utilizing more than \$23 million in federal preventative maintenance funds for operations making the use of the notes more likely. The estimated net cost for the notes is approximately \$250,000 for FY 05. This amount is included in the general fund budget.

Minor Service Adjustments. Staff plans to proceed with minor service adjustments resulting in FY 05 net subsidy savings of \$200,000. These will be implemented in accordance with MTS policies and implemented consistent with the three times a year service changes within FY 05. Due to the minor nature, it is likely that most of the changes can be implemented by September 2004 at the regularly scheduled service change. A full-year impact of savings would be roughly \$260,000 that will benefit FY 06 and beyond. All changes have been characterized as high-subsidy services with low ridership impact and include only unproductive trips or route segments.

Contingency Reserves Summary

The MTD Board of Directors had a discussion regarding the contingency reserve balance and desired to have sufficient funds to cover unforeseen emergencies. Based on our latest budget numbers and most recent Board direction, the following approximate contingency reserves would be available for next year as follows:

Contingency Reserve Balance Expected July 1, 2004	\$10.25 million
Insurance Contingency Reserve	\$ 2.00 million
Fuel Contingency Reserve (within budget)	<u>\$ 0.35 million</u>
 Total Contingency Available	 \$ 12.6 million

The contingency reserve available for FY 05 represents ***approximately 7 percent of the FY 05 operating budget.***

Summary of Operating Deficit Over the Next Five Years

The five-year projection of transit operating revenue and expenditures (in millions) was updated based on the final budget numbers as follows (see Attachment A).

	<u>Projected Surplus (Deficit)</u>
FY 05	\$0.0
FY 06	(\$7.8) - (\$0.8)
FY 07	(\$8.6) - (\$1.4)
FY 08	(\$10.0) - (\$2.1)
FY 09	<u>(\$30.2) - (\$21.4)</u>
 TOTAL (Operations)	 <u>(\$56.6) - (\$25.7)</u>

In addition to the deficit shown above for operations, the MTS General Fund is projected to have an approximate deficit of \$500,000 to \$800,000 each year for years FY 06 through FY 09. The General Fund deficit may be revised in the future based on reorganization and consolidation savings and future changes. The overall annual operating deficit for the worst-case scenario is in the \$8 million to \$10 million range through FY 08, when the current TransNet provision ends. The FY 09 deficit projection of \$21 million to \$30 million reflects the loss of TransNet funding in the event it is not extended.

MTS Capital Projects

The capital program is included in Attachment A. The budget provides the descriptions of the MTS-managed capital projects and a listing of the SANDAG-managed capital projects, including the new FY 05-funded projects adopted in the past few months. There are still a number of unknowns with regard to the state Traffic Congestion Relief Program (TCRP). Due to the large state budget deficits in the past two years, the TCRP program had been under threat of elimination. The Governor had proposed not only to discontinue funding in the future, but proposed to rescind funds already budgeted and allocated to ongoing projects. However, the Governor's "May Revise" of the state FY 04 budget withdrew the proposal to rescind the FY 04-budgeted TCRP funds and proposed to continue with a limited program, dependent in part upon the successful negotiations for revenue from tribal gaming. The Senate and Assembly, now in conference on the budget, have also proposed to keep the TCRP projects moving forward.

The East Village Project has continued under construction and is expected to continue to receive the TCRP funds originally allocated. Of the \$21 million in TCRP funds allocated for a combined bus procurement/fuel station expansion project, we have already received \$10 million in an advance payment and \$3.2 million previously. MTS intends to issue Notices to Proceed to obligate the \$10 million advance, but we propose to defer action on the balance of \$7 million until an adopted state budget provides a greater level of certainty. The remaining unobligated projects, Mid-Coast Balboa (\$10 million) and Interstate 15 Bus Rapid Transit (\$23.1 million), are subject to application and/or allocation approval by the California Transportation Commission. They may be required to undergo a competitive process for their future funding.



Paul C. Jablonski
Chief Executive Officer
6/18/04

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

PSmith/AIs/25-04JUN24.SHAFNER - 6/16/04

Attachment: A. MTS FY 2005 Budget (**Board Only**)

MTS FY 05 Budget ADOPTION

MTD Board Meeting
June 24, 2004

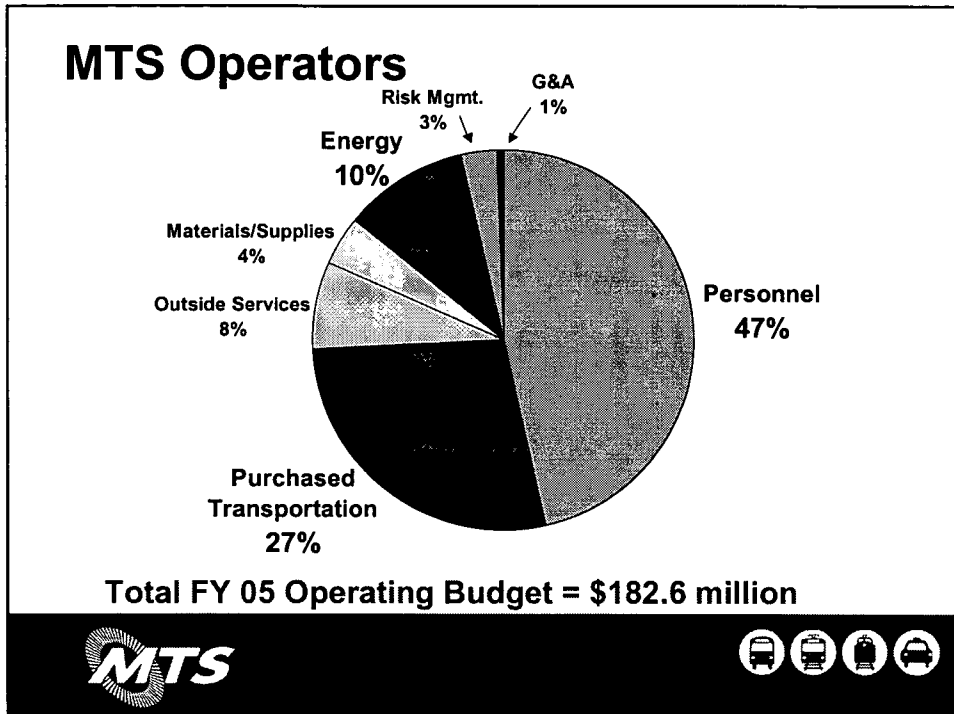


MTS Operating Budget

Includes...

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





May 27, 2004 MTS Board Actions

1. \$3.5 million TransNet transfer
2. Service Adjustments (\$200K in FY05)
3. Reorganization savings goal (\$256K)
4. Additional \$2.4 million from contingency reserves



Changes Since May 27, 2004

1. Energy Costs:

- Diesel/gasoline prices extremely volatile; prices reducing in recent trends.
- CNG slightly higher than budget
- Recommend
 - Status quo on FY 05 fuel budget due to uncertainty
 - Create FY 05 budget energy contingency of \$350K
 - Report back Fall 2004 with update



Changes Since May 27, 2004

2. Revenue Anticipation Notes:

- Required to ensure cash flow until grants/federal funds are released

3. Minor Service Adjustments:

- Most changes can be implemented in September 2004, for \$200k in FY05 savings



Recommendation

1. Hold a public hearing on FY05 Budget
2. Adopt Resolution No. 04-5 approving FY05 MTDB and MTS operating and capital budgets



DRAFT

**MTS
FISCAL YEAR 2005 BUDGET**

**PREPARED BY
SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

June 2004

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SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

RESOLUTION NO. 04-5

Resolution Approving the Fiscal Year 2005 Budget

WHEREAS, the Metropolitan Transit Development Board, a California public agency operating the Metropolitan Transit System (hereinafter MTS) staff has coordinated with the staff of San Diego Transit Corporation, San Diego Trolley, Inc., MTS Contract Services, Chula Vista Transit, National City Transit, and Coronado Ferry (hereafter referred to as MTS Operators) throughout the budget preparation process to ensure consistent budget assumptions; and

WHEREAS, the budgets have been prepared using the budget assumptions approved by the MTS Board of Directors; NOW THEREFORE,

BE IT RESOLVED, by the MTS Board, as follows:

1. That the Budget for fiscal year (FY) 2005, on file with the Clerk of the Board, is hereby adopted (including MTS, San Diego Transit Corporation [SDTC], San Diego Trolley, Inc. [SDTI], Chula Vista Transit, National City Transit, and Coronado Ferry); and
2. That the Chief Executive Officer is authorized to transfer appropriate amounts up to \$100,000 between object accounts, so long as the total amount authorized to be spent for an object account by the FY 05 Budget is not exceeded by more than \$100,000, the total amount authorized to be spent by the FY 05 Budget is not exceeded, and all such transfers are reported to the Board of Directors in the monthly Controller's Report; and
3. That the Chief Executive Officer is authorized to approve expenditures up to a maximum of \$100,000 for local firms and up to a maximum of \$25,000 for all others; and
4. That the Chief Executive Officer or his designated representative is authorized to approve expenditures up to a maximum of \$5,000 for the purchase of materials, services, supplies, and equipment within the confines of the authorized Budget; and
5. That the check-signing authority on behalf of the Board shall be governed by MTDB Policy No. 41, Signature Authority; and
6. That the MTS Board approve additional compensation not to exceed \$135,000 to be allocated in a manner to be proposed by the Chief Executive Officer no later than July 30, 2004, and subsequently approved by the MTS Board no later than August 12, 2004; and
7. That the MTS Board approve the amount of up to \$89,000 to be allocated for the FY 05 Performance Incentive Plan Program for MTS contingent upon the adoption by the MTS Board of the FY 05 Corporate Goals; and
8. That the annual lease payments relating to the 2002 Certificates of Participation (for the Regional Transit Management System) and the 2003 Certificates of Participation (for the Automated Fare Collection Project) are included in the FY 2005 Budget; and

9. That each of the budgets for MTS and the MTS Operators establish absolute spending limits, and that the budgeted expenditures cannot be exceeded without prior written approval of the MTS Board of Directors; and

10. That any budget variances will be reported by the individual operators to the MTS Executive Committee and/or the MTS Board of Directors; and

11. That MTS and the MTS Operators will participate in a budget-monitoring process established by MTS with the objective of providing timely information to the MTS Board with respect to budget performance; and

12. That MTS is authorized to withhold monthly subsidy payments to those operators who do not provide the information according to an established schedule; and

13. That the Contractual Service Schedules of SDTC and SDTI as contained in the FY 2005 budget are approved.

PASSED AND ADOPTED, by the Board this _____ day of _____ 2004, by the following vote:

AYES:

NAYES:

ABSENT:

ABSTAINING:

Chairman
San Diego Metropolitan Transit
Development Board

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit
Development Board

Office of the General Counsel
San Diego Metropolitan Transit
Development Board

PSmith/Resolutions
RES04-5.BUDGET.EHURWI - 6/17/04

TABLE 1
MTS FY 2005
BUDGET SUMMARY

	APPROVED AMENDED FY 04	PROPOSED FY 05	DIFFERENCE INCREASE (DECREASE)	PERCENT CHANGE
GENERAL FUND/DEBT SERVICE				
REVENUE				
State	\$0	\$0	\$0	0.0%
Federal	5,676,545	4,079,868	(1,596,677)	-28.1%
Local - Transportation Development Act (TDA)	6,804,332	5,620,683	(1,183,649)	-17.4%
Other Local Funding Sources	25,000	0	(25,000)	-100.0%
Other Funds	917,000	1,073,000	156,000	17.0%
Reserves	8,214,070	10,718,821	2,504,751	30.5%
Carryover	0	179,086	0	
TOTAL REVENUE:	\$21,636,947	\$21,671,458	(\$144,575)	-0.7%
EXPENDITURES				
Transit Support	\$532,000	\$569,000	\$37,000	7.0%
Transportation Planning	393,000	410,000	17,000	4.3%
MTS General Administration	7,692,425	6,934,000	(758,425)	-9.9%
Indirect Cost Recovery	(2,350,000)	(1,330,000)	1,020,000	-43.4%
Debt Service	12,966,751	12,540,458	(426,293)	-3.3%
TOTAL EXPENDITURES:	\$19,234,176	\$19,123,458	(\$110,718)	-0.6%
Contribution to Claims Liability Reserve	1,950,000	1,950,000	0	0.0%
Contribution to Contingency Reserve	214,771	0	(214,771)	-100.0%
Contribution to Land Mgmt. Reserve	238,000	248,000	10,000	4.2%
Contribution to Energy Contingency Reserve	0	350,000	350,000	-100.0%
Taxicab Rental Allocation for MTS	0	0	0	-100.0%
TOTAL EXP. AND CONTRIBUTION:	\$21,636,947	\$21,671,458	\$34,511	0.2%
TRANSPORTATION SERVICES				
REVENUE				
State	\$468,000	\$538,000	\$70,000	100.0%
Federal	23,784,261	24,422,763	638,502	2.7%
Local - Transportation Development Act (TDA)	59,877,716	61,482,252	1,604,536	2.7%
Other Local Funding Sources	11,102,487	15,560,336	4,457,849	40.2%
State Transit Assistance Fund	4,776,412	4,909,823	133,411	2.8%
Other Funds	792,314	816,892	24,578	3.1%
Reserves	7,152,853	4,742,235	(2,410,618)	-33.7%
Carryover	43,222	281,370	238,148	100.0%
SUBTOTAL:	\$107,997,265	\$112,753,671	\$4,518,258	4.2%
MVE Startup Costs (Capital Funding)	0	2,000,000	0	100.0%
TOTAL REVENUE:	\$107,997,265	\$114,753,671	\$4,518,258	4.2%
EXPENDITURES				
Transit Operating Contracts	107,081,729	\$113,575,409	\$6,493,680	6.1%
Other Services	915,536	1,178,262	262,726	28.7%
TOTAL EXPENDITURES:	\$107,997,265	\$114,753,671	\$6,756,406	6.3%

**TABLE 1
MTS FY 2005
BUDGET SUMMARY**

	APPROVED AMENDED FY 04	PROPOSED FY 05	DIFFERENCE INCREASE (DECREASE)	PERCENT CHANGE
CAPITAL PROJECTS				
REVENUE				
State	\$9,143,000	\$6,819,000	(\$2,324,000)	-25.4%
Federal	73,990,000	71,428,000	(2,562,000)	-3.5%
Local - Transportation Development Act (TDA)	476,000	276,000	(200,000)	-42.0%
Other Local Funding Sources	96,129,000	9,963,000	(86,166,000)	-89.6%
Reserves	625,000	198,000	(427,000)	-68.3%
SUBTOTAL:	\$180,363,000	\$88,684,000	(\$91,679,000)	-50.8%
Carryover	0	0	0	0.0%
TOTAL REVENUE:	\$180,363,000	\$88,684,000	(\$91,679,000)	-50.8%
EXPENDITURES				
LRT Extensions	162,025,000	\$74,847,000	(\$87,178,000)	-53.8%
Major LRT/Bus Capital Improvements	18,338,000	13,783,000	(4,555,000)	-24.8%
Operations Capital/Replacement	0	54,000	54,000	100.0%
TOTAL EXPENDITURES:	\$180,363,000	\$88,684,000	(\$91,679,000)	-50.8%
GRAND TOTALS				
REVENUE:	\$309,997,212	\$225,109,129	(\$84,888,083)	-27.4%
EXPENDITURES:	\$309,997,212	\$225,109,129	(\$84,888,083)	-27.4%

1. CHIEF EXECUTIVE OFFICER'S STATEMENT

Fiscal Year 2005 will be an important year for the Metropolitan Transit System (MTS), as it will contain many "firsts." It will be the first year of post-San Diego Association of Governments (SANDAG) consolidation activities where our operating agency will be focused exclusively on providing the highest quality service possible to our 72 million annual riders. It will be the first full year of having an operational Board of Directors that focuses on the policy issues of providing quality services to our community. And, finally, it will be a year of startup activities on the Mission Valley East light rail transit (LRT) segment as we gear up for the opening in the summer of 2005.

All MTS transit resources are consolidated and budgeted on a collective basis. As a result, the operating budgets of SDTC, SDTI, MTS Contract Services, Chula Vista Transit, National City Transit, and the Coronado Ferry are included in this budget document.

Public transportation is funded by various subsidies and fare revenue. Since 1993, when California and the United States suffered an economic recession, MTS has been dealing with an operating "structural deficit," whereby, recurring revenues are not sufficient to cover recurring expenses. The challenge we are facing is that the unit cost of operations continues to rise at a faster pace than the increase in recurring revenues. This structural deficit has been bridged each year by using nonrecurring resources, along with operating efficiencies and cost-control measures. We cannot continue to rely on nonrecurring revenues to balance the budget.

As in the past, we are challenged by a structural deficit where our expenses are exceeding our revenues. This year's budget has been aggressively reduced through operating efficiencies as an initial step to reaching a sustainable service level. However, we continue to be challenged by an \$8 million to \$10 million annual operating deficit within the next five years. To address this, a series of policy choices will be prioritized to determine the most acceptable balance of reducing expenses through service reductions and increasing revenue by seeking new revenue sources.

A Comprehensive Operational Analysis of the transit system has been proposed as a mechanism for pursuing the objective of reducing the overall subsidy of the system in future years. The Board of Directors supported this objective and desires an interim report that would be provided during FY 05 that will have structural savings benefits for FY 06 and beyond.

The reorganization of MTS is moving step-by-step with a goal to complete most aspects during FY 05. A savings of \$256,000 in personnel expenditures has already been identified for FY 05, and additional savings will be pursued as we move through the process.

Fare adjustments have been previously adopted with three, step increases in July 2003, 2004, and 2005. Fare revenue has increased during FY 04, and a 3.2 percent increase (\$2.1 million) is projected for FY 05.

The extension of TransNet for 2008 and beyond will be voted on in November 2004. This is a critical step in the plan to balance the transit system expenses with recurring revenues. The use of \$14 million to \$16 million per year in TransNet subsidies for MTS operations plus \$5.5 million to subsidize senior, disabled persons, and youth monthly passes is a significant revenue source for the transit system.

The greater use of federal preventative maintenance funds for operations for the next several years further brings attention to the needs of the capital program. The capital program needs far exceed

available capital program funding available under the regular federal Section 5307 and Section 5309 programs, which have been the bulk of the resources to fund the ongoing infrastructure needs. The review of our capital program shows needs in the several areas: San Diego Trolley infrastructure, in some cases approaching 25 years of age, that encompasses many areas, such as rail car rehabilitation, track and structures, catenary, and signaling systems; bus replacements, including large buses, mid-size buses, and Americans with Disabilities Act (ADA) vehicles; and maintenance and operations facility expansion and enhancements. It will be increasingly necessary to address the capital and infrastructure replacement need of the MTS system to keep the system operating effectively

EXPENDITURES

The budget consists of three components: (1) General Fund activities are of a general nature, not related to a specific project and include Transit Support Activities, Transportation Planning, and General Administration; (2) Transportation Services represent the net subsidy required to operate bus and trolley services (also included are Taxicab Administration); and (3) Capital Projects are presented in a multiyear format with the current year estimated expenditures budgeted in FY 05.

General Fund

Included under the General Fund are three expenditure categories (Transit Support, Transportation Planning, and General Administration) as summarized below.

Transit Support Activities. This section includes three categories.

1. Fare Media. SANDAG now procures all of the prepaid fare media for the MTS region; therefore, there is no MTS expenditure for Fare Media in FY 05.
2. Regional Transit Store Operations. MTS pays for the facility costs of The Transit Store, which is estimated at \$73,000 for FY 05.
3. Regional Transit Marketing. The Customer Relations Department coordinates the marketing and customer relation activities for all MTS transit operators. The combined budget is \$896,000, which is slightly below the level of the FY 04 amended budget, since \$28,000 was transferred to SANDAG with some transferred functions. It is expected that \$400,000 of the marketing and public information budget will be utilized for the start-up activities of the Mission Valley East LRT line, which will also be covered by the MVE LRT capital start-up budget.

Transportation Planning. The projects shown in this category are for Operations Planning, for a total of \$410,000. Included within this category is funding \$185,000 for the MTS comprehensive operational analysis studies to be conducted in FY 05.

General and Administrative. General and administrative expenditures are expected to decrease from \$7,692,425 to \$6,934,000. The principal funding source for this budget category is the "Transportation Development Act (TDA) 10 percent" fund, which equals \$4.8 million for FY 05, reflecting a significant reduction from the \$7.0 million available in FY 04. This reflects the transfer of administrative 10 percent funding to SANDAG with the transferred administrative staff that occurred during FY 04.

In addition, rental income is projected to exceed rental expenses by \$248,000. Since the rental property was acquired in connection with property acquisitions while building the various LRT lines, the net amount will flow to SDTI to offset LRT operating costs.

Transportation Services

Transportation services include funding for the MTS operators and the Taxicab Administration.

Operating Contracts. The operating contracts are projected to increase from \$107,081,729 to \$113,575,409. The FY 05 amount reflects approximately \$2.6 million for the start-up of Mission Valley East LRT project. Two million dollars of the trolley start-up activity is included in the operating contract, but is offset by the capital funds within the MVE LRT capital project.

Other Services. Taxicab Administration is budgeted to increase from \$735,536 to \$1,048,262. Transit Pass/Ticket Distribution and Transit Pass Subsidy Distribution are now with SANDAG, and there are no FY 05 MTS distributions.

Capital Projects. With the shift of most of the capital projects to SANDAG in FY 04, the capital program represents a much smaller part of the budget compared to prior years. For FY 05, the capital program managed directly by MTS is projected to decrease from \$278 million to \$89 million. The bulk of the expenditures reflect the continuation of the Mission Valley East LRT construction project. It is anticipated that all major LRT and bus activities would continue during FY 05 through either SANDAG or MTS management, including:

- construction of the Mission Valley East LRT Extension project;
- completion of the construction of Phase II of the San Ysidro Intermodal Transportation Center Project;
- completion of the reconfiguration of the Park (Twelfth Avenue) and Market LRT Station and related Park Boulevard corridor projects;
- replacement of the SDTC radio system as part of the Regional Transit Management System;
- acquisition of one additional remaining parcel for expansion of the South Bay Bus Maintenance Facility; and
- acquisition of two of the parcels for expansion of the East County Bus Maintenance Facility.

These activities would be primarily funded from federal, TransNet, and various state funds.

FINANCIAL RESOURCES (REVENUE)

Coincident with a rising economy, bus and trolley ridership have begun to increase. As a result, overall fare revenue has been increasing. The fare adjustments in July 2003 have also increased the average fare as intended. Fares are still our single largest source of operating revenue, representing approximately 37 percent of operating revenue. For FY 05, growth in fare revenue is projected to be 3.2 percent above FY 04 with an increase of \$2.1 million to \$68.0 million. The fare adjustments scheduled for July 1, 2004, include monthly pass increases only and are expected to generate \$0.7 million in new revenue in addition to \$1.4 million new fare revenue resulting from ridership growth. Our second-largest source of operating revenue, TDA sales tax monies, is projecting zero growth, which differs from the 5 to 7 percent growth we have experienced in past years. Federal funds continue to fund the core of our capital program; however, we have increased our reliance on federal preventive maintenance funds and TransNet operating subsidies to balance the operating budget, thereby reducing funds available for capital projects.

SUMMARY

For the last decade, our recurring revenues have not been sufficient to cover our recurring expenditures. This imbalance is not likely to change on its own without corrective action on our part. Reauthorization of the TransNet sales tax is also an important ingredient to the health of San Diego's transit system. If TransNet is not reauthorized in November 2004, additional steps would be taken to bring our costs more in line with recurring revenue, but will come with some difficult decisions that include service and fare adjustments, shift of capital dollars to operating, and depletion of reserves.

Paul C. Jablonski
Chief Executive Officer

**TABLE 2
MTS FY 2005
REVENUE TABLE**

FUND SOURCES	BUDGET CATEGORIES			TOTAL
	GENERAL/SPCL REVENUE/DEBT SERVICE FUNDS	TRANSPORT. SERVICES	CAPITAL PROJECTS	
STATE				
STIP	\$0	\$0	\$1,118,000	\$1,118,000
Traffic Congestion Relief Program	0	0	5,701,000	5,701,000
Caltrans	0	138,000	0	138,000
MediCal	0	400,000	0	400,000
SUBTOTAL:	\$0	\$538,000	\$6,819,000	\$7,357,000
FEDERAL				
Transportation Enhancement Activities	\$0	\$0	\$5,145,000	\$5,145,000
FTA 5309 - Capital New Starts	0	0	63,080,000	63,080,000
FTA MVE Startup Operations	0	0	1,920,000	1,920,000
FTA 5307 - Planning/Capital/CMAQ	328,000	0	1,283,000	1,611,000
FTA 5307 - Debt Service	3,751,868	0	0	3,751,868
FTA 5307/5309 - Maintenance/Operations	0	24,422,763	0	24,422,763
SUBTOTAL:	\$4,079,868	\$24,422,763	\$71,428,000	\$99,930,631
LOCAL - TRANSPORTATION DEVELOPMENT ACT				
TDA - Article 4.0 MTDB Area	\$840,880	\$56,551,577	\$276,000	\$57,668,457
TDA - Article 4.5 (ADA)	0	3,311,551	0	3,311,551
TDA - Article 8.0	0	1,619,124	0	1,619,124
TDA - 10% and Administration	4,779,803	0	0	4,779,803
SUBTOTAL:	\$5,620,683	\$61,482,252	\$276,000	\$67,378,935
OTHER LOCAL				
TransNet	\$0	\$13,721,853	\$8,067,000	\$21,788,853
TransNet - MVE Startup Operations	0	0	480,000	480,000
SANDAG - Inland Breeze	0	834,065	50,000	884,065
City of San Diego	0	428,918	66,000	494,918
APCD	0	575,500	0	575,500
Other	0	0	1,300,000	1,300,000
SUBTOTAL:	\$0	\$15,560,336	\$9,963,000	\$25,523,336
STATE TRANSIT ASSISTANCE				
STA - Discretionary	\$0	\$3,166,341	\$0	\$3,166,341
STA - Formula	0	1,743,482	0	1,743,482
SUBTOTAL:	\$0	\$4,909,823	\$0	\$4,909,823
OTHER FUNDS				
Property Lease/Rental Income (MTS Tower)	\$318,000	\$0	\$0	\$318,000
MTS Tower Parking Income (MTS Portion)	\$75,000	\$0	\$0	\$75,000
Land Management Rentals	290,000	0	0	290,000
Cost Recovery - Other Agencies	100,000	0	0	100,000
Taxicab Administration	50,000	716,892	0	766,892
Bus Shelter Administration	150,000	0	0	150,000
Bus Bench Administration	90,000	0	0	90,000
SD&AE Revenue	0	100,000	0	100,000
SUBTOTAL:	\$1,073,000	\$816,892	\$0	\$1,889,892

**TABLE 2
MTS FY 2005
REVENUE TABLE**

FUND SOURCES	BUDGET CATEGORIES			
	GENERAL/SPCL REVENUE/DEBT SERVICE FUNDS	TRANSPORT. SERVICES	CAPITAL PROJECTS	TOTAL
RESERVE REVENUE USED IN CURRENT BUDGET				
MTDB Contingency Reserve	\$3,118,198	\$4,405,235	\$0	\$7,523,433
MTDB Contract Services Capital Replacement	0	0	0	0
MTDB Capital Replacement	0	0	0	0
Taxicab Administration Capital Replacement	0	0	0	0
Lease/Leaseback Lease Payment Fund	7,600,623	0	0	7,600,623
CCDC Reserve	0	0	194,000	194,000
Land Management	0	257,000	0	257,000
SD&AE Reserve	0	80,000	0	80,000
Billboard Reserve	0	0	4,000	4,000
SUBTOTAL:	\$10,718,821	\$4,742,235	\$198,000	\$15,659,056
TOTAL:	\$21,492,372	\$112,472,301	\$88,684,000	\$222,648,673
OTHER INCOME				
Insurance Reserve contribution				\$ 1,950,000
Land Management Reserve contribution				248,000
Energy Contingency Reserve contribution				350,000
Private Sector - Billboards				75,000
Grade Crossing Maint. - PUC				50,000
TOTAL:				\$ 2,673,000
REVENUE SUMMARY				
GENERAL FUND/SPECIAL REVENUE	\$21,492,372			\$21,492,372
TRANSPORTATION SERVICES		112,472,301		112,472,301
CAPITAL PROJECTS TOTAL			\$88,684,000	88,684,000
CARRYOVER	179,087	281,370 (a)	(b)	460,457
SUBTOTAL:	\$21,671,459	\$112,753,671	\$88,684,000	\$223,109,130
OTHER INCOME				2,673,000
GRAND TOTAL:	\$21,671,459	\$112,753,671	\$88,684,000	\$225,782,130

(a) Taxicab carryover from FY 04

(b) All carryover for above capital projects included in revenue above

2. BUDGET DETAIL - REVENUES

Included under revenues are all funds to be received by MTDB during the fiscal year. The revenue categories include: federal, state, local, and other miscellaneous funds. Revenues are defined as: (1) funds that have been programmed or allocated by other government agencies, such as a grant, and (2) estimated funds that are anticipated to be received resulting from contracts or generated by MTS operations. Table 2 provides a detailed listing of projected revenues as allocated by the three budget categories.

Transportation Development Act (TDA)

Amount = \$67,378,935

TDA provides funding support for public transit operators and nonmotorized transportation projects. The revenue comes from one quarter of a percent of the total 7.75 percent sales tax assessed in the region. SANDAG is the agency responsible for apportionment of these funds within the San Diego region. The legislative priorities established by state law contain certain categories in which the TDA funds are taken "off the top." These include, among others, funds allocated to MTDB to carry out its planning and administrative functions. For FY 05, this "MTDB 10 percent" allocation totals \$7,339,803, of which \$2,560,000 will be transferred to SANDAG to support the functions transferred as a result of the reorganization.

Another "off-the-top" category of funding is the support of Community Transit Services. These TDA Article 4.5 funds are distributed to MTDB and the North San Diego County Transit Development Board (NSDCTDB) based on population and used for the provision of Americans with Disabilities Act (ADA) complementary paratransit service. For FY 05, MTDB's Article 4.5 claim totals \$3,311,551.

After deducting these and other "off-the-top" allocations for specific purposes, the balance of the regional funds are distributed by population among the transit boards and the nonboard area of the county in accordance with the populations of those areas. Effective with the FY 03 budget year, the TDA funds that were once apportioned to each of the jurisdictions in the MTDB area are now apportioned directly to MTDB and are consolidated with all other transit revenues coming to the MTS operators. Through a combined MTS budget process, the TDA funds are used, in priority order, for ADA services, local match for federal transit grants, and local and regional services. The pooling of TDA and other revenue results in the filing of a single TDA claim for all of the pooled apportionments submitted by MTDB.

State Transit Assistance (STA)

Amount = \$4,909,823

STA funding comes from the Public Transportation Account (PTA), which derives its revenue from the state sales tax on gasoline. Prior to the passage of the FY 2001 State Budget, this account received differing portions of the state sales tax on gasoline and sales tax on diesel. The SANDAG-provided projection assumes a 2.7 percent increase in STA for FY 05 to \$4.9 million. This revenue source is often tenuous as it can be changed in the state budget process.

The distribution of STA funds, as determined by the State Transportation Blueprint legislation in 1990 and as amended by Senate Bill (SB) 45 in 1997, is as follows.

- 25 percent of the funds are distributed to regional transportation planning agencies, such as MTDB, on the basis of population, for allocation to programs supported by TDA.
- 25 percent of the funds are distributed among the regional transportation planning agencies on the basis of the proportion of revenues generated in the region to the total fare revenues generated in the state. Within each region, these funds are distributed among the operators on the basis of fare generation.
- 50 percent of the funds are available for appropriation by the legislature to state transit programs, including Amtrak contracts, Peninsula Commute Services (the Caltrain), abandoned railroad right-of-way acquisition, bus rehabilitation, guideway construction, rolling stock acquisition, grade separations, and multimodal interface facilities.

Traffic Congestion Relief Program

Amount = \$5,701,000

As a result of a general budget surplus for FY 00-01, the State Legislature enacted and the Governor signed into law Assembly Bill (AB) 2928 (Torlakson), followed by cleanup legislation in SB 1662 (Burton), setting up the Traffic Congestion Relief Program (TCRP) and providing about \$6.8 billion in new funding for transportation. The new funding for transportation included \$1.5 billion in direct general funds from the FY 00-01 budget surplus, plus about \$5.3 billion over six years from transferring all remaining state sales taxes on gasoline and diesel fuel from the General Fund to transportation. Of the \$6.8 billion, \$5.4 billion may be disbursed to TCRP projects specifically identified in law. For MTDB, the legislation identified four projects: (1) a combined project to procure 85 alternative fuel buses for MTDB and North County Transit District (NCTD), (2) the East Village Transit Station Improvements Project, (3) the Mid-Coast LRT Extension Project (design); and (4) Interstate 15 (I-15) Bus Rapid Transit Project (as part of the California Department of Transportation's [Caltrans'] I-15 Managed Lanes Project).

The balance of the originally proposed TCRP revenue from the \$6.8 billion are to be used to fund the "40-40-20" program for the STIP (40 percent), City/County maintenance and rehabilitation (40 percent), and the Public Transportation Account (20 percent), which funds the STA Program. All of this is subject to ongoing state budget deliberations.

Due to the large state budget deficits in the past two years, the TCRP program had been under threat of elimination. The Governor had proposed not only to discontinue funding in the future, but proposed to rescind funds already budgeted and allocated to ongoing projects. However, the Governor's "May Revise" of the state FY 04 budget withdrew the proposal to rescind the FY 04 budgeted TCRP funds and proposed to continue with a limited program, dependent in part upon the successful negotiations for revenue from tribal gaming. The Senate and Assembly, now in conference on the budget, have also proposed to keep the TCRP projects moving forward. The East Village Project has continued under construction and is expected to continue to receive the TCRP funds originally allocated. The bus project has already received \$10 million in an advance payment. MTS intends to issue Notices to Proceed to obligate the \$10 million advance, but we propose to defer action on the balance of \$7 million until an adopted state budget provides a greater level of certainty. The remaining unobligated projects, Mid-Coast Balboa (\$10 million) and I-15 Bus Rapid Transit (\$23.1million), are subject to application and/or allocation approval by the California Transportation Commission. They may be required to undergo a competitive process for their future funding.

Federal Transit Administration (FTA)

Amount = \$99,930,631

The following programs constitute the significant elements of the federal transit assistance program as well as programs classified under the highway program which, under the Transportation Equity Act for the 21st Century (TEA-21), formerly the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), has the flexibility of being used for transit purposes. These programs are funded by the federal gas tax and general fund revenue and generally provide for an 80 percent federal share.

Transportation Enhancement Activities (TEA). ISTEA required that 10 percent of each state's Surface Transportation Program (STP) be programmed for transportation enhancement activities. The successor to ISTEA, TEA-21, authorized the TEA program to continue through FY 04. The TEA funds that expect to be expended in capital projects in FY 05 include funds from prior years. Funds for the San Ysidro Intermodal Transportation Center and the East Village Intermodal Transit Station Improvements Project were approved by SANDAG in February 2000.

Section 5309 Discretionary and Formula Capital Assistance and Preventive Maintenance. These funds are appropriated annually by Congress to the following program categories: (1) new rail starts (40 percent), (2) rail modernization (40 percent), and (3) bus capital clean fuels program and other (20 percent). The majority of new rail starts and bus capital funds are distributed to local agencies at the "discretion" of the Congress. In June 2001, MTDB and FTA executed a Full-Funding Grant Agreement (FFGA), which provides for a "New Starts" discretionary contribution of \$329,958,000 for the Mission Valley East LRT Project. To date we have received annual appropriations totaling \$240.6 million toward the FFGA. In FY 2005, the President's budget proposes an additional \$65.0 million for this project. It is anticipated that we will continue receiving appropriations to liquidate the FFGA commitment after completion of the project.

The rail modernization funds are allocated on a formula basis to rail systems at least seven years old. Both MTDB and NCTD receive these funds that are generally used for capital infrastructure repairs. Past practice has been to use the Rail Modernization funds for capital projects, but they are available to be used for preventive maintenance.

Mission Valley East LRT expansion federal funds (Section 5309) and matching TransNet funds are programmed to support Mission Valley East LRT start-up activities. The San Diego Trolley operating budget includes \$2.0 million in Mission Valley East LRT capital funds for the start-up activities that will commence during FY 05. In addition, \$400,000 in Mission Valley East LRT capital funds is programmed for the marketing and public information aspect of the Mission Valley East LRT start-up activity. This funding will be utilized by the MTS Marketing and Customer Relations department during FY 05.

Surface Transportation Program (STP) Funds. The STIP is funded through a combination of State Rail Improvement Program (discussed previously) and federal STP funds. STP funds are considered Federal Highway Administration (FHWA) "flexible funds" that can be transferred or "flexed" to transit agencies. This is done by FHWA transferring the funds to the FTA who then makes them available to the transit grantees through the Section 5307 grant process. MTDB has several projects that have received STIP funding in previous years including the East Village projects and the San Ysidro Intermodal Transportation Center Project.

Section 5307 Formula Capital and Preventive Maintenance. Section 5307 is a block grant program that provides capital and planning assistance for transit. The formula for determining each metropolitan area's share of funds involves population, density, bus and rail vehicle miles, and rail route miles. While Section 5307 funds are no longer available for federal operating assistance for areas over 200,000 in population, TEA-21 provided flexibility to use federal capital funds for maintenance activities through the preventive maintenance provision. As a result, the MTD Board has the option to use up to a combined total of approximately \$25 million (80 percent of the total maintenance costs for SDTC and SDTI) for supporting operations. For FY 05, the budget includes \$23.2 million in preventative maintenance funds and assumes that amount for future years.

There also is a federal program that MTDB has utilized for the past few years called the Jobs Access Reverse Commute (JARC) program. For FY 05, \$475,947 in JARC funds are programmed for service for routes serving Mid-City, Otay Mesa, and Poway. Additionally, \$208,000 in federal 5307 funds is utilized to subsidize the Sorrento Valley Coaster Connection.

For new extensions of LRT lines, MTDB has utilized federal Congestion Management and Air Quality (CMAQ) funds to subsidize the first three years of a new extension. For FY 05, we have assumed use of CMAQ funds for the start-up of the Mission Valley East LRT. In addition to the \$2.0 million in federal capital funds, San Diego Trolley will utilize \$538,816 in CMAQ funds and \$69,809 in local match for start-up of the Mission Valley East LRT. It is expected that roughly \$12-14 million in CMAQ federal funding may be utilized for the first three years of the MVE LRT.

Other Local

Amount = \$25,523,336

TransNet (Proposition A) (\$22,268,853). The Proposition A one-half cent local transportation sales tax, called "TransNet," was approved by area voters in November 1987. The resulting ordinance allocated one-third of the sales tax proceeds for transit purposes, which are further divided between MTDB and NCTD based on the proportion of the population within the area of each jurisdiction. The original ordinance allows the funds to be used primarily for San Diego Trolley extensions (i.e., at least 80 percent of transit total for rail capital, and the remaining 20 percent is available for nonrail purposes such as reduced-price monthly transit passes for seniors, the disabled, and youth). The nonrail TransNet funds may also be used to make up any reduction in federal and state operating funds from the FY 87 base-funding year. Finally, remaining monies can be used for service "expansion and extensions." In May and June 2003, the MTD Board of Directors authorized and the SANDAG Board of Directors approved a change of the rail/nonrail formula to 60 percent/40 percent for the last five years of the existing program.

Included in this line item is, \$521,853 for the MTS Access ADA paratransit service, \$13,200,000 for operations, and \$8,547,000 for LRT capital projects. The amount of TransNet subsidies for operations for FY 05 was increased from \$9.7 million to \$13.2 million by utilizing \$3.5 million in TransNet funds previously planned for SANDAG bus rapid transit (BRT) planning activities. It is planned that \$15.0 million in TransNet funds will be programmed for FY 06, FY 07, and FY 08 for operations. In the event that the TransNet program is not extended beyond FY 08, then this valuable source of subsidy revenue will no longer be available. In prior years, MTDB has utilized \$5.5 million in TransNet subsidies for the reduced-price monthly transit passes. However, with the transfer of the pass program administration to SANDAG, the \$5.5 million in TransNet monthly transit pass subsidies for FY 05 will now be within the SANDAG budget.

SANDAG FasTrak Tolls (\$884,065). SANDAG provides the funding to operate the I-15 Inland Breeze services (funded through the FasTrak tolls). An amount of \$50,000 of the funding will be contributed to the MTS Contract Services capital reserves while the remainder (\$834,065) will subsidize the operations of Routes 980 and 990 in the I-15 corridor.

Air Pollution Control District [APCD] (\$575,000). APCD provides operating support for the Sorrento Valley Coaster Connection service (\$512,500) plus local match for a new Poway Reverse Commute route (\$63,000) also funded by JARC funds.

Other Funds

Amount = \$1,889,892

Various other sources of revenue comprise a small part of the FY 05 revenue. Other revenue sources include: taxicab fees, MTS/James R. Mills Building lease revenue and parking revenue, particularly from PETCO Park events, and bus shelter and bench revenue used to support those programs.

Reserve Funds Used in Current Budget

Amount = \$15,659,056

Various MTDB reserve funds are appropriated for the FY 05 Budget. These include \$7,523,433 of MTDB Contingency Reserve including \$1,950,000 transfer to Insurance Claims Reserve, \$4,405,235 for operations, \$818,198 for general fund, and \$350,000 for an Energy Contingency Reserve for FY 05. The Centre City Development Corporation (CCDC) Reserve is being used to match state and federal funds (\$194,000) for projects related to the East Village Project. In addition, there is revenue of \$257,000 from the Land Management reserve that will be transferred to SDTI to use for operating expenditures on the LRT lines on which the rental property is located.

Other Income

Amount = \$2,673,000

This category includes various income sources that are not necessarily programmed for FY 05. These sources of income are primarily applied to the various MTDB reserve accounts.

**TABLE 3
MTS FY 2005
EXPENDITURE TABLE**

BUDGET CATEGORY	APPROVED AMENDED FY 04	PROPOSED FY 05	DIFFERENCE INCREASE/ (DECREASE)	PERCENT CHANGE
GENERAL FUND				
<u>TRANSIT SUPPORT ACTIVITIES</u>				
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	496,000	126,000	34.05%
TRANSIT SUPPORT SUBTOTAL:	\$532,000	\$569,000	\$37,000	6.95%
<u>TRANSPORTATION PLANNING</u>				
Operations Planning	\$393,000	\$410,000	\$17,000	4.33%
SRTP & FUND ADM. SUBTOTAL:	\$393,000	\$410,000	\$17,000	4.33%
<u>GENERAL AND ADMINISTRATIVE</u>				
Personnel	\$4,513,025	\$3,814,000	(\$699,025)	-15.49%
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	19,000	(9,400)	-33.10%
Training	7,000	4,000	(3,000)	-42.86%
Insurance/Risk Management	848,000	800,000	(48,000)	-5.66%
Audit Services	95,000	119,000	24,000	25.26%
Land Management/Joint Development	207,000	42,000	(165,000)	-79.71%
Bus Shelter Administration	150,000	150,000	0	0.00%
Bus Bench Administration	60,000	90,000	30,000	50.00%
<u>OFFICE EXPENSES:</u>				
Rent	1,170,000	1,115,000	(55,000)	-4.70%
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	161,000	98,000	155.56%
Furniture/Equipment	12,000	15,000	3,000	25.00%
General Expenses	\$70,000	188,000	118,000	168.57%
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	28,000	(4,000)	-12.50%
Public Notices	5,000	4,000	(1,000)	-20.00%
G&A SUBTOTAL:	\$7,692,425	\$6,934,000	(\$758,425)	-9.86%
<u>LABOR/OVERHEAD REIMBURSEMENT</u>	(\$2,350,000)	(\$1,330,000)	\$1,020,000	-43.40%
TOTAL GENERAL FUND:	\$6,267,425	\$6,583,000	\$315,575	5.04%
<u>INSURANCE RESERVE CONTRIBUTION</u>	\$1,950,000	\$ 1,950,000	\$ -	0.00%
<u>LAND MGMT RESERVE CONTRIBUTION</u>	238,000	248,000	10,000	4.20%
<u>ENERGY CONTINGENCY RESERVE</u>	N/A	350,000	350,000	100.00%
<u>CONTINGENCY RESERVE CONTRIBUTION</u>	214,771	0	(\$214,771)	-100.00%
TOTAL GEN FUND & RESERVE CONTRIBUTIONS	\$8,670,196	\$9,131,000	\$460,804	5.31%

**TABLE 3
MTS FY 2005
EXPENDITURE TABLE**

BUDGET CATEGORY	APPROVED AMENDED FY 04	PROPOSED FY 05	DIFFERENCE INCREASE/ (DECREASE)	PERCENT CHANGE
<u>DEBT SERVICE</u>				
Buses (1990)	\$ 2,894,681	\$ -	\$ (2,894,681)	-100.00%
LRV Sale/Leaseback (1995)	6,264,070	7,600,623	1,336,553	21.34%
Regional Transit Management System (2002)	3,808,000	3,849,400	41,400	1.09%
Automated Fare Collection (2003)	0	840,435	840,435	100.00%
Revenue Anticipation Notes (2005)	0	250,000	250,000	100.00%
TOTAL DEBT SERVICE:	\$ 12,966,751	\$ 12,540,458	\$ (426,293)	-3.29%
 <u>TRANSPORTATION SERVICES</u>				
<u>TRANSIT OPERATING CONTRACTS:</u>				
San Diego Transit	\$48,123,009	\$49,754,448	\$1,631,439	3.39%
San Diego Trolley (Base Operations)	18,033,225	18,652,550	619,325	3.43%
San Diego Trolley (MVE Startup Expenses)	N/A	2,608,625	2,608,625	100.00%
MTS Contract Services	34,867,599	36,421,200	1,553,601	4.46%
Chula Vista Transit	4,174,195	4,283,265	109,070	2.61%
National City Transit	1,412,213	1,380,017	(32,196)	-2.28%
Coronado Ferry	127,308	131,124	3,816	3.00%
Administrative Pass-Through	344,180	344,180	0	0.00%
OPERATING CONTRACTS SUBTOTAL:	\$107,081,729	\$113,575,409	\$6,493,680	6.06%
 <u>OTHER SERVICES:</u>				
Taxicab Administration	\$735,536	\$998,262	\$262,726	35.72%
San Diego and Arizona Eastern	180,000	180,000	0	0.00%
OTHER SERVICES SUBTOTAL:	\$915,536	\$1,178,262	\$262,726	28.70%
TOTAL TRANSPORTATION SERVICES:	\$107,997,265	\$114,753,671	\$6,756,406	6.26%
 GRAND TOTAL:	 \$129,634,212	 \$136,425,130	 \$6,790,918	 5.24%

(a) Includes \$2.0 million in MVE startup capital

Budgets/Operating/FY 05/MTS Consolidated/June 24 Meeting/General Fund Expenses FY05 MASTER 1 6.16.04

3. BUDGET DETAIL - EXPENDITURES (GENERAL FUND/TRANSPORTATION SERVICES)

Expenditures are organized into two major budget categories, General Fund and Transportation Services:

General Fund includes the following subcategories:

- Transit Support Activities
- Transportation Planning
- General and Administrative

Transportation Services includes the following subcategories:

- Operating Contracts
- Other Services

A detailed listing of General Fund and Transportation Services expenditures is provided in Table 3 and discussed below. Contained at the end of this section are the following appendix tables, which amplify on various expenditure categories:

- A. Regional Transit Marketing
- B. Operations Planning Studies
- C. Travel/Conference/Training
- D. Taxicab Administration
- E. Debt Service Schedule
- F. Combined MTS Transit Operating Contracts
- G. SDTC
- H. SDTI
- I. MTS Contract Services
- J. Chula Vista Transit
- K. National City Transit
- L. Coronado Ferry
- M. Pass-Through Subsidy to Jurisdictions
- N. Transit Operating Contracts – Funding

TRANSIT SUPPORT ACTIVITIES

MTDB provides certain support services to the MTS operators, as well as to SDTC, SDTI, and San Diego and Arizona Eastern (SD&AE) Railway Company, related to ownership responsibilities and legislated authorities.

Fare Media

Amount = \$0

This expense has been transferred to SANDAG as part of the consolidation.

Regional Transit Store Operations

Amount = \$73,000

MTS is responsible for "The Transit Store" operating expenses, while SDTC provides the staff and day-to-day management. MTDB's expenses are space lease, utilities, office supplies, maintenance, signing, and capital improvements. The lease on "The Transit Store" expires August 2005.

Regional Transit Marketing

Amount = \$496,000

The MTS Marketing Plan expenses will be removed from individual operator budgets and centralized under the General Fund budget to enhance control. The total budget will amount to \$896,000 including \$496,000 shown in the general fund and \$400,000 to be expended as capital funds within the MVE LRT start-up budget. This cost centralization will boost the FY 05 General Fund budget by \$526,000 with a corresponding reduction in operators' individual budgets. FY 05 marketing efforts will focus on MTS rebranding and the marketing of the Mission Valley East opening.

OPERATIONS PLANNING

Amount = \$410,000

Operations planning activities include miscellaneous planning efforts related to current and future services (they are listed in Appendix B and discussed below). The costs shown here reflect staff and project administration costs plus consultant expenses.

ADA Implementation: \$50,000. Monitor and administer the ADA complementary paratransit service contracts implemented in the San Diego region for ADA compliance. Coordinate paratransit service requirements to ensure coordination and consistency among all four zones. Coordinate with local jurisdictions for the upgrade of bus stop facilities to meet ADA standards. Plan and implement capital improvements for bus and trolley services consistent with ADA requirements.

Advanced Technologies: \$25,000. Coordinate with SANDAG and other agencies on regional deployment of Intelligent Transportation Systems (ITS) and advanced transit concepts. Monitor and participate in advance bus power technologies including compressed natural gas (CNG) program, future fuel cell, and other new power strategies.

Fare Studies: \$25,000. Examine fare adjustments previously authorized by the MTS Board, refine fare media, and review qualification criteria for senior/disabled fares. Review MTS fares, Ordinance No. 4, and the Regional Uniform Fare Structure Agreement. Identify the effects of proposed fare adjustments on ridership and revenues.

Policy No. 31 Process: \$15,000. Periodic review of existing and proposed bus routes by MTS staff, related outside-agency staff, and the Policy No. 31 Review Committee. This effort determines the most appropriate routes for competitive bid contracting according to MTS Board Policy No. 31. *(Note: this project was previously identified as Policy No. 32 Process; however, it has been renamed to reflect the number changes in the MTD Board policies.*

Transit Service Changes – Implementation: \$85,000. Implement transit service changes including production of information brochures, installation of public information at bus stops, and coordination with adjacent property owners for new stops and facilities.

MTS Operations Analysis: \$185,000. A regionwide operational analysis of service levels, scheduling, and system optimization with the purpose of reducing costs to preserve transit service. The analysis will consist of two phases: (1) early implementation and (2) data collection and full system refinements.

MTS Facilities/Fleet Plan: \$25,000. A strategic review of existing and future facilities needs and how best to allocate vehicle assignments to minimize operating costs. This study will also review existing and future vehicle needs, applicable federal spare requirements, and how best to assign fleet locations in relationship to future service needs.

GENERAL AND ADMINISTRATION

This budget area includes all MTS personnel and overhead expenses.

Personnel Amount = \$3,814,000

The personnel costs (salaries, fringe benefits, and other related personnel costs) reflect the fiscal impact of the personnel at MTDB. The MTS reorganization anticipates a personnel savings goal of \$256,000 and is reflected in this area. Excluded is the personnel cost for Taxicab Administration, which is budgeted separately.

Consultants Amount = \$100,000

This item supports the hiring of outside consultants for special needs throughout the year including such areas as state and federal legislative representation, financial advisors, and other miscellaneous professional services.

Legal Services Amount = \$75,000

This item permits the hiring of outside legal services as required throughout the year, primarily in the area of labor relations and other miscellaneous operational matters.

Board of Directors Amount = \$141,000

This item covers expenses related to meeting attendance and travel by Board members.

Travel and Conferences Amount = \$19,000

Travel and conferences includes two general categories: (1) legislative representation (Sacramento and Washington, D.C.) and association committee/task force liaison; and (2) professional conferences that include American Public Transportation Association (APTA), California Transit Association, Transportation Research Board, Institute of Transportation Engineers, and others.

Training

Amount = \$4,000

This line item covers the cost of MTS staff training. Training areas include various computer applications, supervision, management, and other operational educational opportunities.

Insurance/Risk Management

Amount = \$800,000

This item covers the cost of maintaining insurance coverage (liability and property) and risk/claims management services.

Audit Services

Amount = \$119,000

This item covers the annual cost of audit services. Due to the MTS reorganization, additional services may be required from the auditors in FY 05. The contract was competitively bid for a five-year period beginning in FY 02.

Land Management

Amount = \$42,000

Through its acquisition of the SD&AE Railway Company, the Atchison, Topeka, and Santa Fe (AT&SF) Railway Company property, LRT yard, station properties, and other various real estate. MTS has management responsibilities for considerable property holdings. The costs related to maintaining the rental property are budgeted here and are covered 100 percent by the rental income with the excess rental income going to SDTI to be used to offset the cost of operating the LRT lines on which the property is located.

Bus Shelter Administration

Amount = \$150,000

This reflects the cost of the bus shelter program, which is funded entirely by a third party in exchange for advertising rights.

Bus Bench Administration

Amount = \$90,000

This reflects the cost of the bus bench program, which is entirely funded by advertising revenue.

Office Expenses

Amount = \$1,580,000

This budget area includes the general office expenses listed below:

Rent (\$1,115,000): includes the annual net lease payment (\$871,000), annual maintenance cost (\$250,000), utilities (\$33,000), and miscellaneous expenses (\$16,000) for the James R. Mills Building, MTS office space (ninth and tenth floors) and the Operations Building (Building 3). Please note the FY 05 rent number reflects a one-time \$55,000 credit from the San Diego Regional Building Authority.

Vehicle Maintenance (\$3,000): provides for the operation, maintenance, and repair of MTS pool vehicles.

Equipment Rental/Maintenance (\$18,000): includes the lease payments for office copier equipment and various maintenance/service agreements.

Management Information Systems (\$161,000): provides for various hardware and support services related to the MTS minicomputer and local area network (LAN) system. Recurring annual software/hardware license fees (\$46,000), a one-time cost to convert from IFAS and centralize the MTS financial system under Ellipse (\$90,000), and computer/peripheral upgrades to run the new, upgraded Ellipse management system (\$25,000) are part of the FY 05 budget for this line item.

Furniture and Equipment (\$15,000): includes the acquisition, replacement, and repair of various office furniture and equipment.

General Expenses (\$188,000): includes general office supplies and miscellaneous expenses. The recurring expenses were lowered due to the smaller workforce and cost containment measures. Some MTS staff will be relocated to other areas due to the MTS reorganization. A one-time moving and relocation estimated cost (\$125,000) has been set up in FY 05.

Telecommunications (\$40,000): includes telephone usage and maintenance of the telephone system.

Postage (\$6,000): provides for MTS postage and delivery services.

Local Meetings (\$2,000): covers the cost of various local professional organization meetings attended by staff.

Dues/Subscriptions (\$28,000): includes the dues and subscriptions for staff and MTS. The major cost in this line item is the annual American Public Transportation Association (APTA) and California Transit Association (CTA) dues.

Public Notices (\$4,000): includes the cost of general advertising of various public hearings and ordinances of the Board. Staff recruitment advertising costs are included under the Personnel line item.

TRANSPORTATION SERVICES

Transit-Operating Contracts

Amount = \$113,575,409

The net operating cost (fare revenue less operating expenses) of all of the MTS operators is included in the MTS Budget. The following is a brief description of the transit-operating contracts and the subsidies expended to operate the service. Appendix F provides the FY 05 combined MTS operating budget.

SDTC - \$49,754,448. SDTC operates 500 one-way route miles on 29 bus routes. SDTC provides fixed-route service in the City of San Diego, as well as regional routes in San Diego plus the cities of El Cajon and La Mesa. Appendix G provides the FY 05 SDTC budget.

SDTI - \$21,261,175. SDTI operates two LRT routes, the 25.7-mile Blue Line from Mission San Diego to San Ysidro via the Stadium and Old Town, and the 21.6-mile Orange Line from the 12th and Imperial Transfer Station to Santee via the Bayside Segment. Appendix H provides the FY 05 SDTI budget. The budget includes the start-up activities of the Mission Valley East LRT segment including \$2.0 million in MVE LRT start-up capital funds that are shown within the SDTI operating budget.

MTS Contract Services (MCS) \$36,421,200. MCS provides fixed-route, Direct Access to Regional Transit (DART)/Flex, shuttle services to the Sorrento Valley Coaster Station, flex routes in various areas around the MTS area, and ADA Complementary Paratransit service utilizing private contractors. The 58 fixed-routes are operated on 900 one-way route miles. Appendix I provides the FY 05 MTS Contract Services budget.

- MCS Fixed-Route South Central (\$11,951,550). Local and regional service on 24 fixed-routes in South Bay and many communities within the City of San Diego (including Rancho Bernardo, Carmel Mountain Ranch, Mira Mesa, Scripps Ranch, Ocean Beach, Point Loma, Kearny Mesa, Mission Valley, Tierrasanta, Serra Mesa, Emerald Hills, College, Valencia Park, Oak Park, Southcrest, City Heights, Hillcrest, Old Town, Mission Hills, South San Diego, Barrio Logan, Otay Mesa, and San Ysidro) plus cities of Coronado, Imperial Beach, National City, Chula Vista, Lemon Grove, and the County of San Diego are operated by ATC/Vancom, Inc., for MTS.
- MCS Routes 905/960 Access to Jobs (\$825,894). Route 960 Mid-City Express service between Euclid Avenue Trolley Station and University Towne Centre via Kearny Mesa and Route 905 services to Otay Mesa industrial parks and San Ysidro via the Iris Avenue Trolley Station are operated by ATC/Vancom, Inc., for MTS.
- MCS Airport Route 992 (\$831,491). Service between downtown San Diego and the San Diego International Airport is operated by ATC/Vancom, Inc., for MTS.
- MCS I-15 Routes 980/990 (\$834,065). Morning and afternoon peak-express Route 990 service between Rancho Bernardo and Hillcrest/downtown San Diego with connections at Kearny Mesa Transit Center, Fashion Valley Transit Center, and Hillcrest, and Route 980 direct express service between Rancho Bernardo and Poway to downtown San Diego services are operated by ATC/Vancom, Inc., for MTS. These two routes are funded by FASTRAK I-15 revenues.
- MCS DART/Flex (\$1,545,500). DART is a general public paratransit service operated in Rancho Bernardo and Scripps Ranch. Flex routes are provided in Mira Mesa and Paradise Hills. Route 965 is provided in the Mid-City community. DART/Flex is operated by Southland Transportation under contract with MTS. Flex routes are also provided in El Cajon (Route 874) and Spring Valley/Casa de Oro (Routes 851 and 853) and operated by a private operator, Laidlaw Transit Services, Inc.
- MCS Sorrento Valley Coaster Connection Shuttle Service (\$858,500). The Sorrento Valley Coaster Connection shuttle service links the Coaster commuter rail service with five employment areas surrounding the station. These areas include Sorrento Mesa, Carroll Canyon, Torrey Pines, Campus Point, and University City/Golden Triangle. The Sorrento Valley Coaster Connection shuttle service is funded from the APCD (\$512,500), CALTRANS Mitigation funds (\$138,000), and federal Section 5307 (\$208,000). The service is operated by Laidlaw Transit Services, Inc., under contract with MTS. Caltrans mitigation funds are being used to support the operation of two additional Sorrento Valley Coaster Connection

buses operating between the Sorrento Valley Coaster Station and University City/ Golden Triangle beginning July 2004.

- MTS Access and ADA Suburban (\$7,656,000). MTS Access is a public paratransit service for people with disabilities who are not able to ride bus or trolley services or who cannot get to or from bus stops or trolley stations. MTS Access serves the central San Diego zone and ADA Suburban serves the three suburban zones of South Bay, East County, and Mid-County Inland. MTS Access and the ADA Suburban services are both operated by a private contractor Laidlaw Transit Services, Inc. This service is required by the federal ADA.
- ADA Certification (\$147,000). ADA certification is an eligibility process whereby passengers who need to use ADA complementary paratransit services are required to complete an application, receive a medical verification of their mobility impairment, and potentially complete an in-person functional assessment. Once this is completed, the passenger is either found eligible to use ADA paratransit or denied. This service is provided by Orthopaedic Hospital under contract with MTS.
- MTS Transit Center Maintenance (\$295,000). MTS contracts for area bus transit center maintenance for downtown San Diego Broadway bus stops, Old Town Transit Center, Fashion Valley Transit Center, 12th and Imperial Transfer Station, Iris Avenue Trolley Station, Palm Avenue Trolley Station, Euclid Avenue Trolley Station, and additional transit centers in the MTS region. In June 2004, MTS began maintenance of the new San Ysidro Intermodal Transfer Center at the International Border. The \$295,000 is included in the MTS Contract Services operating budget.
- MCS East County Suburban Fixed-Routes (\$7,683,000). Local feeder service on 17 fixed-routes in the East County cities of El Cajon, Santee, La Mesa, and Lemon Grove and the unincorporated communities of Lakeside, Flynn Springs, Alpine, Rancho San Diego, Casa de Oro, and Spring Valley with 130 daily weekday one-way route miles are operated by a private contractor, Laidlaw Transit Services, Inc.
- MCS Poway Fixed-Routes (\$708,000). Local service on three fixed-routes operated in the City of Poway and the surrounding adjacent communities of Rancho Penasquitos and Rancho Bernardo with 48 daily weekday one-way route miles. Operated by a private operator, Laidlaw Transit Services, Inc.
- MCS Express Bus Fixed-Routes (\$1,488,000). Regional commuter express bus service on five routes operated from suburban areas to employment areas. Four of the express bus routes operate from the residential areas along I-15, including Escondido, Poway, Rancho Bernardo, Rancho Penasquitos, and Carmel Mountain Ranch to downtown San Diego via the I-15 high-occupancy-vehicle lanes. An additional route operates from Santee and El Cajon directly to Kearny Mesa via State Route 52. The five routes are 137 one-way route miles operated by a private contractor, Coach USA.
- MCS Poway Reverse Commute Express Route (\$126,000). A new reverse commute route between Center City San Diego and South Poway Industrial Park has received grant funds from FTA Jobs Access Reverse Commute program (\$63,000) and Air Pollution Control District (APCD) AB2766 Vehicle Registration Fees matching grant (\$63,000). The route is expected to begin in fall 2004 and will be operated by Coach USA, a private contractor for MTS.

- MCS Rural Bus Services (\$1,471,200). Rural bus service is provided in the of northeast and southeast back country areas of the county. Operated by a private operator, Laidlaw Transit Services, Inc.

Chula Vista Transit - \$4,283,265. Chula Vista Transit operates 87 one-way route miles on 12 bus routes. Management services are provided by the City of Chula Vista Public Works Department Transit Division. Chula Vista Transit serves Chula Vista and the unincorporated area of Bonita. Chula Vista Transit is operated by ATC/Vancom, Inc., under contract to the City of Chula Vista. Also included in the Chula Vista Transit budget is \$113,853 to maintain the Bayfront transit center and the Southwestern College transit center located in Chula Vista. Appendix J provides the FY 05 Chula Vista Transit budget.

National City Transit - \$1,380,017. NCT operates 28 one-way route miles on three bus routes serving National City through a contract with a private operator. Appendix K provides the FY 05 NCT budget.

Coronado Ferry - \$131,124. The ferry currently operates in a triangular fashion between the San Diego Broadway Pier, Naval Air Station North Island, and Coronado Ferry Landing. Appendix L provides the FY 05 Coronado Ferry budget.

Administrative Pass-Through and Transit Center Maintenance - \$344,180: MTS reimburses local jurisdictions for staff time and expenses spent on transit-related matters. In addition, Coronado is reimbursed for costs to maintain bus shelters along Strand Boulevard, and Lemon Grove is reimbursed for costs to maintain bus stops, bus stop shelters, trolley corridor landscaping, and the Lemon Grove Depot building and surroundings. Appendix M contains the FY 05 administrative pass-through and transit center maintenance budget. The budget includes the following pass-through amounts:

City of Poway	\$60,027
City of El Cajon	90,883
City of Lemon Grove	121,170
City of La Mesa	51,500
City of Coronado	20,600

OTHER SERVICES

Taxicab Administration

Amount = \$998,262

MTDB regulates taxicabs and other private for-hire vehicles for the cities of El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, and Santee. The current five-year contract with these cities expires in June 2008, except National City. The City of National City is pending final renewal for an extension.

Public Utilities Code 120266 requires MTDB to fully recover costs for these regulatory activities. Fees collected from permit holders and applicants offset the costs. A fee schedule is set each calendar year by the Chief Executive Officer and reviewed in advance by the Taxicab Committee. All Taxicab Administration expenses and revenues are accounted for in a separate enterprise fund. Functions include: administering 1,085 private for-hire vehicle permits (994 taxicabs, plus 215 charter, jitney, nonemergency medical, and sightseeing vehicles) held by 315 owners; inspecting all vehicles at

least annually; processing applications and various filings and requests; collecting fees; handling passenger complaints; enforcing operating and administrative regulations; and overseeing driver training. On August 6, 2001, The City of San Diego approved the issuance of 135 new permits to operate taxicabs. These permits will be issued through the process of lottery, request for proposals, and an auction. Another function is staffing the Taxicab Committee, which advises the Board and holds meetings approximately four times a year plus several subcommittee and workshop meetings as needed. Taxicab Administration staff also manage the maintenance and repair of MTS staff pool and security vehicles.

The Taxicab Administration is a division within the Multimodal Operations Department. There are eight full-time-equivalent (FTE) Taxicab Administration staff positions: one Taxicab Administrative Supervisor, six Regulatory Specialists (which include field and vehicle inspectors), and two clerical staff.

San Diego and Arizona Eastern (SD&AE) Railway Company

Amount = \$180,000

This line item would include costs associated with SD&AE, such as an annual audit, insurance premiums, costs of issuing right of entry permits and right-of-way easements, and other miscellaneous costs.

APPENDIX A

REGIONAL TRANSIT MARKETING

Regional Transit Marketing

The marketing plan for FY 05 will continue with activities to increase:

- public awareness of the MTS system;
- support for the public transit system; and
- gains in ridership and revenues.

Marketing funds will be used to develop and implement a marketing campaign for the openings of the **San Ysidro Intermodal Transportation Center** and the **Mission Valley East LRT extension**. Marketing funds will also be allocated to continue the regional image campaign to boost awareness of MTS in the San Diego community.

Marketing Goals

1. Enhance public image
2. Increase public support for transit
3. Increase system-wide ridership and revenue
4. Leverage business and market opportunities

Marketing Budget

General Marketing Budget	\$496,000
Marketing related to Mission Valley East LRT Start-up	<u>\$400,000</u>
TOTAL MTS REGIONAL TRANSIT MARKETING	\$896,000

**APPENDIX B
FY 2005 OPERATIONS PLANNING PROJECTS**

PROJECT NUMBER	PROJECT	STAFF	CONSULTANT	TOTAL	FUNDING SOURCE
20263	ADA Implementation	\$50,000	\$0	\$50,000	A,K
20204	Advanced Technologies/ITS	25,000	0	25,000	A,K
20262	Fare Studies	25,000	0	25,000	A,K
20272	Policy 31 Process	15,000	0	15,000	A,K
20287	Transit Service Changes - Implementation	55,000	30,000	85,000	A,K
20484	MTS Operations Analysis	35,000	150,000	185,000	A,K
20485	MTS Facilities/Fleet Plan	25,000	0	25,000	A,K
Total Operations Planning		\$ 230,000	\$ 180,000	\$ 410,000	

NOTES:

Funding source codes are as follows:

<u>CODE</u>	<u>FUNDING SOURCE</u>	<u>CODE</u>	<u>FUNDING SOURCE</u>
A	TDA	K	Federal Section 5307
B	STA	L	TEA
C	TransNet	M	State Grade Separation
D	MTDB Contingency Reserve	N	State Prop 116
E	Capital Depreciation Reserve	O	State TSM
F	STP	P	State - TCI (Article XIX;TP&D)
G	City of San Diego	Q	State Commuter Urban Rail
H	Other	R	State Transportation Improvement Program
I	APCD	S	Traffic Congestion Relief Program
J	Federal Section 5309		

Budgets/Operating/FY 05/MTS Consolidated/June 24 Meeting/Appendix Budget Book/Appendix B Ops Planning Projects

APPENDIX C

FY 2005 TRAVEL/CONFERENCES BUDGET DETAIL

	AMOUNT BUDGETED IN GENERAL FUND	AMOUNT BUDGETED IN GENERAL FUND	AMOUNT BUDGETED IN CAPITAL & OPS PLANNING FUNDS	AMOUNT BUDGETED IN CAPITAL & OPS PLANNING FUNDS
	FY 04	FY 05	FY 04	FY 05
TOTAL	\$28,400	\$19,000	\$27,500	\$27,500

NOTES:

(a) The amounts budgeted in the General Fund are generally for conferences relating to specific disciplines.

Following are the proposed conferences:

- Transportation Research Board (TRB) Annual
- Institute of Transportation Engineers (ITE) Meetings
- American Public Transportation Association (APTA) Meetings and Committees
- California Transit Association Meetings and Committees
- Government Finance Officers Association (GFOA) Annual
- Society of Human Resources Managers Annual
- Graphics Arts Conference Annual
- Federal Transit Administration (FTA) Meetings

(b) The amounts budgeted in the capital or operations planning funds are generally for travel or training specifically related to current projects, for example, FTA quarterly reviews, FTA recommended meetings, and APTA, TRB, or CTA Committees.

**APPENDIX D
FY 2005 TAXICAB ADMINISTRATION
PROPOSED BUDGET AMENDMENT**

ITEM	APPROVED FY 04	FY04 ACTUAL THROUGH 3/31/04	PROPOSED FY 05	Increase (Decrease)	FY 05 % Change vs. FY 04
PERSONNEL:					
Wages (a)	\$347,110	\$279,244	\$424,452	\$77,342	22.3%
Fringe Benefits @ 38.80% (b)	102,410	80,561	164,687	62,277	60.8%
Temporary Employees	1,000	0	4,000	3,000	300.0%
Subtotal:	<u>\$450,520</u>	<u>\$359,805</u>	<u>\$593,139</u>	<u>\$142,619</u>	<u>31.7%</u>
NON-PERSONNEL					
Fuel/Maintenance	\$10,000	\$2,277	\$7,000	(\$3,000)	-30.0%
Board of Directors	-	450	1,200	1,200	100.0%
Office expenses (c)	25,000	16,054	25,000	-	0.0%
Travel/Training	3,000	3,393	4,000	1,000	33.3%
Vehicle Inspection Operations	20,000	8,714	17,000	(3,000)	-15.0%
Hearing Officers/Legal	12,000	-	12,000	-	0.0%
Consultant-New Permits	78,222	8,578	77,000	(1,222)	-1.6%
Driver Training	3,000	116	3,000	-	0.0%
Building Operating Expense	17,500	10,326	17,595	95	0.5%
Establish Contingency Reserve (e)	20,000	0	164,427	144,427	722.1%
Subtotal:	<u>\$188,722</u>	<u>\$49,908</u>	<u>\$328,222</u>	<u>\$139,500</u>	<u>73.9%</u>
Capital Replacement Contribution (d)	\$30,000	\$0	\$50,000	\$20,000	66.7%
Indirect Cost Recovery @ 14.30% (b)	66,294	49,878	76,901	10,607	16.0%
TOTAL EXPENDITURES:	<u>\$735,536</u>	<u>\$459,591</u>	<u>\$1,048,262</u>	<u>\$312,726</u>	<u>42.5%</u>
Taxi Rental Expense to MTS General Fund (g)			50,000		
Net Transportation Services			<u>\$998,262</u>		
FEE BREAKDOWN					
Vehicle Fees	\$397,250	\$461,325	\$392,000	(\$5,250)	-1.3%
Processing Fees	259,064	440,091	338,892	79,828	30.8%
FY 2004 Estimated Carryover	43,222	2,385	281,370	238,148	551.0%
Miscellaneous Revenue	10,000	0	10,000	0	0.0%
TOTAL REVENUES:	<u>\$709,536</u>	<u>\$903,801</u>	<u>\$1,022,262</u>	<u>\$312,726</u>	<u>44.1%</u>
Cost recovery from MTDB for vehicle maint. (f)	\$26,000	\$0	\$26,000	-	0.0%
Use of Capital Replacement Reserve				-	0.0%
TOTAL SOURCES OF FUNDS:	<u>\$735,536</u>	<u>\$903,801</u>	<u>\$1,048,262</u>	<u>\$312,726</u>	<u>42.5%</u>

NOTES:

- (a) Wages associated with estimated costs of new staff members
- (b) Fringe Benefit and indirect rates have risen and are based on audited provisional rates.
- (c) Office expenditures include postage, dues, subscriptions, advertising, film processing, utilities, and printing.
- (d) Contribution to Capitol reserves will bring the total available funds to \$82K.
- (e) Establish contribution to contingency reserves \$164K.
- (f) Includes \$26K reimbursement through the MTS vehicle maintenance program
- (g) Table 2 MTS Revenue budget reflects \$50K in General Fund revenue for taxi rental expense. This amount will be adjusted at FY05 Midyear

**APPENDIX E
DEBT SERVICE SCHEDULE**

	1990 LRV Leaseback (a)	1995 LRV Leaseback (b)	MTS Tower (c)	2002 RTMS (d)	2003 AFC (e)
2005		7,600,623	870,624	3,849,400	840,435
2006	2,703,932	7,597,895	846,165	3,896,000	7,557,885
2007	9,351,411	7,594,957	847,778	3,939,450	7,542,180
2008	3,823,397	7,591,792	847,750	2,098,600	7,022,812
2009		7,588,385	847,005		7,005,350
2010		7,584,715	843,070		2,712,350
2011		7,580,764	864,123		
2012		7,576,509	833,027		
2013		7,571,926	851,210		
2014		7,566,990	839,372		
2015		27,051,013	852,061		
2016		27,055,473	834,128		
2017		10,164,233	842,211		
2018		9,515,874	846,378		
2019		9,491,982	820,608		
2020		9,799,027	(0)		
2021		11,425,068			
2022		11,737,712			
2023		12,192,239			
2024		12,162,881			
2025		12,131,266			
2026		1,412,524			

NOTES:

- a. 1990 LRV Leaseback defeased with investments; all payments funded by investments placed in escrow.
- b. 1995 LRV Leaseback defeased with investments; all payments funded by investments placed in escrow.
- c. MTS Tower debt refinanced in September 2001; debt service in 2019 and 2020 shown net of debt service reserve of \$870,623; debt service is MTDB's share (27.61%) of debt; debt service funded by TDA 10%.
- d. 2003 Regional Transit Management System debt service shown net of debt service reserve of \$1,784,500 in 2008; debt service funded by federal formula 5307 funds and TDA.
- e. 2004 Automated Fare Collection debt service shown net of debt service reserve of \$3,285,000 in 2010; debt service funded by federal formula 5307 funds and TDA.

Budgets/Operating/FY 05/MTS Consolidated/June 24 Meeting/Appendix Budget Book/MTS Debt Service FY05 RAW 6.16.04

**APPENDIX F
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	\$68,005,000	\$2,137,000	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>\$69,300,550</u>	<u>\$2,147,800</u>	<u>3.2%</u>
EXPENSES:					
Personnel	\$76,657,888	\$78,924,375	\$84,684,862	\$5,760,487	7.3%
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	4,390,591	(262,743)	-5.6%
Purchased Transportation	44,400,346	48,499,259	50,329,747	1,830,488	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>\$64,153,580</u>	<u>\$1,727,139</u>	<u>2.8%</u>
Materials & Supplies:					
Lubricants	\$178,303	\$172,850	\$176,505	\$3,655	2.1%
Tires	494,701	626,779	614,407	(12,372)	-2.0%
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>\$7,711,928</u>	<u>\$341,821</u>	<u>4.6%</u>
Energy:					
Fuel	\$4,238,900	\$4,516,399	\$4,553,125	\$36,726	0.8%
CNG	5,299,598	6,338,085	6,844,422	506,337	8.0%
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>\$19,125,105</u>	<u>\$1,393,038</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>\$182,339,537</u>	<u>\$8,660,876</u>	<u>5.0%</u>
NET OPERATING COST	(\$98,870,723)	(\$106,525,911)	(\$113,038,987)	(\$6,513,076)	6.1%
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>(\$113,231,228)</u>	<u>(\$6,493,676)</u>	<u>6.1%</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	27,888,580		
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
San Diego Trolley Budget includes \$2,608,625 in MVE Startup Costs.

**APPENDIX G
SAN DIEGO TRANSIT CORPORATION
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	\$23,758,457	\$22,600,000	\$22,740,000	\$140,000	0.6%
Advertising	717,876	800,000	800,000	0	0.0%
Contracted Service Revenue	93,054	25,000	25,000	0	0.0%
Other	103,186	100,000	100,000	0	0.0%
	<u>\$24,672,573</u>	<u>\$23,525,000</u>	<u>\$23,665,000</u>	<u>\$140,000</u>	<u>0.6%</u>
EXPENSES:					
Personnel	\$53,557,062	\$53,927,519	\$56,466,452	\$2,538,933	4.7%
Outside Services:					
Marketing	\$229,760	\$222,000	\$0	(\$222,000)	-100.0%
Security	1,063,172	963,700	1,009,688	45,988	4.8%
Repair/Maintenance Services	528,051	582,000	574,345	(7,655)	-1.3%
Engines and Transmissions	601,087	640,000	638,800	(1,200)	-0.2%
Other Outside Services	1,709,620	1,445,683	1,391,977	(53,706)	-3.7%
Purchased Transportation	0	0	0	0	0.0%
Other Contracted Bus Services	0	0	0	0	0.0%
Total Outside Services:	<u>\$4,131,690</u>	<u>\$3,853,383</u>	<u>\$3,614,810</u>	<u>(\$238,573)</u>	<u>-6.2%</u>
Materials & Supplies:					
Lubricants	\$129,509	\$120,000	\$120,530	\$530	0.4%
Tires	485,915	603,778	588,407	(15,371)	-2.5%
Other Materials & Supplies	3,764,981	3,357,923	3,471,966	114,043	3.4%
Total Maint. Parts & Supplies:	<u>\$4,380,405</u>	<u>\$4,081,701</u>	<u>\$4,180,903</u>	<u>\$99,202</u>	<u>2.4%</u>
Energy:					
Fuel	\$1,951,115	\$2,014,000	\$1,807,061	(\$206,939)	-10.3%
CNG	2,812,517	3,229,000	3,348,798	119,798	3.7%
Electricity	544,746	592,300	549,400	(42,900)	-7.2%
Total Energy:	<u>\$5,308,378</u>	<u>\$5,835,300</u>	<u>\$5,705,259</u>	<u>(\$130,041)</u>	<u>-2.2%</u>
Risk Management	\$3,447,518	\$3,432,079	\$2,998,798	(\$433,281)	-12.6%
General & Administrative	\$460,483	\$518,027	\$453,226	(\$64,801)	-12.5%
TOTAL OPERATING EXPENSES	<u>\$71,285,536</u>	<u>\$71,648,009</u>	<u>\$73,419,448</u>	<u>\$1,771,439</u>	<u>2.5%</u>
NET OPERATING COST	(\$46,612,963)	(\$48,123,009)	(\$49,754,448)	(\$1,631,439)	3.4%
Vehicle/Facility Leases	0	0	0	0	0.0%
NET COST AFTER DEPOSIT	<u><u>(\$46,612,963)</u></u>	<u><u>(\$48,123,009)</u></u>	<u><u>(\$49,754,448)</u></u>	<u><u>(\$1,631,439)</u></u>	<u><u>3.4%</u></u>

Farebox Recovery Ratio	33.3%	31.5%	31.0%
Base level of service (miles)	10,707,183	10,339,733	10,116,397
Cost per mile	\$6.66	\$6.93	\$7.26

**APPENDIX H
SAN DIEGO TROLLEY, INC.
FY 05 PROPOSED BUDGET**

Includes MVE

	FY 03 ACTUAL	FY 04 AMENDED BUDGET	FY 05 PROPOSED BUDGET	INCREASE (DECREASE)	FY 05 % CHANGE OVER FY 04
REVENUE:					
Passenger Fares	\$22,071,207	\$23,300,000	\$24,500,000	\$1,200,000	5.2%
Advertising	0	\$0	0	0	0.0%
Contracted Service Revenue	0	\$0	0	0	0.0%
Other	355,458	\$359,750	370,550	10,800	3.0%
	<u>\$22,426,665</u>	<u>\$23,659,750</u>	<u>\$24,870,550</u>	<u>\$1,210,800</u>	<u>5.1%</u>
EXPENSES:					
Personnel	\$20,772,475	\$22,300,775	\$25,435,350	\$3,134,575	14.1%
Outside Services:					
Marketing	\$268,181	\$277,575	\$0	(\$277,575)	-100.0%
Security	3,328,620	3,543,400	3,745,350	201,950	5.7%
Repair/Maintenance Services	2,085,148	2,222,325	2,391,475	169,150	7.6%
Engines and Transmissions	0	0	0	0	0.0%
Other Outside Services	983,446	1,254,975	1,350,475	95,500	7.6%
Purchased Transportation	0	0	0	0	0.0%
Other Contracted Bus Services	0	0	0	0	0.0%
Total Outside Services:	\$6,665,395	\$7,298,275	\$7,487,300	\$189,025	2.6%
Materials & Supplies:					
Lubricants	\$40,253	\$41,450	\$43,975	\$2,525	6.1%
Tires	0	\$0	0	0	0.0%
Other Materials & Supplies	2,555,272	\$3,072,225	3,306,050	233,825	7.6%
Total Maint. Parts & Supplies:	\$2,595,525	\$3,113,675	\$3,350,025	\$236,350	7.6%
Energy:					
Fuel	\$235,529	\$235,000	\$281,575	\$46,575	19.8%
CNG	0	\$0	0	0	0.0%
Electricity	6,562,830	\$6,130,500	7,028,325	897,825	14.6%
Total Energy:	\$6,798,359	\$6,365,500	\$7,309,900	\$944,400	14.8%
Risk Management	\$1,878,221	\$2,320,225	\$2,232,225	(\$88,000)	-3.8%
General & Administrative	\$275,894	\$294,525	\$316,925	\$22,400	7.6%
TOTAL OPERATING EXPENSES	\$38,985,869	\$41,692,975	\$46,131,725	\$4,438,750	10.6%
NET OPERATING COST	(\$16,559,204)	(\$18,033,225)	(\$21,261,175)	(\$3,227,950)	17.9%
Vehicle/Facility Leases	0	0	0	0	0.0%
NET COST AFTER DEPOSIT	(\$16,559,204)	(\$18,033,225)	(\$21,261,175)	(\$3,227,950)	17.9%

Farebox Recovery Ratio	56.6%	55.9%	53.1%
Base level of service (car miles)	6,987,564	6,931,837	6,818,927
Cost per mile	\$5.58	\$6.01	\$6.77

**APPENDIX I
MTS CONTRACT SERVICES
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	\$15,006,464	\$16,198,000	\$16,840,000	\$642,000	4.0%
Advertising	0	0	0	0	0.0%
Contracted Service Revenue	0	0	0	0	0.0%
Other	0	0	0	0	0.0%
	<u>\$15,006,464</u>	<u>\$16,198,000</u>	<u>\$16,840,000</u>	<u>\$642,000</u>	<u>4.0%</u>
EXPENSES:					
Personnel	\$601,308	\$682,000	\$715,000	\$33,000	4.8%
Outside Services:					
Marketing	\$76,587	\$92,000	\$0	(\$92,000)	-100.0%
Security	38,926	50,000	45,000	(5,000)	-10.0%
Repair/Maintenance Services	0	0	341,000	341,000	100.0%
Engines and Transmissions	299,684	382,000	387,000	5,000	1.3%
Other Outside Services	944,874	1,267,000	978,700	(288,300)	-22.8%
Purchased Transportation	39,741,251	43,620,795	45,312,000	1,691,205	3.9%
Other Contracted Bus Services	0	0	0	0	0.0%
Total Outside Services:	<u>\$41,101,322</u>	<u>\$45,411,795</u>	<u>\$47,063,700</u>	<u>\$1,651,905</u>	<u>3.6%</u>
Materials & Supplies:					
Lubricants	\$0	\$0	\$0	\$0	0.0%
Tires	0	0	0	0	0.0%
Other Materials & Supplies	0	2,000	0	(2,000)	-100.0%
Total Maint. Parts & Supplies:	<u>\$0</u>	<u>\$2,000</u>	<u>\$0</u>	<u>(\$2,000)</u>	<u>-100.0%</u>
Energy:					
Fuel	\$1,744,999	\$1,974,907	\$2,165,300	\$190,393	9.6%
CNG	2,156,873	2,612,300	2,968,000	355,700	13.6%
Electricity	0	0	0	0	0.0%
Total Energy:	<u>\$3,901,872</u>	<u>\$4,587,207</u>	<u>\$5,133,300</u>	<u>\$546,093</u>	<u>11.9%</u>
Risk Management	\$61,895	\$144,000	\$137,000	(\$7,000)	-4.9%
General & Administrative	\$23,534	\$27,000	\$20,000	(\$7,000)	-25.9%
TOTAL OPERATING EXPENSES	<u>\$45,689,931</u>	<u>\$50,854,002</u>	<u>\$53,069,000</u>	<u>\$2,214,998</u>	<u>4.4%</u>
NET OPERATING COST	<u>(\$30,683,467)</u>	<u>(\$34,656,002)</u>	<u>(\$36,229,000)</u>	<u>(\$1,572,998)</u>	<u>4.5%</u>
Vehicle/Facility Leases	(468,683)	(211,600)	(192,200)	19,400	-9.2%
NET COST AFTER DEPOSIT	<u>(\$31,152,150)</u>	<u>(\$34,867,602)</u>	<u>(\$36,421,200)</u>	<u>(\$1,553,598)</u>	<u>4.5%</u>
Farebox Recovery Ratios:					
Farebox Recovery Ratio (combined)	33.09%	32.12%	31.88%		
Farebox Recovery Ratio (fixed route)	38.94%	37.00%	37.04%		
Farebox Recovery Ratio (rural)	13.93%	7.73%	10.63%		
Farebox Recovery Ratio (paratransit)	16.78%	15.06%	14.45%		
Base Level of Service:					
Base level of service (miles)	8,030,594	9,151,430	9,073,600		
Cost per mile-fixed route	\$ 4.17	\$ 4.33	\$ 4.52		
Base level of service (hours)	282,348	217,960	202,490		
Cost per hour-paratransit	\$ 39.81	\$ 43.94	\$ 50.06		

**APPENDIX J
CHULA VISTA TRANSIT
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	\$2,309,938	\$2,445,000	\$2,550,000	\$105,000	4.3%
Advertising	0	0	0	0	0.0%
Contracted Service Revenue	0	0	0	0	0.0%
Other	91,214	0	0	0	0.0%
	<u>\$2,401,152</u>	<u>\$2,445,000</u>	<u>\$2,550,000</u>	<u>\$105,000</u>	<u>4.3%</u>
EXPENSES:					
Personnel	\$558,915	\$645,698	\$668,060	\$22,362	3.5%
Outside Services:					
Marketing	\$0	\$0	\$0	\$0	0.0%
Security	0	0	0	0	0.0%
Repair/Maintenance Services	71,570	107,408	107,584	176	0.2%
Engines and Transmissions	48,908	98,000	113,000	15,000	15.3%
Other Outside Services	191,394	208,950	191,439	(17,511)	-8.4%
Purchased Transportation	4,535,495	4,751,156	4,886,623	135,467	2.9%
Other Contracted Bus Services	0	0	0	0	0.0%
Total Outside Services:	<u>\$4,847,367</u>	<u>\$5,165,514</u>	<u>\$5,298,646</u>	<u>\$133,132</u>	<u>2.6%</u>
Materials & Supplies:					
Lubricants	\$0	\$0	\$0	\$0	0.0%
Tires	0	0	0	0	0.0%
Other Materials & Supplies	0	0	0	0	0.0%
Total Maint. Parts & Supplies:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0%</u>
Energy:					
Fuel	\$90,834	\$84,318	\$109,976	\$25,658	30.4%
CNG	330,208	496,785	527,624	30,839	6.2%
Electricity/Utilities	168,753	127,783	128,046	263	0.2%
Total Energy:	<u>\$589,795</u>	<u>\$708,886</u>	<u>\$765,646</u>	<u>\$56,760</u>	<u>8.0%</u>
Risk Management	\$8,872	\$61,200	\$62,700	\$1,500	2.5%
General & Administrative	\$25,159	\$37,872	\$38,188	\$316	0.8%
TOTAL OPERATING EXPENSES	<u>\$6,030,108</u>	<u>\$6,619,170</u>	<u>\$6,833,240</u>	<u>\$214,070</u>	<u>3.2%</u>
NET OPERATING COST	(\$3,628,956)	(\$4,174,170)	(\$4,283,240)	(\$109,070)	2.6%
Vehicle/Facility Leases	0	(25)	(25)	0	0.0%
NET COST AFTER DEPOSIT	<u>(\$3,628,956)</u>	<u>(\$4,174,195)</u>	<u>(\$4,283,265)</u>	<u>(\$109,070)</u>	<u>2.6%</u>

Farebox Recovery Ratio	38.3%	36.9%	37.3%
Base level of service (miles)	1,408,924	1,430,161	1,417,800
Cost per mile	\$4.28	\$4.63	\$4.82

**APPENDIX K
NATIONAL CITY TRANSIT
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	\$1,181,120	\$1,325,000	\$1,375,000	\$50,000	3.8%
Advertising	0	0	0	0	0.0%
Contracted Service Revenue	0	0	0	0	0.0%
Other	0	0	0	0	0.0%
	<u>\$1,181,120</u>	<u>\$1,325,000</u>	<u>\$1,375,000</u>	<u>\$50,000</u>	<u>3.8%</u>
EXPENSES:					
<u>Personnel</u>	\$1,168,128	\$1,368,383	\$1,400,000	\$31,617	2.3%
<u>Outside Services:</u>					
Marketing	\$20,392	\$25,000	\$0	(\$25,000)	-100.0%
Security	0	0	10,000	10,000	0.0%
Repair/Maintenance Services	89,341	68,440	70,000	1,560	2.3%
Engines and Transmissions	0	0	0	0	0.0%
Other Outside Services	453,244	476,726	478,000	1,274	0.3%
Purchased Transportation	0	0	0	0	0.0%
Other Contracted Bus Services	0	0	0	0	0.0%
Total Outside Services:	<u>\$562,977</u>	<u>\$570,166</u>	<u>\$558,000</u>	<u>(\$12,166)</u>	<u>-2.1%</u>
<u>Materials & Supplies:</u>					
Lubricants	\$8,541	\$11,400	\$12,000	\$600	5.3%
Tires	8,786	\$23,001	26,000	2,999	13.0%
Other Materials & Supplies	118,734	\$138,330	143,000	4,670	3.4%
Total Maint. Parts & Supplies:	<u>\$136,061</u>	<u>\$172,731</u>	<u>\$181,000</u>	<u>\$8,269</u>	<u>4.8%</u>
<u>Energy:</u>					
Fuel	\$216,423	\$208,174	\$189,213	(\$18,961)	-9.1%
CNG	0	0	0	0	0.0%
Electricity/Utilities	20,487	27,000	21,787	(5,213)	-19.3%
Total Energy:	<u>\$236,910</u>	<u>\$235,174</u>	<u>\$211,000</u>	<u>(\$24,174)</u>	<u>-10.3%</u>
<u>Risk Management</u>	\$316,216	\$364,795	\$385,000	\$20,205	5.5%
<u>General & Administrative</u>	\$23,361	\$25,948	\$20,000	(\$5,948)	-22.9%
TOTAL OPERATING EXPENSES	<u>\$2,443,653</u>	<u>\$2,737,197</u>	<u>\$2,755,000</u>	<u>\$17,803</u>	<u>0.7%</u>
NET OPERATING COST	(\$1,262,533)	(\$1,412,197)	(\$1,380,000)	\$32,197	-2.3%
Vehicle/Facility Leases	(16)	(16)	(16)	(0)	3.0%
NET COST AFTER DEPOSIT	<u>(\$1,262,549)</u>	<u>(\$1,412,213)</u>	<u>(\$1,380,017)</u>	<u>\$32,196</u>	<u>-2.3%</u>
<hr/>					
Farebox Recovery Ratio	48.3%	48.4%	49.9%		
Base level of service (miles)	455,366	450,940	461,856		
Cost per mile	\$5.37	\$6.07	\$5.97		

**APPENDIX L
CORONADO FERRY
FY 05 PROPOSED BUDGET**

	<u>FY 03 ACTUAL</u>	<u>FY 04 AMENDED BUDGET</u>	<u>FY 05 PROPOSED BUDGET</u>	<u>INCREASE (DECREASE)</u>	<u>FY 05 % CHANGE OVER FY 04</u>
REVENUE:					
Passenger Fares	\$0	\$0	\$0	\$0	0.0%
Advertising	0	0	0	0	0.0%
Contracted Service Revenue	0	0	0	0	0.0%
Other	0	0	0	0	0.0%
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0%</u>
EXPENSES:					
<u>Personnel</u>	\$0	\$0	\$0	\$0	0.0%
<u>Outside Services:</u>					
Marketing	\$0	\$0	\$0	\$0	0.0%
Security	0	0	0	0	0.0%
Repair/Maintenance Services	0	0	0	0	0.0%
Engines and Transmissions	0	0	0	0	0.0%
Other Outside Services	0	0	0	0	0.0%
Purchased Transportation	123,600	127,308	131,124	3,816	3.0%
Other Contracted Bus Services	0	0	0	0	0.0%
Total Outside Services:	<u>\$123,600</u>	<u>\$127,308</u>	<u>\$131,124</u>	<u>\$3,816</u>	<u>3.0%</u>
<u>Materials & Supplies:</u>					
Lubricants	\$0	\$0	\$0	\$0	0.0%
Tires	0	0	0	0	0.0%
Other Materials & Supplies	0	0	0	0	0.0%
Total Maint. Parts & Supplies:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0%</u>
<u>Energy:</u>					
Fuel	\$0	\$0	\$0	\$0	0.0%
CNG	0	0	0	0	0.0%
Electricity	0	0	0	0	0.0%
Total Energy:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0%</u>
<u>Risk Management</u>	\$0	\$0	\$0	\$0	0.0%
<u>General & Administrative</u>	\$0	\$0	\$0	\$0	0.0%
TOTAL OPERATING EXPENSES	<u>\$123,600</u>	<u>\$127,308</u>	<u>\$131,124</u>	<u>\$3,816</u>	<u>3.0%</u>
NET OPERATING COST	(\$123,600)	(\$127,308)	(\$131,124)	(\$3,816)	3.0%
Vehicle/Facility Leases	0	0	0	0	0.0%
NET COST AFTER DEPOSIT	<u>(\$123,600)</u>	<u>(\$127,308)</u>	<u>(\$131,124)</u>	<u>(\$3,816)</u>	<u>3.0%</u>

Budgets/Operating/FY 05/MTS Consolidated/June 24 Meeting//Budgets - Detailed 6.16.04

**APPENDIX M
PASS-THROUGH SUBSIDY TO JURISDICTIONS
FY 05 PROPOSED AMOUNT**

	FY04		FY05	
	PERSONNEL	OUTSIDE SERVICES	PERSONNEL	OUTSIDE SERVICES
City of Poway	\$ 55,027	\$ 5,000	\$ 55,027	\$ 5,000
City of El Cajon	69,133	21,750	69,133	21,750
City of Lemon Grove	13,020	108,150	13,020	108,150
City of La Mesa	51,500	20,600	51,500	20,600
	\$ 188,680	\$ 155,500	\$ 188,680	\$ 155,500
Total		\$ 344,180		\$ 344,180

Personnel costs are to reimburse cities for staff time and overhead spent on transit-related issues. Outside services is for the maintenance of bus benches, bus stops and bus shelters.

APPENDIX N FY 2005 TRANSIT OPERATING CONTRACTS - FUNDING

Transit Operating Contract	TDA			STA	TRANSNET	FTA OPER.	FTA MAINT.	RESERVES	OTHER	TOTAL
	Article 4.0	Article 4.5	Article 8.0							
San Diego Transit	\$19,977,617			\$3,963,405 (4)	\$7,000,000		\$14,200,000	\$4,335,426 (9)	\$278,000 (1)	\$49,754,448
San Diego Trolley	2,698,033			497,517	6,200,000		9,000,000		257,000 (5)	\$18,652,550
San Diego Trolley MV East						538,816		69,809	(11)	\$608,625
MTS Contract Services										
MCS Fixed Route South Central	11,698,115			253,435						\$11,951,550
MCS Airport Shuttle	831,491									\$831,491
MCS Inland Breeze									834,065 (7)	\$834,065
MCS Otay Mesa/Mid-City (Jobs Access)	203,935					203,935			0	\$407,870
MCS Mid-City (Jobs Access)	209,012					209,012			0	\$418,024
MCS Poway Reverse Commute (JARC)						63,000			63,000 (2)	\$126,000
MCS Fixed Route East County	7,569,564			113,436 (10)						\$7,683,000
MCS Fixed Route Poway	708,000									\$708,000
MCS Fixed Route Express			1,488,000							\$1,488,000
MCS Flex 900	1,014,000									\$1,014,000
MCS Flex 800	375,000									\$375,000
MCS DART	156,500									\$156,500
MCS Sorrento Valley Coaster Connection						208,000			512,500 (2)	\$720,500
MCS SVCC Caltrans Service									138,000 (6)	\$138,000
MCS Transit Center Maintenance	295,000									\$295,000
MCS ADA Certification	147,000									\$147,000
MCS MTS Access	523,678	3,311,551			521,853				350,918 (3)	\$4,708,000
MCS ADA Paratransit Suburban	2,748,000								200,000 (8)	\$2,948,000
MCS Rural	1,471,200									\$1,471,200
Chula Vista Transit	4,229,956			53,309						\$4,283,265
National City Transit	1,351,296			28,721						\$1,380,017
Coronado Ferry			131,124							\$131,124
Coronado Transit Facilities	20,600									\$20,600
Lemon Grove Transit Facilities	108,150									\$108,150
Administrative Pass Through:										
City of Poway	60,027									\$60,027
City of El Cajon	90,883									\$90,883
City of Lemon Grove	13,020									\$13,020
City of La Mesa	51,500									\$51,500
	\$56,551,577	\$3,311,551	\$1,619,124	\$4,909,823	\$13,721,853	\$1,222,763	\$23,200,000	\$4,405,235	\$2,633,483	\$111,575,409

- (1) City of San Diego Maintenance of Effort (\$278,000)
(2) APCD funds \$512,500 SVCC and APCD funds \$63,000 Poway Reverse Express
(3) City of San Diego Maintenance of Effort funds (\$150,918); MediCal funds (\$200,000)
(4) STA Formula funds of \$797,064 from SDTC; discretionary funds of \$3,166,341 MTS
(5) Net rental income
(6) Funded by Caltrans mitigation funds
(7) SANDAG FASTRAK funds
(8) MediCal funds (\$200,000)
(9) MTS Contingency Reserves;
(10) County of San Diego STA (112.018) +La Mesa STA (\$1,418)
(11) \$2,000,000 in MVE Start-up from Capital Project is not shown on this chart for San Diego Trolley

TABLE 4a
MTS FY 05
CAPITAL BUDGET
(in thousands)

PROJECT #	PROJECT DESCRIPTION	TOTAL CAPITAL PROJECT	FY 05 BUDGET	FUNDING SOURCE
LRT EXTENSIONS				
<u>FY 04 CARRYOVER PROJECTS:</u>				
10426	Mission Valley East	489,008	74,847	C,H,J
TOTAL LRT EXTENSIONS		\$489,008	\$74,847	
MAJOR LRT & BUS CAPITAL				
<u>FY 04 CARRYOVER PROJECTS:</u>				
10453	San Ysidro Intermodal Transportation Center (A)	25,743	3,033	A,G,K,L,R
10492	Orange to Blue Line Connection	5,998	4,422	R,S
10493	12th Avenue Park to Bay Link	10,555	1,097	S
10494	City College Station Realignment	6,189	2,670	A,K,L,R
11046	12th Avenue Corridor Improvements	2,991	2,561	K,L,R,S
TOTAL MAJOR LRT & BUS CAPITAL		\$51,476	\$13,783	
TOTAL ALL MTS MANAGED PROJECTS		\$540,484	\$88,630	

CODE	FUNDING SOURCE	CODE	FUNDING SOURCE
A	TDA	K	Federal Section 5307
B	State Transit Assistance (STA)	L	TEA
C	TransNet	M	State Grade Separation
D	MTDB Contingency Reserve	N	State Prop. 116
E	Capital Replacement Reserve	O	State TSM
F	STP	P	State TCI (Article XIX;TP&D)
G	City of San Diego	Q	State Commuter Urban Rail
H	Other	R	State Transportation Improvement Program
I	APCD	S	Traffic Congestion Relief Program
J	Federal Section 5309		

TABLE 4 - CAPITAL PROJECTS.6.16.04

**TABLE 4b
SANDAG FY 05 Capital Budget
(\$1,000's)**

Project #	Project Title	Approved Budget	Funded Budget Thru FY 2005	Est. Expended Thru June 2004	FUNDING SOURCES										
					5309	5307	TEA	TCRP	STIP	TCI	TRANSNET	TDA	APCD	RESERVES(a)	OTHER (b)
LRT PROJECTS															
<u>Existing Projects</u>															
1041500	Mid-Coast Balboa Extension	21,011.0	21,011.0	8,019.0	640.0						20,371.0				
TOTAL LRT PROJECTS		21,011.0	21,011.0	8,019.0	640.0	0.0	0.0	0.0	0.0	0.0	20,371.0	0.0	0.0	0.0	
MAJOR RAIL AND BUS CAPITAL															
<u>Existing Projects</u>															
1045500	Nobel Drive Coaster Station	13,090.0	13,090.0	1,219.0	9,883.0						368.0	2,839.0			
1048500	S. Bay Maintenance Facility Property Expansion	12,134.0	7,334.0	4,570.0		5,867.2							1,466.8		
1048600	San Diego Transit New CNG Buses (41)	14,350.0	14,350.0	22.0											
1048700	MTS Contract Services New CNG Buses (6)	2,450.0	2,450.0	10.0		456.3			14,350.0						
1048800	Chula Vista Transit New CNG Buses (7)	2,400.0	2,400.0	3.0		903.7			1,993.7						
1049500	Spring Valley Transit Center	3,700.0	200.0	0.0		160.0							135.0	165.0	
1049600	East County Bus Maintenance Facility	13,400.0	8,538.0	3,406.0		6,830.4							40.0		
1049700	Grossmont Station Pedestrian Enhancements	2,700.0	1,670.0	6.0	120.0	1,216.0							1,707.6		
1049800	Trolley Station Fiber Infrastructure	10,903.0	7,450.0	1,010.0	5,960.0								334.0		
1069600	CCTV Equipment Upgrades	2,859.0	1,644.0	1,583.0	954.0	361.0							1,171.0		
1075900	Mira Mesa Transit Center	1,477.0	678.0	5.0										249.0	
1079900	Refurbish & Standardize 2 Substations	1,146.0	1,146.0	410.0	356.8	560.0								269.0	
1081800	Rebuild LRV Camshaft Assemblies	4,570.0	1,470.0	687.0	1,176.0									60.0	
1081900	Transportation Operations Management Center - Phase I	3,195.0	3,195.0	1,602.0	1,658.0	934.0								678.0	
1084200	Fenton Parkway Station	3,300.0	1,005.0	694.0	104.0	115.0								44.8	
1085500	Imperial Avenue Division CNG Fuel Station Expansion	2,602.0	2,602.0	2,497.0		1,540.8								184.4	
1088700	SDTC/SDTI Financial Management System	3,613.0	3,613.0	3,267.0	45.3	2,845.1								149.0	
1094000	San Diego Transit Radio / AVL System	16,675.0	16,675.0	4,568.0										114.0	
1095400	Low Floor Vehicle Station Platform Retrofit	11,469.0	11,469.0	960.0	2,775.2									26.0	
1095600	San Ysidro Slope Improvement	1,850.0	140.0	36.0	112.0									745.0	
1095800	Kearny Mesa Division Underground Tanks (design)	1,078.0	1,078.0	85.0		862.4								26.0	
1097200	Kearny Mesa Division CNG Fuel Station Improvements	3,200.0	3,200.0	210.0		1,936.0								11.3	
1097300	SBMF CNG Fuel Station Improvements	1,935.0	1,935.0	1,839.0		805.6								12.3	
1097400	Replace Switches Col & State Street	858.6	858.6	37.0	57.0	630.0								11.3	
1099300	Imperial Avenue Division Expansion Land Purchase	3,038.0	3,038.0	69.0		1,044.0								16,675.0	
1100100	Blue Line Catenary Improvement	1,827.0	1,827.0	1,798.0	1,044.0	417.6								50.0	
1100200	Kearny Mesa Div. Drop Table Refurbish Paint Booth	1,020.0	1,020.0	121.0		816.0								10.0	
1104200	LRV Body and Paint Rehabilitation	3,344.0	1,344.0	706.0	400.0	440.0								125.6	
1105700	IAD / KMD Parking Lot Resurface	1,650.0	271.5	160.0		217.2								70.0	
1140000	Rehab Traction Motors	7,410.0	3,660.0	3,080.0	1,882.3	1,045.7								50.0	
1140200	Kearny Mesa Transit Center	1,470.0	150.0	45.0		120.0								294.0	
1140300	Train Location	6,865.0	1,647.0	295.0	950.0	376.0								168.0	
1140400	Tunnel Fleet Modification	4,390.0	4,390.0	600.0	1,519.0	1,993.0								4.0	
1140500	LRV Shop Modifications	2,051.0	2,051.0	104.0	588.8	1,055.5								168.0	
1140600	San Ysidro Intermodal Freight Facility	12,000.0	12,000.0	0.0										4.0	
1140900	MTS Radio System	1,121.0	1,121.0	164.0										168.0	
1141300	Catenary Improvement Project - Phase II	2,227.0	1,312.0	186.0	1,013.6	36.0								4.0	
1141400	Del Mar Bluffs Stabilization	22,953.0	4,953.0	600.0	3,953.0									1,733.4	
1141500	East Division Maintenance Facility	3,735.9	3,735.9	45.0	491.1	2,497.6								261.0	
1141600	Santa Margarita River Bridge Replacement & 2nd Track	31,000.0	2,500.0	1,600.0										1,733.4	
1142200	Sorrento to Miramar Curve Realignment & Second Track	45,200.0	31,717.6	3,038.0										365.4	
1142300	NCTD Field Administration Office for Maintenance of Way	8,851.0	1,683.0	211.0										261.0	
1145700	Fare Technology	39,300.0	39,300.0	20,893.4						1,010.0				1,733.4	
1148100	I15 Managed Lanes/BRT	51,582.0	51,582.0	11,589.4										1,733.4	
TOTAL MAJOR RAIL AND BUS CAPITAL EXISTING PROJECTS		385,989.5	277,493.6	74,030.8	35,043.1	37,388.4	10,000.0	47,600.0	55.0	1,378.0	11,589.0	11,958.0	693.1	2,768.2	
														119,022.2	

**TABLE 4b
SANDAG FY 05 Capital Budget
(\$1,000's)**

Project #	Project Title	Budget	Thru FY 2005	Thru June 2004	5309	5307	TEA	TCRP	STIP	TCI	TRANSNET	TDA	APCD	RESERVES(a)	OTHER (b)
FY 05 New Major Bus and Rail Capital Projects															
1141700	MTS 30 - 35 foot CNG Low Floor Medium Size Buses (9)	3,025.0	15.0	0.0		12.0								3.0	
1141800	MTS ADA Small Vehicles (127)	10,000.0	3,680.0	0.0		2,944.0						736.0			
1141900	MTS Medium/Small Flex route Buses (15) - 900 Series	1,735.0	15.0	0.0		12.0								3.0	
1142000	Catenary Contact Wire	14,930.0	310.0	0.0		248.0								62.0	
1142100	Substation Standardization - Phase II	1,902.0	402.0	0.0		321.6								80.4	
TOTAL FY 05 NEW MAJOR BUS AND RAIL CAPITAL PROJECTS		31,592.0	4,422.0	0.0	0.0	3,537.6	0.0	0.0	0.0	0.0	0.0	884.4	0.0	0.0	0.0
TOTAL MAJOR RAIL AND BUS CAPITAL		417,581.5	281,915.6	74,030.8	35,043.1	40,926.0	10,000.0	47,600.0	55.0	1,378.0	11,589.0	12,842.4	693.1	2,768.2	119,022.2
MINOR CAPITAL PROJECTS															
Existing Projects															
1075300	Trolley Station Signs	365.0	365.0	285.7	240.0	24.0								66.0	35.0
1077500	Santee Bus Stop Improvements	120.0	120.0	106.6		96.0						24.0			
1082100	Transit Watch Enhancements	191.0	191.0	147.2	33.3	119.5						5.0		24.9	8.3
1083200	Configuration Management	100.0	100.0	93.1		80.0									20.0
1084300	Fenton Parkway Grade Crossing	100.0	100.0	62.6		88.5			11.5						
1087400	Organizational Network Infrastructure	675.0	675.0	576.1		460.0								115.0	20.0
1089700	Yard Switch Electrification - Phase II	821.0	821.0	791.9	656.8									129.0	35.2
1089900	Yard Traction Power Enhancements	555.0	555.0	497.4		491.3			49.9					13.7	
1094200	Grade Crossing/Standby Power Improvements	462.0	462.0	426.1	369.6									92.4	
1094900	Crossing Protection Indicators (design)	100.0	100.0	30.8		80.0									20.0
1095500	Anita St. Crossing Widening (design)	50.0	50.0	13.4		40.0								10.0	
1097100	LRT Station Platform Rehabilitation	455.0	455.0	79.9	364.0									91.0	
1098100	Network Server Replacement / Upgrade	475.0	475.0	375.9	15.6	364.4						25.0		46.7	23.3
1098300	Organization Database Storage	82.0	82.0	52.7		65.6								16.4	
1098400	SDMTS Web Site	75.0	75.0	44.7		60.0								7.6	7.4
1098800	Articulated Bus A/C Retrofit	171.0	171.0	157.6		136.8								34.2	
1099400	Organizational Desktop Replacement	750.0	750.0	514.4	120.0	480.0						60.0		60.0	30.0
1099500	Regional Scheduling System	60.0	60.0	24.1	16.0	32.0								8.0	4.0
1099600	IAD/KMD Yard Lighting	150.0	150.0	112.6		120.0								30.0	
1100300	Regional Bus Stop Signs and Improvements (FY 01 - 04)	377.9	377.9	212.3		302.3						71.0			4.6
1102000	Overhaul Rerail Equipment	80.0	80.0	56.4	64.0									16.0	
1102200	Imperial Avenue Division Building Shakeup Room	150.0	150.0	4.5		120.0								30.0	
1102500	Bus Simulator	2.0	2.0	1.1		1.6								0.4	
1102600	S. Bay Maintenance Facility, Building/Site Improvements	46.0	46.0	37.9		36.8						9.2			
1102700	S. Bay Maintenance Facility Equipment (FY 01 - 04)	205.6	205.6	153.9		164.5						29.0		2.0	10.1
1103400	Resurfacing Parking Lot (National City Transit Yard)	50.0	50.0	0.0		40.0						10.0			
1104900	Regional Misc. Operations Capital (SD Transit)	100.0	100.0	66.2		80.0						20.0			
1105000	Regional Misc. Operations Capital (SD Trolley)	100.0	100.0	83.7		80.0						20.0			
1105100	Regional Misc. Operations Capital (Nat. City Transit)	17.2	17.2	4.9		13.8						3.4			
1105300	Traffic Signal at Harbor Drive and Schley Street	10.0	10.0	0.0		8.0						2.0			
1105400	Signal Plan Update	92.0	12.4	0.0		9.9						2.5			
1105500	MTS Contract Svcs. Bus Driver Seat Replacement (70)	55.0	55.0	51.2		44.0						11.0			
1105900	Imperial Avenue Division Elevator	61.6	61.6	1.0		49.3						12.3			
1106000	Spring Street Curves	600.0	600.0	44.8		480.0						120.0			
1106100	Rail Replacement Broadway & MP13	300.0	300.0	0.5		240.0								60.0	
1106200	San Diego Trolley Non-Revenue Vehicles	622.0	622.0	321.7	65.6	432.0						124.4			
1106500	Digital Safety Surveillance System (Nat City Transit)	30.0	30.0	5.9		24.0						6.0			
1106700	Sorrento Valley Coaster Connection Mitigation Buses	145.0	145.0	0.0											145.0
1106800	Taxi Lift	90.0	90.0	77.6											90.0
1106900	Regional Miscellaneous Capital (MTS)	207.5	207.5	30.6	20.4	142.9						35.7		5.1	3.5

**TABLE 4b
SANDAG FY 05 Capital Budget
(\$1,000's)**

Project #	Project Title	Budget	Thru FY 2005	Thru June 2004	5309	5307	TEA	TCRP	STIP	TCI	TRANSNET	TDA	APCD	RESERVES(a)	OTHER (b)
MINOR CAPITAL PROJECTS, continued															
Existing Projects															
1107100	Regional Miscellaneous Capital (SD Transit)	75.5	75.5	0.0		60.4						15.1			
1107200	Regional Miscellaneous Capital (SD Trolley)	200.0	200.0	101.0		160.0						40.0			
1107300	Regional Miscellaneous Capital (National City Transit)	40.0	40.0	0.0		32.0						8.0			
1107400	Regional Miscellaneous Capital (Chula Vista Transit)	55.0	55.0	34.0		44.0						11.0			
1107500	MTS Rural Bus Spare Vehicles	200.0	200.0	1.1								200.0			
1107600	MTS Rural Bus Stops	225.0	225.0	0.0								225.0			
1107700	Non-Revenue Vehicles	50.0	50.0	0.0		40.0						10.0			
1107900	MCS Battery Compartment Upgrade (73)	150.0	150.0	0.1		120.0						30.0			
1108000	SD Transit Battery Compartment Upgrade	60.0	60.0	0.1		48.0						12.0			
1108100	SD Transit Driver Seat Replacement	50.0	50.0	0.0		40.0						10.0			
1108200	Kearny Mesa Division Steam Cleaner	18.0	18.0	0.0		14.4						3.6			
1108400	Station Resigning (MVE)	602.0	582.0	0.7		465.6						116.4			
1108500	Switch Indicator Modification	448.0	70.0	1.7		56.0						14.0			
1108600	Maintenance Audit	425.0	270.0	70.5		216.0						54.0			
1108700	SD100 Digital Voice System Replacement	586.0	586.0	0.1	228.8	240.0						117.2			
1108800	Install Yard Substation	695.0	695.0	21.1	556.0							139.0			
1108900	MTS Farebox Replacement	42.0	42.0	17.7								42.0			
1109700	Video Surveillance Retrofit	105.0	105.0	0.0								105.0			
1140700	MTS Bus Stop Improvements	170.0	170.0	130.0								170.0			
1141000	MTS Rural Bus Facilities & Improvements	62.0	62.0	0.0								62.0			
TOTAL MINOR CAPITAL - EXISTING PROJECTS		13,357.3	12,724.6	5,924.7	2,950.1	6,423.6	0.0	0.0	61.4	0.0	0.0	1,974.8	0.0	858.3	456.5
FY 05 New Minor Capital Projects															
1110000	Regional Miscellaneous Capital (SANDAG/MTS)	119.0	119.0	0.0		95.2						23.8			
1111000	Regional Miscellaneous Capital (SD Transit)	119.0	119.0	0.0		95.2						23.8			
1111200	Regional Miscellaneous Capital (SD Transit)	119.0	119.0	0.0		95.2						23.8			
1111300	Regional Miscellaneous Capital (MTS)	106.0	106.0	0.0		84.8						21.2			
1111400	Regional Miscellaneous Capital (Chula Vista Transit)	26.0	26.0	0.0		20.8						5.2			
1111500	Regional Miscellaneous Capital (National City Transit)	11.0	11.0	0.0		8.8						2.2			
1111600	Chula Vista Transit ADA Bus Stop Improvements	23.0	23.0	0.0		18.4						4.6			
1111700	Chula Vista Transit Bus Security Cameras	164.0	164.0	0.0		131.2						32.8			
1111800	Chula Vista Transit Shop Fork Lift	34.5	34.5	0.0		27.6						6.9			
1111900	H Street Transit Center Pavement Rehab	150.0	150.0	0.0		120.0						30.0			
1112000	National City Transit Maintenance Shop Improvements	15.0	15.0	0.0		12.0						3.0			
1112100	MCS Non-Revenue Vehicles (FY 05)	25.0	25.0	0.0		20.0						5.0			
1112200	OTTB Bench Replacement and Shelter Rehabilitation	15.0	15.0	0.0		12.0						3.0			
1112300	Regional Bus Stop Signs and Improvements (FY 05)	100.0	100.0	0.0		80.0						20.0			
1112400	S. Bay Maintenance Facility Equipment (FY 05)	80.0	80.0	0.0		64.0						16.0			
1112500	Broadway Wye Train Location	100.0	100.0	0.0	80.0							20.0			
1112600	LRV Tires	453.0	453.0	0.0		362.4						90.6			
1112700	San Diego Trolley Overhaul Brake Kits	554.0	554.0	0.0	443.2							110.8			
1112800	Imperial Avenue Division Radio Room Remodel	55.0	55.0	0.0		44.0						11.0			
1112900	Imperial Avenue Division Steam Rack	235.0	235.0	0.0		188.0						47.0			
1113000	SD Transit Supervisor Vehicles (9)	75.0	75.0	0.0		60.0						15.0			
TOTAL MINOR CAPITAL - NEW PROJECTS		2,578.5	2,578.5	0.0	523.2	1,539.6	0.0	0.0	0.0	0.0	0.0	515.7	0.0	0.0	0.0
TOTAL MINOR CAPITAL PROJECTS		15,935.8	15,303.1	5,924.7	3,473.3	7,963.2	0.0	0.0	61.4	0.0	0.0	2,490.5	0.0	858.3	456.5

TABLE 4b
SANDAG FY 05 Capital Budget
(\$1,000's)

Project #	Project Title	Budget	Thru FY 2005	Thru June 2004	5309	5307	TEA	TCRP	STIP	TCI	TRANSNET	TDA	APCD	RESERVES(a)	OTHER (b)
PROJECTS PENDING CLOSEOUT															
1040200	Old Town LRT Project	111,870.6	111,870.6	111,824.5			528.0			4,859.0	34,317.0				72,167.0
1040300	Santee LRT Project	107,615.0	107,615.0	107,614.6						4,353.0	55,472.0				47,790.0
1040400	La Mesa Curve Straightening & SR-94 Bridge	12,440.0	12,440.0	12,426.4						5,896.0	4,907.0			242.0	1,395.0
1040500	Rail Yard Expansion	35,035.0	35,035.0	34,919.4						1,208.0	20,047.0				13,780.0
1040800	Rail Yard Expansion (MVEast) - Phase III	8,489.0	8,489.0	7,990.3						3,500.0	4,989.0				
1041600	Mission Valley (West)	221,809.0	221,809.0	221,432.4						11,051.0	115,038.0				95,720.0
1041800	IAD Tank Removal	785.0	785.0	785.0										157.0	
1044300	IAD CNG Facility Improvements	7,660.6	7,660.6	7,624.4		6,419.0							36.0	1,054.0	151.6
1046500	Sorrento Valley Coaster Station	4,500.0	4,500.0	3,650.0	1,889.0	1,390.0				428.0	568.0				175.0
1062500	Blue Line Landscaping	454.8	454.8	454.1			400.2								54.6
1069500	Replace/Upgrade TVM's	3,620.8	3,620.8	3,590.2	1,812.0	54.0				813.0				942.0	
1073900	KMD Oil Tank Installation	300.0	300.0	245.1		240.0								60.0	
1074000	LRT Station Shelter Replacement - Phase I	537.0	537.0	244.9	240.0	189.6								106.4	1.0
1074100	LRT Station & Parking Lot Improvements - Phase II	529.0	529.0	520.7	103.2	320.0								105.8	
1074800	Blue Line Crossover	520.0	520.0	494.6	412.0	4.0				0.5				103.5	
1077600	MTDB Financial Software / Hardware	595.0	595.0	661.9		476.0								119.0	
1078200	Mainline Drainage Improvements	744.2	744.2	732.1	595.3									148.8	
1079300	Blue Line Substation Fencing	190.0	190.0	176.2	159.0									31.0	
1083100	Downtown Substation Protection	150.0	150.0	71.3	120.0									30.0	
1083400	Broadway Wye Signal Modification	521.0	521.0	501.5		461.2			59.8					12.0	
1083900	Station & Parking Lot Lighting - Phase II	336.3	336.3	384.4		292.9			31.4					85.4	
1087600	Vital Relay Replacement	427.2	427.2	377.9	341.7									77.0	
1088800	Grade Crossing Improvements	555.0	555.0	519.9	308.0	150.5			19.5					56.0	7.6
1089000	SDTI Brake Overhaul Clean Room	1,068.0	1,068.0	1,059.6	224.0	694.4			86.0					59.0	2.3
1089300	Sweetwater Flats Switch Replacement	315.0	315.0	181.9	236.0	17.7								5.0	
1089400	Train to Wayside Tester	25.0	25.0	23.9	20.0									100.0	22.9
1095100	Rail Replacement 12th & Imperial	699.5	699.5	649.4	400.0	176.6								24.0	
1095300	Building B Central Heating	120.0	120.0	118.5	80.0	16.0									22.5
1096300	Ticket Validators	112.4	112.4	112.3	89.9									50.0	
1097500	F Street Diamond	250.0	250.0	109.4	200.0										6.0
1097900	Bus Stop Trash Cans	30.0	30.0	29.9		24.0									47.0
1099800	Purchase ADA Paratransit Type Vehicles (2)	142.0	142.0	141.6		78.9						16.2			
1100100	Blue Line Catenary Improvement	1,827.0	1,827.0	1,798.0	1,044.0	417.6								365.4	
1100500	Security / Safety Equipment	30.0	30.0	18.8	24.0							2.0		4.0	
1101500	Regional Miscellaneous Operations Capital (SDTI)	88.8	88.8	88.2		71.0								17.8	
1102100	Ash Street Sidewalk	86.5	86.5	41.0	69.2							17.3			
1102400	Data Center Furniture Remodel	138.5	138.5	138.5		106.0								26.5	6.0
1102800	LRV HVAC Modification Phase III	1,112.3	1,112.3	824.1	889.8									222.5	
1103300	Beyer Station to Dairy Mart Rd. Rail Replacement	73.0	73.0	72.7	24.0	34.4								14.6	
1104300	SD&AE Modular Building	90.0	90.0	85.2								0.0			90.0
1104700	Regional Miscellaneous Operation Capital (MTDB)	37.7	37.7	35.2	30.2	0.0								7.5	
1105600	South Bay Maintenance Facility Service Trucks	150.0	150.0	126.6		120.0						30.0			
1108300	Section Insulator Procurement	110.0	110.0	2.4	88.0							22.0			
TOTAL PROJECTS PENDING CLOSEOUT		526,190.2	526,190.2	522,898.9	9,399.4	12,381.9	928.2	0.0	246.7	32,108.5	235,338.0	87.5	36.0	4,221.2	231,443.5
TOTAL ALL PROJECTS		980,718.4	844,419.9	610,873.3	48,555.8	61,271.1	10,928.2	47,600.0	363.1	33,486.5	267,298.0	15,420.4	729.1	7,847.7	350,922.1

(a) Reserves transferred with MTS projects

(b) Refer to SANDAG FY 2005 Capital Budget Revenues - Notes to Federal, State, and Local Other Column

4. BUDGET DETAIL - EXPENDITURES (CAPITAL PROJECTS)

The FY 05 Capital Program is described under this section. Capital projects are organized into two subcategories. Those projects managed by MTS and those managed by SANDAG.

There are six MTS-managed projects that fall under three categories:

- Mission Valley East LRT Extension
- San Ysidro Intermodal Transit Center
- East Village LRT-related projects

Mission Valley East LRT – Construction is expected to continue throughout FY 05 with \$74.8 million in expenditures planned. San Diego Trolley is anticipating to begin start-up activities throughout the year as new vehicles are expected to be delivered in late summer, station construction will be complete requiring security, and line testing will begin. San Diego Trolley will phase in additional personnel matching closely the start-up needs with the hiring and training process. A firm start date of revenue operations has not been defined at this time; however, the current schedule reflects a start toward the end of the fiscal year. San Diego Trolley plans to utilize \$2.0 million in MVE LRT capital project start-up funding during FY 05 plus \$608,625 in CMAQ and matching funds for start-up activities during FY 05.

San Ysidro Intermodal Transportation Center – This project is near completion. It is anticipated that the bus transit loop, the intercity bus bays parking, and the new trolley platforms will be open for activity in the next month or so. However, additional construction will proceed on the project through the summer with project closeout activities this fall. It is projected that \$3.0 million in expenses will be incurred during FY 05.

East Village Projects – There are four projects related to the East Village transit improvements including: Orange to Blue Line Connection, 12th Avenue Park to Bay Link, 12th Avenue Corridor Improvements, and City College Station. These projects consist of \$25.7 million worth of improvements with \$10.8 million programmed for FY 05. All of these projects have multiple funding sources and some of the funding has been in jeopardy. All four of the East Village projects have state Traffic Congestion Relief Program (TCRP) funding that has been on hold for the past year as the state has been reviewing the budget.

SANDAG manages the remainder of the MTS capital program. A capital improvement program process is conducted during fall of each year to develop a capital program for MTS. SANDAG finance and development staff works closely with a team of representatives from the MTS transit operators in developing the full listing of capital needs of the MTS agency. A prioritization process is conducted and a final listing of funded projects is developed. Projects are submitted to a committee, whose responsibility is to prioritize and rank based on criteria, which emphasizes safety, convenience to passengers, and operating cost savings.

The capital needs of MTS far exceed the available Federal 5307 and 5309 formula funding available each year for capital infrastructure and enhancement activities. The roughly \$35 million program of capital projects was adopted by MTS and SANDAG in January 2004 based on projected federal capital revenues expected. However, following the final information on the federal estimates, it appeared that the program had to be reduced by \$2.3 million in spring 2004. There are three major areas that have

been identified for future capital needs that may require additional discretionary capital funding including:

- San Diego Trolley infrastructure needs including Light Rail Vehicle rehabilitation, station upgrading, track and systems upgrades, catenary wire replacement, signaling, and many other infrastructure needs;
- Bus replacements including articulated buses, standard large buses, mid-sized buses, and smaller ADA minibus and vans; and
- Maintenance and operations facility expansion and enhancements.

A detailed summary listing of capital projects is provided in Table 4. The projects include both Major LRT/Bus Capital Improvements and Operations Capital/Replacement projects.

LRT EXTENSION PROJECTS

Project Number:	10426
Project Name:	Mission Valley East LRT Project

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>The Mission Valley East (MVE) LRT Line will extend 5.8 miles between Interstate 15 in Mission Valley to Baltimore Drive in La Mesa. FY 05 activities will include completing construction, receiving and commissioning new low floor light rail vehicles and test and start-up of this project for revenue service.</p>		<p>The Mission Valley East extension will close the transit gap between the Mission Valley West LRT line and La Mesa. It will provide much needed express service to SDSU, improve transit travel times in and through the corridor, and provide travel options for corridor residents and visitors.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU			TOTAL
	FY 04	FY 05	FY 06	
Administration	\$13,158	\$1,742	\$0	\$14,900
SDSU Utility Betterments	904	596	0	1,500
Engineering & Design	41,900	450	0	42,350
Construction Management	39,000	4,200	0	43,200
Professional Services	2,900	500	0	3,400
Right of Way	32,500	400	0	32,900
Construction (Includes SDSU Mitigation)	272,900	32,237	0	305,137
SDSU Steam Line Repair	1,505	455	0	1,960
Vehicle Procurement	8,500	29,350	0	37,850
Fare Equipment	0	700	0	700
Communications Equip.	61	439	0	500
Startup	0	2,400	0	2,400
Contingency	0	1,211	0	1,211
Contaminated Soil	833	167	0	1,000
TOTAL	\$414,161	\$74,847	\$0	\$489,008

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU			TOTAL
	FY 04	FY 05	FY 06	
FEDERAL:				
CMAQ	\$10,227	\$0	\$0	\$10,227
New Starts	240,617	65,000	24,341	329,958
STATE:				
TCI	3,347	0	0	3,347
STIP	69,095	0	0	69,095
TSM	387	0	0	387
LOCAL:				
TransNet/Other	90,288	8,547	-24,341	74,494
SDSU	200	1,300	0	1,500
TOTAL	\$414,161	\$74,847	\$0	\$489,008

MAJOR LRT AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	10453
Project Name:	San Ysidro Transportation Center

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>Rebuilds the San Ysidro trolley station to create a trolley plaza with three platforms, new bus bays, shelters, paving, and landscaping. The project also re-routes traffic to eliminate pedestrian conflicts and consolidate bus and jitney operations. FY 05 activities will include construction of the Trolley Ticket Booth and completion of the phase II contract including track and pedestrian plaza construction and landscape maintenance.</p>		<p>Major changes are needed for this area because of vehicle congestion and high pedestrian traffic. This project relieves station overcrowding and improves passenger flow to and from LRTs, buses, the border, and nearby employment centers. The project creates needed bus bays and pedestrian vehicle separation.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$1,300	\$25	\$1,325
Engineering and Design	2,360	240	2,600
Construction Management	1,650	376	2,026
Professional Services	200	200	400
Right-of-Way	2,700	500	3,200
Construction	14,500	1,692	16,192
TOTAL	\$22,710	\$3,033	\$25,743

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$2,575	\$0	\$2,575
FTA Section 5307 (CMAQ)	236	964	1,200
FTA Section 5307 (STP)	2,464	0	2,464
FTA Section 5309	10,781	0	10,781
TEA	1,039	856	1,895
STATE:			
STIP	2,479	871	3,350
TCI	777	0	777
LOCAL:			
TDA	1,421	276	1,697
SD&AE Reserve	100	0	100
City of San Diego	838	66	904
TOTAL	\$22,710	\$3,033	\$25,743

MAJOR LRT AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	10492
Project Name:	Orange Line to Blue Line Connection

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>Project will provide for a direct connection from the Orange Line to the Blue Line at the 12th & Imperial Transfer Station. In FY 05, activities include redesign of the project in preparation for future construction.</p>		<p>MTDB is working with CCDC to improve East Village stations and realign tracks and catenary to accommodate a general upgrade to 12th Avenue. Redesign of this station will enhance San Diego Trolley's operational flexibility and increase the efficiency of providing service for special events.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$213	\$90	\$20	\$323
Utility Relocation	0	100	0	100
Engineering and Design	674	70	0	744
Construction Management	8	405	148	561
Professional Services	13	50	0	63
Construction	0	3,500	500	4,000
Start-Up	0	100	0	100
Contingency	0	107	0	107
TOTAL	\$908	\$4,422	\$668	\$5,998

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
FEDERAL:				
FTA Section 5307	\$412	\$0	\$98	\$510
FTA Section 5309	48	0	0	48
STATE:				
Traffic Congestion Relief Program	382	4,343	0	4,725
STIP	54	79	568	701
LOCAL:				
SDTI Capital Replacement	3	0	0	3
STP	9	0	0	9
Other	0	0	2	2
TOTAL	\$908	\$4,422	\$668	\$5,998

MAJOR LRT AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	10493
Project Name:	12th Avenue Park to Bay Link

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>Project will provide for the reconfiguration of the 12th & Market LRT stations. FY 05 activities will be completion of construction.</p>		<p>MTDB is working with CCDG to improve stations and track along 12th Avenue. The project would improve inadequate East Village stations and realign tracks and catenary to accommodate a general upgrade to 12th Avenue.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$403	\$157	\$560
Utility Relocation	0	0	0
Engineering and Design	570	30	600
Construction Management	860	200	1,060
Professional Services	90	10	100
Construction	7,335	600	7,935
Start-up	0	0	0
Contingency	200	100	300
TOTAL	\$9,458	\$1,097	\$10,555

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$531	\$0	\$531
FTA Section 5309	47	0	47
STATE:			
Traffic Congestion Relief Program	8,799	1,097	9,896
STIP	69	0	69
LOCAL:			
STP	12	0	12
TOTAL	\$9,458	\$1,097	\$10,555

MAJOR LRT AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	10494
Project Name:	City College

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>Project will provide for the realignment of the existing City College stations, located at 12th & C Streets. FY 05 activities will be design, coordination with the developer, and relocation of traction power sub-stations.</p>		<p>MTDB is working with CCDC to improve stations and track along 12th Avenue. The project would improve inadequate East Village stations and realign tracks and catenary to accommodate a general upgrade to 12th Avenue and the City College block.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU			TOTAL
	FY 04	FY 05	FY 06	
Administration	\$88	\$70	\$10	\$168
Engineering and Design	163	200	22	385
Construction Management	107	150	147	404
Professional Services	30	50	20	100
Construction	500	2,000	2,232	4,732
Contingency	100	200	100	400
TOTAL	\$988	\$2,670	\$2,531	\$6,189

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU			TOTAL
	FY 04	FY 05	FY 06	
FEDERAL:				
FTA Section 5307	\$50	\$93	\$770	\$913
FTA Section 5309	864	0	1,167	2,031
Federal TE	0	2,271	0	2,271
STATE:				
Traffic Congestion Relief Program	51	0	0	51
STIP	7	112	0	119
LOCAL:				
Local Reserve	3	194	594	791
SDTI Capital Replacement	4	0	0	4
STP	9	0	0	9
TOTAL	\$988	\$2,670	\$2,531	\$6,189

MAJOR LRT AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number: 11046
Project Name: 12th Avenue Corridor Improvements

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will provide for street enhancements along the 12th Avenue corridor including sidewalks, landscaping, and roadway construction. FY 05 activities will be completion of design and start of construction.</p>		<p>MTDB is working with CCDC to improve stations and track along 12th Avenue. The project would improve inadequate East Village stations and realign tracks and catenary to accommodate a general upgrade to 12th Avenue.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$100	\$96	\$196
Engineering and Design	100	185	285
Construction Management	0	200	200
Professional Services	10	30	40
Utility Relocation	20	80	100
Construction	0	1,700	1,700
Contingency	200	220	420
Contaminated Soil	0	50	50
TOTAL	\$430	\$2,561	\$2,991

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$306	\$226	\$532
FTA Section 5309	13	0	13
Federal TE		2,018	2,018
STATE:			
STIP	62	56	118
Traffic Congestion Relief Program	29	261	290
LOCAL:			
SDTI Capital Replacement	14	0	14
Local Reserve	6	0	6
TOTAL	\$430	\$2,561	\$2,991

LRT EXTENSION PROJECTS

Project Number:	1041500
Project Name:	Mid-Coast Balboa LRT Extension

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>The proposed Mid-Coast LRT Project, Balboa Extension consists of a new 3.5 mile LRT line from the Old Town Transit Center to Balboa Avenue and would be located almost entirely within the existing railroad right-of-way. The Balboa LRT Extension would pass under I-8, under Tecolote Road, under Clairemont Drive, and over Balboa Avenue. Three stations are proposed at Tecolote Road, Clairemont Drive, and Balboa Avenue. Surface parking is proposed at each station. FY 05 activities include consultant selection and final design.</p>		<p>This project will complement and expand existing travel modes in the Corridor, providing much needed additional capacity to address an anticipated growth in corridor travel demand. In 1987, TransNet sales tax passed in San Diego County allocating funds for the entire Mid-Coast Corridor, of which the Balboa LRT Extension is the first phase. The Balboa LRT Extension will increase transit patronage, improve transit travel time, provide increased reliability (since it will be constructed in exclusive right-of-way), provide better connections, and support local land use and re-development plans.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY05	FY 06	FY07	FY 08	TOTAL
Administration	\$2	\$100	\$250	100	\$100	\$552
Engineering & Design	0	400	4,000	500	450	5,350
Construction Management	17	0	0	0	100	117
Professional Services	0	50	150	25	25	250
Right of Way	8,000	50	100	150	5,259	13,559
Contingency	0	93	727	218	145	1,183
TOTAL	\$8,019	\$693	\$5,227	\$993	\$6,079	\$21,011

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY05	FY 06	FY07	FY 08	TOTAL
FEDERAL:						
FTA Section 5309	\$0	\$640	\$0	\$0	\$0	\$640
LOCAL:						
TransNet	8,019	53	5,227	993	6,079	20,371
TOTAL	\$8,019	\$693	\$5,227	\$993	\$6,079	\$21,011

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1045500
Project Name:	Nobel Drive Coaster Station

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>Provides a new coaster rail station south of Nobel Drive in the University City area. This project includes: two coaster platforms, a parking lot, landscaping and other facilities and amenities for a functional station. FY 05 activities will complete final design and start construction.</p>		<p>This is one of three Mid-Coast Corridor projects to reduce I-5 corridor traffic. This station provides a high-speed transit link to the north and south from a high density and rapidly growing area of San Diego.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU			TOTAL
	FY 04	FY 05	FY 06	
Administration	\$227	\$70	\$211	\$508
Engineering	877	81	27	985
Construction Management	13	172	515	700
Professional Services	67	34	101	202
Right of Way	31	694	0	725
Construction	4	1,750	5,250	7,004
Utility Relocation	0	1,700	0	1,700
Contingency	0	316	950	1,266
TOTAL	\$1,219	\$4,817	\$7,054	\$13,090

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU			
	FY 04	FY 05	FY 06	FY 05
FEDERAL:				
FTA Section 5309	\$386	\$3,854	\$5,643	\$9,883
STATE:				
TCI	368	0	0	368
LOCAL:				
TransNet	465	963	1,411	2,839
TOTAL	\$1,219	\$4,817	\$7,054	\$13,090

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1048500
Project Name:	SBMF Property Expansion

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project is an expansion of the existing MTDB South Bay Maintenance Facility located at 3650A Main Street in Chula Vista. It will consist of purchasing 5 parcels to expand the site from 4 to 9 acres permitting for up to 150 buses to be operated and serviced from this location. FY 05 activities will include design, procurement of right-of-way, and some construction.</p>		<p>The existing facility sized for 80 buses reached its capacity and additional buses are being delivered. Additional space is needed for bus parking. Additional compressed natural gas fueling station capacity requiring more space, was added in 2003.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU					TOTAL
	FY 04	FY 05	FY 06	FY 07	FY 08	
Administration	\$160	\$60	\$60	\$100	\$100	\$480
Engineering & Design	117	84	50	160	0	411
Construction Management	100	60	0	0	90	250
Professional Services	23	10	0	25	10	68
Right of Way	2,870	2,100	1,300	1,500	0	7,770
Construction	1,300	300	50	50	1,100	2,800
Contingency	0	150	40	65	100	355
TOTAL	\$4,570	\$2,764	\$1,500	\$1,900	\$1,400	\$12,134

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU					TOTAL
	FY 04	FY 05	FY 06	FY 07	FY 08	
FEDERAL:						
FTA Section 5307	\$3,656	\$2,211	\$0	\$0	\$0	\$5,867
LOCAL:						
TDA	914	553	0	0	0	1,467
TOTAL	\$4,570	\$2,764	\$0	\$0	\$0	\$7,334

NOTE: The entire cost of the project including right-of-way and construction is \$12,134,000. Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1048600
Project Name:	SDTC New Buses (41)

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will provide for the purchase of 41 new, 40 foot, low-floor, CNG buses for SDTC to replace older diesel buses. FY 05 activities will be to monitor the order and conduct pre-production activities. Buses would be delivered in FY05, subject to funding being available.</p>	<p>NOT APPLICABLE</p>	<p>The buses currently in use need to be replaced due to age and use. The new buses will replace older diesel buses and will be safer and more reliable.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$12	\$63	\$25	\$100
Miscellaneous Equipment	0	1	0	1
Professional Services	10	20	0	30
Vehicle Procurement	0	14,150	0	14,150
Start-up	0	20	0	20
Contingency	0	49	0	49
TOTAL	\$22	\$14,303	\$25	\$14,350

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
STATE:				
TCRP	\$22	\$14,303	\$25	\$14,350
TOTAL	\$22	\$14,303	\$25	\$14,350

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1048700
Project Name:	MTS Contract Services New CNG Buses (6)

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will provide for the purchase of six (6) new, 40-ft., low-floor, CNG buses for MTDB Contract Services for Mission Valley East LRT bus service and to increase the spare ratio to 20%. FY 05 activities will be to order the buses subject to funding availability. Delivery is anticipated during FY 05 subject to funding availability.</p>	<p>NOT APPLICABLE</p>	<p>Purchasing these vehicles allows for implementation of new feeder service for the Mission Valley East LRT line in June 2005 and to improve the spare ratio to near 20%.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$8	\$32	\$10	\$50
Professional Services	2	18	0	20
Vehicle Procurement	0	2,340	0	2,340
Start-up	0	5	0	5
Contingency	0	35	0	35
TOTAL	\$10	\$2,430	\$10	\$2,450

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
FEDERAL:				
FTA Section 5307	\$9	\$438	\$9	\$456
STATE:				
TCRP	1	1,992	1	1,994
TOTAL	\$10	\$2,430	\$10	\$2,450

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1048800
Project Name:	Chula Vista Transit New Buses (7)

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
Purchase of seven (7) 30 foot, low-floor, CNG replacement buses for Chula Vista Transit. FY 05 activities will be to order the buses subject to funding availability. Delivery is anticipated during FY 05 subject to funding availability.	NOT APPLICABLE	The buses currently in use need to be replaced due to age and use. The new buses will replace older diesel buses and will be safer and more reliable. One of the buses will be utilized for the Chula Vista Nature Center.

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$3	\$17	\$20
Professional Services	0	20	20
Vehicle Procurement	0	2,270	2,270
Start-up	0	5	5
Contingency	0	85	85
TOTAL	\$3	\$2,397	\$2,400

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$3	\$901	\$904
STATE:			
TCRP	0	1,196	1,196
LOCAL:			
Air Pollution Control District	0	165	165
City of Chula Vista TDA Art. 4.0	0	135	135
TOTAL	\$3	\$2,397	\$2,400

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number: 1049500
Project Name: Spring Valley Transit Center

PROJECT DESCRIPTION		PROJECT JUSTIFICATION
<p>This project will build a transit center in former CALTRANS right of way in the Spring Valley area of East County. No work is planned for FY05 at this time as the project is awaiting CALTRANS completion of use of the property for SR 125 construction mobilization. The location is on Sweetwater Road between Orville Street and St. George Street in the County of San Diego.</p>		<p>There is no other transit center nearby, so this will become a hub for many routes that serve this growing southeastern area of the County. The transit center would facilitate safe and efficient transfers between bus routes.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU					TOTAL
	FY 04	FY 05	FY 06	FY 07	FY 08	
Administration	\$0	\$0	\$30	\$50	\$150	\$230
Engineering & Design	0	0	0	0	180	180
Construction Management	0	0	0	0	125	125
Professional Services	0	0	150	25	45	220
Right of Way	0	0	0	1,700	0	1,700
Construction	0	0	0	0	1,000	1,000
Contingency	0	0	20	25	200	245
TOTAL	\$0	\$0	\$200	\$1,800	\$1,700	\$3,700

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU					TOTAL
	FY 04	FY 05	FY 06	FY 07	FY 08	
FEDERAL:						
FTA Section 5307	\$0	\$0	\$160	\$0	\$0	\$160
LOCAL:						
TDA	0	0	40	0	0	40
TOTAL	\$0	\$0	\$200	\$0	\$0	\$200

NOTE: The entire cost of the project is estimated at \$3,700,000. Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1049600
Project Name:	East County Bus Maintenance / Operation Facility (ECBMF)

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will provide an operations and maintenance facility for 150 – 200 vehicles used by MTS bus contractors to provide service in East County and paratransit in the MTS region. FY 05 activity will include final acquisition of two of three major parcels and initiation of activity to purchase the third parcel. Some minor construction may occur subject to funding remaining after property acquisition. In FY05, MTS may begin design of City of El Cajon public improvements in city right-of-way for FY06 construction, subject to City of El Cajon funding participation</p>		<p>This project will provide for bus maintenance and operations of some MTS East County contractors including fueling, washing, cleaning, maintenance, locker rooms, and training and administrative offices. In addition, availability of appropriately zoned land or existing facilities to lease is rapidly diminishing. Development of a permanent facility by MTS will reduce the uncertainty facing future contractors and thus reduce contract costs. Two parcels are currently leased and should be acquired by the end of 2004. Purchase of property will reduce operating costs.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU					TOTAL
	FY 04	FY 05	FY 06	FY 07	FY 08	
Administration	\$100	\$92	\$100	\$137	\$125	\$554
Engineering & Design	39	20	200	100	25	384
Construction Management	0	0	50	125	75	250
Professional Services	25	50	25	25	25	150
Right of Way	3,200	4,900	950	0	0	9,050
Construction	42	0	100	1,425	1,000	2,567
Contingency	0	70	75	150	150	445
TOTAL	\$3,406	\$5,132	\$1,500	\$1,962	\$1,400	\$13,400

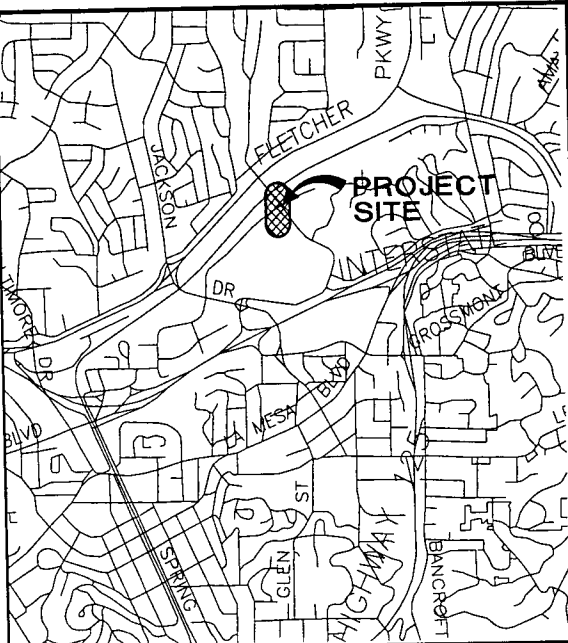
FUNDING PLAN (\$000)

FUNDING SOURCE	THRU					TOTAL
	FY 03	FY 05	FY 06	FY 07	FY 08	
FEDERAL:						
FTA Section 5307	\$2,725	\$2,826	\$0	\$0	\$0	\$5,550
Federal Earmark	0	1,600	0	0	0	1,600
LOCAL:						
TDA	681	706	0	0	0	1,388
TOTAL	\$3,406	\$5,132	\$0	\$0	\$0	\$8,538

NOTE: The entire cost of the project, including right-of-way and construction is estimated at \$13,400,000. Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1049700
Project Name:	Grossmont Station Pedestrian Enhancements (La Mesa DAR)

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will provide for the enhancement of the Grossmont Trolley Station and integrate access to the station with the proposed TOD on the site and with the adjacent medical and retail activity node. FY 05 activities will include design and coordination with the developer for construction of elevators and stairs.</p>		<p>Current access from the trolley station to high activity centers is by way of a steep wooden staircase, which can be dangerous and is a barrier for disabled passengers</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$6	\$80	\$60	\$146
Engineering & Design	0	40	30	70
Construction Management	0	20	20	40
Construction	0	1,409	810	2,219
Professional Services	0	15	10	25
Contingency	0	100	100	200
TOTAL	\$6	\$1,664	\$1,030	\$2,700

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
FEDERAL:				
FTA Section 5307	\$0	\$1,216	\$0	\$1,216
FTA Section 5309	5	115	0	120
LOCAL:				
TDA	1	333	0	334
TOTAL	\$6	\$1,664	\$0	\$1,670

NOTE: The entire cost of the project, including equipment installation is estimated at \$2,700,000. Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1049800
Project Name:	Trolley Station Fiber Infrastructure

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project is for the design and implementation of an ATM fiber network connecting all trolley stations to the future Central Control Facility. The Fiber Optics Communication project will include the installation of fiber optic cable on catenary poles, except in station areas where the cable would be installed underground, and termination of the cable at each LRT station and the future Central Control Facility.</p>	<p>NOT APPLICABLE</p>	<p>This project is essential to our ITS projects including the regional automated fare collection project. It also paves the way for regional multi-agency efforts in infrastructure and data sharing.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$121	\$150	\$100	\$371
Miscellaneous Equipment	1	0	0	1
Engineering & Design	544	132	0	676
Construction Management	10	400	400	810
Professional Services	104	0	0	104
Construction	230	5,500	2,800	8,530
Contingency	0	258	153	411
TOTAL	\$1,010	\$6,440	\$3,453	\$10,903

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
FEDERAL:				
FTA Section 5309	\$808	\$5,152	\$0	\$5,960
STATE:				
State Transit Assistance	70	0	0	70
LOCAL:				
TDA	0	1,211	0	1,211
SDTC Capital Replacement	40	0	0	40
SDTI Capital Replacement	92	77	0	169
TOTAL	\$1,010	\$6,440	\$0	\$7,450

NOTE: The entire cost of the project, including construction is estimated at \$10,903,000. Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1069600
Project Name:	CCTV Equipment Upgrades

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
This project enhances existing CCTV equipped stations and adds CCTV to high priority stations. Activities for FY 04 include adding CCTV at the 47th Street station and El Cajon station and continuing maintenance. Support for other existing installations.	NOT APPLICABLE	This project increases the ability of SDTI to monitor stations for criminal deterrence and security and would allow for more effective use of security personnel.

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	TOTAL
Administration	\$85	\$2	\$0	0	\$30	30	\$147
Engineering & Design	54	0	0	0	50	50	154
Construction Management	1	0	0	0	0	0	1
Professional Services	4	0	0	0	0	0	4
Construction	12	0	0	0	0	0	12
Communication Equipment	1,421	51	0	0	650	373	2,495
Start-Up	6	0	0	0	0	0	6
Contingency	0	0	0	0	20	20	40
TOTAL	\$1,583	\$53	\$0	\$0	\$750	\$473	\$2,859

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	TOTAL
FEDERAL:							
FTA Section 5307	\$361	\$0	\$0	\$0	\$0	\$0	\$361
FTA Section 5309	896	42	0	0	16	0	954
LOCAL:							
STP	60	0	0	0	0	0	60
MTDB Contingency Reserve	83	0	0	0	0	0	83
SDTI Capital Replacement	171	11	0	0	4	0	186
TOTAL	\$1,571	\$53	\$0	\$0	\$20	\$0	\$1,644

NOTE: The entire cost of the project, including construction is estimated at \$2,859,000. Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1075900
Project Name:	Mira Mesa Transit Center

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>FY 05/06 project activities will conduct engineering and design work for the proposed Mira Mesa Transit Center off street bus and BRT transfer facility to be located at the southeast corner of Westview Parkway and Hillery Drive at Miramar Community College, adjacent to I-15. FY 08 project activities will include construction and opening of the facility.</p>	<p>The map shows the project location at the intersection of Westview Parkway and Hillery Drive. Key features include: <ul style="list-style-type: none"> Mira Mesa (top left) Scripps Ranch (top right) I-15 (vertical road on the right) Mira Mesa Blvd (horizontal road at the top) Black Mountain Rd (vertical road on the far left) Westview Parkway (vertical road on the left) Hillery Drive (vertical road on the right, near I-15) Miramar College (bottom center) BRT Station (oval in the center) Park-n-Ride (rectangle above the BRT Station) Future I-15 Managed Lanes Facility and Hillery Dr Direct Access Ramp (arrow pointing to the right side of I-15) Future Access Road to Miramar College (arrow pointing to the bottom left) North (arrow pointing up) </p>	<p>This project will serve the growing travel demand needs of the I-15 corridor, Mira Mesa, Scripps Ranch and Sorrento Valley/Sorrento Mesa. This project is integrated with Mira Mesa Market Center (TOD), Miramar College and would utilize the future I-15 Managed Lanes facility at Hillery Drive (shown at left) for yellow car I-15 services.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	FY 07	TOTAL
Administration	\$5	\$7	\$50	\$46	\$108
Engineering & Design	0	0	100	0	100
Construction Management	0	0	0	100	100
Professional Services	0	44	0	0	44
Construction	0	0	0	1,025	1,025
Contingency	0	0	0	100	100
TOTAL	\$5	\$51	\$150	\$1,271	\$1,477

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	FY 07	TOTAL
FEDERAL:					
FHWA	\$5	\$51	\$0	\$0	\$56
LOCAL:					
Community FBA Funds	0	0	622	0	622
TOTAL	\$5	\$51	\$622	\$0	\$678

NOTE: The entire cost of the project, including construction is estimated at \$1,477,000. Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number: 1079900
Project Name: Refurbish and Standardize Two Substations - Phase II

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will refurbish two substations that are below the current design standards and capabilities. The substations are located at 43rd & K St, 33rd and K St and in addition upgrade one sub station at Front street.</p>		<p>Substations are 20+ years old and have internal components that are failing.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$19	\$11	\$30
Miscellaneous Equipment	0	0	0
Engineering & Design	138	2	140
Construction Management	3	70	73
Professional Services	0	0	0
Construction	250	610	860
Contingency	0	43	43
TOTAL	\$410	\$736	\$1,146

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$0	\$560	\$560
FTA Section 5309	328	28	356
LOCAL:			
STP	45	0	45
MTDB Contingency Reserve	0	0	0
SDTI Capital Replacement	37	148	185
TOTAL	\$410	\$736	\$1,146

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1081800
Project Name:	Rebuild LRV Camshaft Assemblies

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
This project will procure components of Camshaft control unit for fleet of U2 model light rail vehicles.	NOT APPLICABLE	The Camshaft controller in an LRV is one of the critical components that controls the acceleration and braking of the vehicle. This electro-mechanical unit is completely worn after 20+ years of constant use and needs to be rehabilitated with new components.

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	TOTAL
Administration	\$20	\$23	\$25	\$25	\$25	\$25	\$143
Miscellaneous Equipment	667	760	750	750	750	750	4,427
TOTAL	\$687	\$783	\$775	\$775	\$775	\$775	\$4,570

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	TOTAL
FEDERAL:							
FTA Section 5309	\$550	\$626	\$0	\$0	\$0	\$0	\$1,176
LOCAL:							
SDTI Capital Replacement	137	157	0	0	0	0	294
TOTAL	\$687	\$783	\$0	\$0	\$0	\$0	\$1,470

NOTE: The entire cost of the project, including construction is estimated at \$4,570,000. Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1081900
Project Name:	Transportation Operations Management Center

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>Phase I will upgrade and enhance San Diego Trolley, Inc. (SDTI) existing control center facility in its current location. This upgrade will monitor and control the entire trolley line including train control, operator dispatch, fire, life and safety monitoring of the tunnel segment of MVE, and closed circuit television (CCTV) monitoring in a single facility. FY 05 activities include construction of the expanded monitoring facility within SDTI's Building A.</p> <p>Phase II of this effort will be done under a separate project and would design and build a multi-modal control center combining elements from SDTI and SDTC existing control center facility in one integrated Transportation Operation Management Center (TOMC).</p>	<p style="text-align: center;">DOWNTOWN SAN DIEGO</p> <p style="text-align: center;">PROJECT SITE</p>	<p>Since 1989 SDTI has expanded 52% in terms of track miles operated. SDTI has seen an increase of 75% in total passengers. The total number of Trolley stations has increased by over 50%. In addition, we have experienced an increase of over 4,000% in the number of annual special events that impact Trolley service. The current system has not been able to accommodate this exponential growth.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$145	\$50	\$195
Engineering & Design	219		219
Professional Services	1,213	18	1,231
Construction	0	1,400	1,400
Construction Management	0	50	50
Contingency	0	75	75
Preliminary Engineering	25	0	25
TOTAL	\$1,602	\$1,593	\$3,195

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$896	\$38	\$934
FTA Section 5309	422	1,236	1,658
LOCAL:			
TDA	130	319	449
State Highway Act (SHA)	40	0	40
SDTI Capital Replacement	114	0	114
TOTAL	\$1,602	\$1,593	\$3,195

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1084200
Project Name:	Fenton Parkway Station

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project prepared the Fenton Parkway Station for passenger service including adding shelters, landscaping and fare equipment. FY 05 activities will include access study to station parking lot and property acquisition.</p>		<p>Fenton Parkway Station is open for operation but would requires parking and bus drop off facilities complete the station and attract riders to the system.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU			TOTAL
	FY 04	FY 05	FY06	
Administration	\$78	\$5	\$17	\$100
Engineering & Design	158	10	17	185
Construction Management	25	0	60	85
Professional Services	30	0	5	35
Right of Way	9	15	2,010	2,034
Construction	388	0	362	750
Startup	7	0	5	12
Contingency	0	10	90	100
TOTAL	\$694	\$40	\$2,566	\$3,300

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU			TOTAL
	FY 04	FY 05	FY06	
FEDERAL:				
FTA Section 5307	\$115	\$0	\$0	\$115
FTA Section 5309	40	0	64	104
STATE:				
State Highway Acct	15	0	0	15
LOCAL:				
Miscellaneous Project Revenue	514	40	191	745
SDTI Capital Replacement	10	0	16	26
TOTAL	\$694	\$40	\$271	\$1,005

NOTE: The entire cost of the project, including construction is estimated at \$3,300,000. Continued funding is subject to the annual capital programming process. The implementation of this project is contingent upon the construction of the Mission City Parkway Extension Project (City of San Diego Capital Project).

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number: 1084500
Project Name: IAD CNG Fuel Station Expansion

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will expand the existing compressed natural gas (CNG) fueling station at SDTC Imperial Division by adding compressors to increase the fueling capacity from 75 buses to 150 buses. FY05 activity will be to close out the project and resolve outstanding claims.</p>		<p>MTDB is purchasing additional CNG buses to meet air quality requirements. Additional fueling capacity is required to fuel all the new buses to be assigned to the SDTC Imperial Avenue Division.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$145	\$30	\$175
Miscellaneous Equipment	985	10	995
Engineering & Design	184	0	184
Construction Management	125	0	125
Professional Services	3	0	3
Construction	1,055	65	1,120
TOTAL	\$2,497	\$105	\$2,602

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$1,457	\$84	\$1,541
STATE:			
TCRP	772	0	772
LOCAL:			
APCD	188	0	188
TDA	75	0	75
SDTC Capital Replacement	5	21	26
TOTAL	\$2,497	\$105	\$2,602

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1088700
Project Name:	SDTC/SDTI Financial System Phase II

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will provide for the selection and implementation of a new financial management system for SDTC and SDTI.</p>	<p>NOT APPLICABLE</p>	<p>This project will reduce the number of separate financial systems within the organization. This project will also facilitate required improvements in several operational areas and promote functions of centralized service departments.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$40	\$105	\$145
Miscellaneous Equipment	53	25	78
Professional Services	3,174	216	3,390
TOTAL	\$3,267	\$346	\$3,613

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$2,568	\$277	\$2,845
FTA Section 5309	45	0	45
STATE:			
State Transit Assistance	4	0	4
LOCAL:			
STP	7	0	7
TDA	630	69	699
SDTC Capital Replacement	12	0	12
TOTAL	\$3,267	\$346	\$3,613

MAJOR LRT AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1094000
Project Name:	Regional Transit Management System

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will provide funding for design and implementation of a new intelligent Transportation System to replace SDTC's failing Radio/CAD system. The new system will offer significant operational improvements through design of smart buses, increased integration and enhanced reporting. FY 05 activities will include design and procurement of new equipment.</p>	<p>NOT APPLICABLE</p>	<p>SDTC's current system has outlived its useful life and is prone to failure. SDTC is the last property still using this model system and the manufacturer has discontinued support. When failures occur, replacing components requires extensive search effort</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	FY 07	TOTAL
Administration	\$156	\$200	\$200	\$0	\$556
Miscellaneous Equipment	1,814	0	0	0	1,814
Construction Management	0	0	0	0	0
Professional Services	585	350	50	0	985
Communications Equipment	2,013	9,100	2,207	0	13,320
Contingency	0	0	0	0	0
TOTAL	\$4,568	\$9,650	\$2,457	\$0	\$16,675

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	FY 07	TOTAL
Bond Proceeds	\$4,568	\$9,650	\$2,457	\$0	\$16,675
TOTAL	\$4,568	\$9,650	\$2,457	\$0	\$16,675

FUNDING PLAN TO REPAY DEBT SERVICE (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	FY 07	FY 08	TOTAL
FEDERAL:						
FTA Section 5307 - MTDB	2,314	3,080	3,117	3,152	1,679	13,340
FTA Section 5307 - NCTD	0	0	0	0	0	0
STATE:						
STIP	0	0	0	0	0	0
LOCAL:						
TDA	578	709	779	788	420	3,275
SDTI Capital Replacement	0	60	0	0	0	60
TOTAL	\$2,892	\$3,849	\$3,896	\$3,939	\$2,099	\$16,675

NOTE: The entire cost of this project is estimated at \$24,573. NCTD is participating in \$7,898 which is not included in the expenditure plan above.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1095400
Project Name:	Station Platform Retrofit

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project raises the LRT station platforms to accommodate low floor light rail vehicles. Existing station with platforms 6" above top of rail will be raised 2" and stations that are at top of rail will be raised 8". It also provides for turnbacks at Old Town and Weld Blvd in order to operate the new Green Line Service from Santee Town Center to Old Town.</p>	<p>NOT APPLICABLE</p>	<p>In March of 2002, the Board awarded a contract to procure low floor light rail vehicles as part of the Mission Valley East LRT project. These and future new low floor cars require an 8" platform height above the rail to allow for deployment of a mechanical ramp. The ramp would provide quick wheelchair access to the LRV. This project raises existing platforms to the required 8" height to allow the low floor vehicles to be placed into service with wheelchair access. The turnbacks at Old Town and Weld Blvd are also necessary in order to operate the Green Line Service from Santee Town Center to Old Town.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$150	\$150	\$300
Miscellaneous Equipment	8	0	8
Engineering & Design	670	48	718
Construction Management	17	935	952
Construction	115	9,350	9,465
Contingency	0	26	26
TOTAL	\$960	\$10,509	\$11,469

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5309	\$200	\$0	\$200
LOCAL:			
SDTI Capital Replacement	50	0	50
TransNet	710	10,509	11,219
TOTAL	\$960	\$10,509	\$11,469

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number: 1095600
Project Name: San Ysidro Slope Improvement

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will repair the retaining wall which supports ballast and track structure approximately 1/2 mile north of the San Ysidro LRT Station and improve the slope stability above the adjacent neighborhood. FY 05 activities will include final design.</p>		<p>The retaining wall between Beyer Blvd.. And the SD&IV "Blue Barn" has become unstable due to erosion of soil beneath the wall. The slope is continually being eroded due to sparsely covered vegetation, and sediment has collected and stockpiled adjacent to the private development at the base of the slope.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$2	\$12	\$86	\$100
Engineering & Design	35	75	13	123
Construction	0	0	1,330	1,330
Construction Management	0	0	130	130
Right of Way	0	0	20	20
Professional Services	0	10	0	10
Contingency	0	7	131	138
TOTAL	\$36	\$104	\$1,710	\$1,850

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
FEDERAL:				
FTA Section 5309	\$29	\$83	\$0	\$112
LOCAL:				
TDA	0	18	0	18
SDTI Capital Replacement	7	3	0	10
TOTAL	\$36	\$104	\$0	\$140

NOTE: The entire cost of the project, including construction is estimated at \$1,850,000. Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1095800
Project Name:	KMD Underground Tanks

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will upgrade the KMD underground piping system and tanks to remove and replace tanks with failing secondary contaminant systems. FY 05 activities include design and construction.</p>		<p>This project is required to upgrade tanks and piping to conform to the latest contaminant and leak detection regulations.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$35	\$15	\$50
Engineering & Design	50	220	270
Professional Services	0	50	50
Construction Management	0	45	45
Construction	0	633	633
Contingency	0	30	30
TOTAL	\$85	\$993	\$1,078

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$68	\$794	\$862
LOCAL:			
SDTC Capital Replacement	17	109	126
TDA	0	90	90
TOTAL	\$85	\$993	\$1,078

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1097200
Project Name:	KMD CNG Fuel Station Upgrades

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will expand the existing compressed natural gas (CNG) fueling station at SDTC Kearny Mesa Division by adding compressors to increase the fueling capacity from 75 buses to 150 buses. Additionally, fueling dispensers will be relocated to improve efficiency of the fueling and reduce fueling time.</p>		<p>MTDB is purchasing additional CNG buses to meet air quality requirements. Additional fueling capacity is required to fuel all the new buses to be assigned to the SDTC Kearny Mesa Division. The project will also increase the efficiency of the fueling of the existing CNG buses.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$60	\$60	\$20	\$140
Engineering & Design	150	15	0	165
Construction Management	0	210	50	260
Professional Services	0	17	0	17
Construction	0	2,100	518	2,618
TOTAL	\$210	\$2,402	\$588	\$3,200

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
FEDERAL:				
FTA Section 5307	\$168	\$1,768	\$0	\$1,936
LOCAL:				
TDA	18	442	0	460
SDTC Capital Replacement	24	0	0	24
CMAQ (Carryover)	0	192	588	780
TOTAL	\$210	\$2,402	\$588	\$3,200

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1097300
Project Name:	SBMF CNG Fuel Station Expansion

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will expand the existing compressed natural gas (CNG) fueling station at the MTDB South Bay Maintenance Facility (SBMF) by adding compressors to increase the fueling capacity from 75 buses to 150 buses. FY05 activity will be to close out project and resolve outstanding claims.</p>		<p>Additional fueling capacity is required to fuel all the buses assigned to the South Bay Maintenance Facility.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$95	\$25	\$120
Miscellaneous Equipment	825	10	835
Engineering & Design	105	0	105
Construction Management	40	0	40
Professional Services	1	0	1
Construction	773	61	834
TOTAL	\$1,839	\$96	\$1,935

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$729	\$77	\$806
STATE:			
TCRP	588	0	588
LOCAL:			
TDA	54	19	73
APCD	340	0	340
SDTC Capital Replacement	20	0	20
CS Capital Replacement	108	0	108
TOTAL	\$1,839	\$96	\$1,935

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1097400
Project Name:	Replace Switches - State Street and Columbia

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
Replace four San Diego Trolley, Inc. Crossover Track Switches on C Street near Columbia and State Streets.		The Switches (Turnouts) are worn out and are in need of replacement.

EXPENDITURE PLAN (\$000)

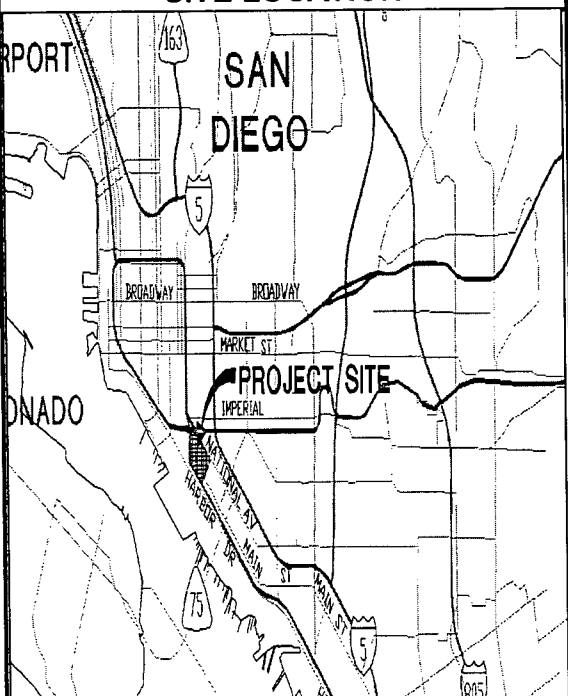
TASK	THRU		TOTAL
	FY 04	FY 05	
Administration	\$13	\$17	\$30
Engineering & Design	24	0	24
Construction Management	0	60	60
Construction	0	684	684
Contingency	0	60	60
TOTAL	\$37	\$821	\$858

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU		TOTAL
	FY 04	FY 05	
FEDERAL:			
FTA Section 5307	\$0	\$630	\$630
FTA Section 5309	30	27	57
STATE:			
STA	0	4	4
LOCAL:			
SDTI Capital Replacement	7	160	167
TOTAL	\$37	\$821	\$858

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1099300
Project Name:	IAD Expansion Land Purchase

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>The project is to purchase the Unocal property located at the southwest corner of National Avenue and 16th St to be used for additional bus parking. FY 05 activities include limited additional R/W support. It is not anticipated that the property purchase would occur in FY 05.</p>		<p>Construction of new service lanes, Compressed Natural Gas fueling station, and bus wash/brake inspection facility has reduced the amount of bus parking space. Currently the fleet size needs to be increased and will continue to increase into the future which necessitates the purchase of additional land near the current property for additional bus parking.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$4	\$13	\$17
Professional Services	31	9	40
Right of Way	34	2,947	2,981
TOTAL	\$69	\$2,969	\$3,038

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$55	\$989	\$1,044
LOCAL:			
Miscellaneous Project Revenue	0	1,733	1,733
SDTC Capital Replacement	14	247	261
TOTAL	\$69	\$2,969	\$3,038

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1100100
Project Name:	Blue Line Catenary Improvement Project

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project replaces worn trolley catenary system and traction power components. FY 05 activities include construction.</p>	<p>NOT APPLICABLE</p>	<p>This project would replace worn catenary and traction power distribution components that are worn and starting to fail. These elements are vital to operations of the trolley system.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU		TOTAL
	FY 04	FY 05	
Administration	\$29	\$9	\$38
Engineering & Design	13	0	13
Construction Management	117	0	117
Construction	1,639	20	1,659
TOTAL	\$1,798	\$29	\$1,827

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU		TOTAL
	FY 04	FY 05	
FEDERAL:			
FTA Section 5307	\$394	\$23	\$418
FTA Section 5309	1,044	0	1,044
LOCAL:			
SDTI Capital Replacement	360	6	365
TOTAL	\$1,798	\$29	\$1,827

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number: 1100200
Project Name: KMD Drop Table

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will repair an hydraulic hoist in the repair bays and remove the drop table in the paint booth at the KMD bus maintenance facility and replace it with a portable scaffolding system. Also, it will replace the air filter system.</p>	<p style="text-align: center;">PROJECT SITE</p>	<p>The hydraulic hoist is leaking and in need of repair. The drop table is in need of repair due to corrosion and age of the facility. Placing a bus on the lift presents the problem of having the bus stuck with the hoist in the down position. The air filtration system no longer provides the proper air exchange for a paint facility and will be replaced with a new air filter system.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$28	\$25	\$20	\$73
Engineering and Design	45	35	0	80
Construction Management	6	40	34	80
Professional Services	7	32	0	39
Construction	35	630	43	708
Project Contingency	0	40	0	40
TOTAL	\$121	\$802	\$97	\$1,020

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
FEDERAL:				
FTA Section 5307	\$97	\$642	\$78	\$816
LOCAL:				
TDA	0	115	19	134
SDTC Capital Replacement	24	46		70
TOTAL	\$121	\$802	\$97	\$1,020

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number: 1104200
Project Name: LRV Body and Paint Rehabilitation

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
This project will rehabilitate and repaint the trolley car body surfaces. This will be ongoing maintenance work until the entire fleet has been painted.	NOT APPLICABLE	The trolley car bodies are rusting around the windows, doors, and roofs causing leaks and electrical problems. Left untreated this will cause major structural damage.

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	TOTAL
Administration	\$30	\$25	\$20	\$20	\$20	\$20	\$135
Professional Services	676	598	480	480	480	480	3,194
Contingency	0	15	0	0	0	0	15
TOTAL	\$706	\$638	\$500	\$500	\$500	\$500	\$3,344

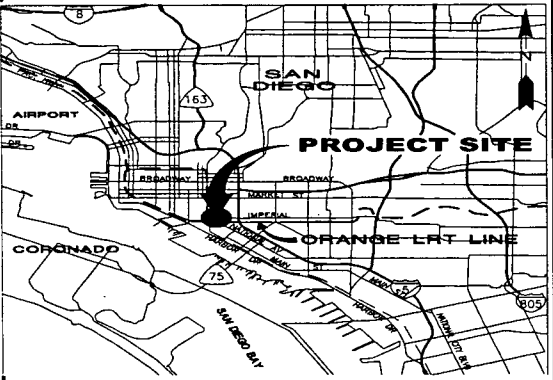
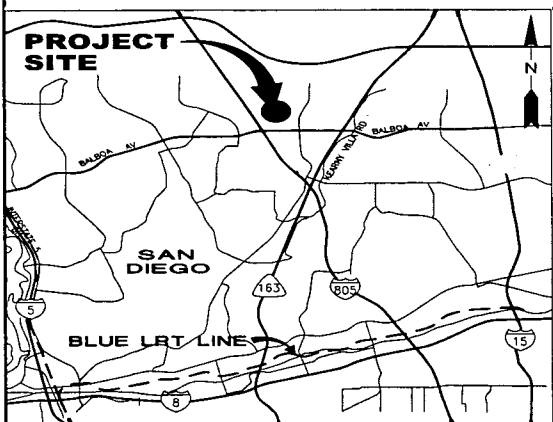
FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	TOTAL
FEDERAL:							
FTA Section 5307	\$200	\$240	\$0	\$0	\$0	\$0	\$440
FTA Section 5309	130	270	0	0	0	0	400
LOCAL:							
Miscellaneous Project Revenue	294	0	0	0	0	0	294
TDA	32	128	0	0	0	0	160
SDTI Capital Replacement	50	0	0	0	0	0	50
TOTAL	\$706	\$638	\$0	\$0	\$0	\$0	\$1,344

NOTE: The entire cost of the project is estimated at \$3,344,000.
 Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1105700
Project Name:	IAD/KMD Parking Lot Resurface Project

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will provide concrete and asphalt surface improvements to the IAD and KMD Parking lot. FY 05 activities will include final design with construction slated for FY 06 contingent upon additional funding.</p>	<p>IAD:</p> 	<p>The San Diego Transit IAD and KMD Bus Parking lot has numerous surface irregularities. These irregularities damage the under carriage of the bus and create a tripping hazard to the drivers and others who utilize the parking lot.</p>
	<p>KMD:</p> 	

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$10	\$41	\$49	\$100
Engineering and Design	0	70	30	100
Construction Management	0	0	100	100
Construction	150	0	1,100	1,250
Project Contingency	0	0	100	100
TOTAL	\$160	\$111	\$1,379	\$1,650

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
FEDERAL:				
FTA Section 5307	\$128	\$89	\$0	\$217
LOCAL:				
TDA	32	22	0	54
TOTAL	\$160	\$111	\$0	\$271

NOTE: The entire cost of the project, including construction is estimated at \$1,650,000. Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1140000
Project Name:	Rehab Traction Motors

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
This project will complete the mid-life overhaul of traction motors on seventy-one (71) U2 vehicles.	NOT APPLICABLE	The traction motors are 15 to 20 years old with mileage at nearly one million miles. The traction motors are a vital part of the LRV propulsion system, and are currently in worn condition. Unless rehabilitated, the motors will fail causing disruption to service.

EXPENDITURE PLAN (\$000)

TASK	THRU FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	TOTAL
Administration	\$13	\$7	\$15	\$50	\$50	\$50	\$185
Miscellaneous Equipment	3,067	523	35	1,200	1,200	1,200	7,225
TOTAL	\$3,080	\$530	\$50	\$1,250	\$1,250	\$1,250	\$7,410

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	TOTAL
FEDERAL							
FTA Section 5307	\$1,046	\$0	\$0	\$0	\$0	\$0	\$1,046
FTA Section 5309	1,418	424	40	0	0	0	1,882
LOCAL:							
TDA	300	106	10	0	0	0	416
MTDB Contingency Reserve	10	0	0	0	0	0	10
SDTI Capital Replacement	306	0	0	0	0	0	306
TOTAL	\$3,080	\$530	\$50	\$0	\$0	\$0	\$3,660

NOTE: The entire cost of the project, including construction is estimated at \$7,410,000. Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1140200
Project Name:	Kearny Mesa Transit Center

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will provide for the design and construction of an off-street transit center in Kearny Mesa. The transit center will serve as the focal point for transit and will serve as the main transfer location for all buses in the Kearny Mesa employment area. FY 05 activities will include final design.</p>		<p>This project will provide an off-street environment for transferring between routes. Transfers currently take place at Clairmont Mesa Blvd. And Complex Drive where there is not sufficient space to accommodate existing routes, and passengers must cross busy streets to get to their buses.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$25	\$25	\$25	\$75
Engineering & Design	20	80	20	120
Construction Management	0	0	110	110
Construction	0	0	1,050	1,050
Contingency	0	0	115	115
TOTAL	\$45	\$105	\$1,320	\$1,470

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
FEDERAL:				
FTA Section 5307	\$36	\$84	\$0	\$120
LOCAL:				
SDTC Capital Replacement	9	21	0	30
TOTAL	\$45	\$105	\$0	\$150

NOTE: The project funding is for design work only. The entire cost of the project, including construction is estimated at \$1,470,000. Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1140300
Project Name:	Train Location

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>The train location system will install connections, hardware equipment, and software that will bring signaling, train to wayside, and traction power information back to central control via the fiber optic network for the entire trolley system. This information will provide trolley with remote monitoring and system management capabilities. In FY 05, this project will extend the existing SDTI train location system throughout the Green Line.</p>	<p>NOT APPLICABLE</p>	<p>Installation of a Train Location System will provide the Controllers in Central Control the tools they need to properly manage the trains on the trolley system.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	FY 07	FY 08	TOTAL
Administration	\$15	\$30	100	100	0	\$245
Engineering & Design	280	40	0	0	0	320
Construction Management	0	120	250	170	0	540
Construction/Installation	0	1,062	2,500	1,700	0	5,262
Contingency	0	100	200	198	0	498
TOTAL	\$295	\$1,352	\$3,050	\$2,168	\$0	\$6,865

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	FY 07	FY 08	TOTAL
FEDERAL:						
FTA Section 5307	\$82	\$294	\$0	\$0	\$0	\$376
FTA Section 5309	162	788	0	0	0	950
LOCAL:						
TDA	0	265	0	0	0	265
SDTI Capital Replacement	51	5	0	0	0	56
TOTAL	\$295	\$1,352	\$0	\$0	\$0	\$1,647

Note: The entire cost of the project is estimated at \$6,865,000.
Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1140400
Project Name:	Tunnel Fleet Modification

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will modify SD100 vehicles to comply with NFPA 130 requirements and modify U2 vehicles to operate against an eight-inch platform. FY 05 activities will include vehicle retrofit.</p>	<p>NOT APPLICABLE</p>	<p>SD100's would not be allowed to operate on the Mission Valley East line if they require NFPA 130 modification and are not modified. We plan to use SD100s on the MVE line, rather than U2s, because they are more powerful and will be able to better handle the high sustained grades. U2s will not be able to operate against new eight-inch platforms unless retrofitted.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$20	\$20	\$40
Engineering & Design	55	0	55
Construction	500	3,000	3,500
Start Up	25	50	75
Contingency	0	720	720
TOTAL	\$600	\$3,790	\$4,390

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$1	\$1,992	\$1,993
FTA Section 5309	479	1,040	1,519
LOCAL:			
TDA	47	746	792
SDTI Capital Replacement	73	12	86
TOTAL	\$600	\$3,790	\$4,390

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1140500
Project Name:	LRV Shop Modifications

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will provide for the modification of LRV maintenance facilities to accommodate a low floor LRV. Improvements would include the installation of new overhead walkways, portable jacks, and column cranes. FY 05 activities will include construction.</p>	<p style="text-align: center;">DOWNTOWN SAN DIEGO</p> <p style="text-align: center;">PROJECT SITE</p>	<p>Low-floor vehicles have most of the equipment located on the roof in order to reduce the floor height from 34" to 14". It will be necessary to perform most of the work from overhead walkways and remove equipment with column cranes. It is unlikely the lifting pads on a new vehicle will be positioned in a manner which would accommodate the existing in-floor jack locations.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	TOTAL
Administration	\$6	\$50	\$56
Engineering & Design	98	62	160
Construction Management	0	160	160
Construction	0	1,600	1,600
Contingency	0	75	75
TOTAL	\$104	\$1,947	\$2,051

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	TOTAL
FEDERAL:			
FTA Section 5307	\$35	\$37	\$72
FTA Section 5309	52	1,521	1,573
LOCAL:			
TDA	9	389	398
SDTI Capital Replacement	8	0	8
TOTAL	\$104	\$1,947	\$2,051

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1140600
Project Name:	San Ysidro Intermodal Freight Facility

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will provide for preliminary engineering, design and construction of a truck-to-rail freight facility at the existing San Diego and Arizona Eastern (SD&AE) freight yard in San Ysidro.</p>		<p>The existing San Diego and Arizona Eastern (SD&AE) facility in San Ysidro is configured for staging and switching of freight trains and cannot accommodate truck to rail interface. The proposed project would provide for this interface.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$0	\$250	\$250	\$500
Engineering & Design	0	900	220	1,120
Professional Services	0	100	100	200
Construction Management	0	50	900	950
Construction	0	0	8,000	8,000
Utility Relocation	0	0	100	100
Contingency	0	100	1,030	1,130
TOTAL	\$0	\$1,400	\$10,600	\$12,000

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
FEDERAL:				
TEA-21 High Priority Project Funding	\$0	\$1,120	\$8,480	\$9,600
LOCAL:				
TBD	0	280	2,120	2,400
TOTAL	\$0	\$1,400	\$10,600	\$12,000

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1140900
Project Name:	CTS Radio System

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>At the time that the County Transit Services (MCS 800 Series) were divested to MTDB (6/02), the vehicles' radio service was the Regional Communication System (RCS) operated by the County of S.D. Due to its large service area, the MCS 800 series will continue to use RCS to operate all radios at prescribed rates. MTS will have the option to buy-in to the RCS system as a non-County agency. This project will continue to fund the cost of a radio communication system for the MCS 800 series vehicles.</p>	<p>NOT APPLICABLE</p>	<p>All MCS 800 Series vehicles have radios to keep drivers and dispatch/supervisory personnel informed of dynamic operating situations. MCS 800 Series projects consist of fixed route rural/lifeline, paratransit and ADA services. Without two way communication in case of emergency both passengers and operating personnel would be at great risk. Also, two way communication can reduce the potential of customer inconvenience and enhances the dynamic ability of the operation to better serve its passengers.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU			TOTAL
	FY 04	FY 05	FY 06	
Administration	\$0	\$0	\$25	\$25
Engineering & Design	164	77	855	1,096
TOTAL	\$164	\$77	\$880	\$1,121

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU			TOTAL
	FY 04	FY 05	FY 06	
LOCAL:				
TDA - Rural	\$164	\$77	\$880	\$1,121
TOTAL	\$164	\$77	\$880	\$1,121

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1141300
Project Name:	Catenary Improvement - Phase II

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
This project replaces worn trolley catenary system and traction power components. FY 05 activities include design and start of construction.	NOT APPLICABLE	This project continues to replace worn catenary and traction power distribution components that are worn and starting to fail. These elements are vital to operations of the trolley system.

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$3	\$52	\$69	\$124
Engineering & Design	1	155	0	156
Construction Management	0	75	75	150
Construction	182	750	750	1,682
Contingency	0	94	71	165
TOTAL	\$186	\$1,126	\$965	\$2,277

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
FEDERAL:				
FTA Section 5307	\$0	\$752	\$0	\$752
FTA Section 5309	149	149	0	298
LOCAL:				
TDA	37	225	0	262
TOTAL	\$186	\$1,126	\$0	\$1,312

NOTE: The entire cost of the project is estimated at \$2,277,000.
Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1141700
Project Name:	MCS 30 - 35' CNG Low Floor Medium Size Buses (9)

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will replace Model Year 1995 and 1997 mid-sized buses used on the Coronado Shuttle (Route 904) and the Airport Flyer (Route 992) that will have reached the end of their useful life and will be fully depreciated.</p>	<p>NOT APPLICABLE</p>	<p>The FTA considers vehicles of this size to be depreciated after 7 years or 200,000 miles. By the time of their retirement under this project, these buses will be 9 years old and will have accumulated approximately 300,000 miles. Replacing these elderly buses will maintain service quality and reliability, and reduce maintenance costs.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	TOTAL
Administration	\$0	\$15	\$50	\$65
Professional Services	0	0	25	25
Vehicle Procurement	0	0	2,935	2,935
TOTAL	\$0	\$15	\$3,010	\$3,025

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	TOTAL
FEDERAL:				
FTA Section 5307	\$0	\$12	\$0	\$12
LOCAL:				
TDA	0	3	0	3
TOTAL	\$0	\$15	\$0	\$15

NOTE: The entire cost of the project is estimated at \$3,025,000.
Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1141800
Project Name:	MCS ADA Small Vehicles (127)

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will replace Model Year 1999, 2000, 2001, and 2002 vans, minivans and cutaway minibuses that are used for ADA paratransit services that will have reached the end of their useful life and will be fully depreciated.</p>	<p>NOT APPLICABLE</p>	<p>The FTA considers vehicles of this size to be depreciated after 4 years or 100,000 miles. By the time of their retirement under this project, these vehicles will be 4-6 years old and will have accumulated approximately 200,000 miles. Replacing these elderly vehicles will maintain service quality and reliability, and reduce maintenance costs.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU FY 04	FY 05	FY 06	FY 07	TOTAL
Administration	\$0	\$20	\$30	\$15	\$65
Professional Services	0	10	20	10	40
Vehicle Procurement	0	3,650	4,270	1,975	9,895
TOTAL	\$0	\$3,680	\$4,320	\$2,000	\$10,000

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	FY 07	TOTAL
FEDERAL:					
FTA Section 5307	\$0	\$2,944	\$0	\$0	\$2,944
LOCAL:					
TDA	0	736	0	0	736
TOTAL	\$0	\$3,680	\$0	\$0	\$3,680

NOTE: The entire cost of the project is estimated at \$10,000,000.
Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1141900
Project Name:	MCS Medium/Small Flex Route Buses (15) - 900 Series

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will replace Model Year 2000, 2001, and 2002 cutaway minibuses that are used for deviated fixed-routes and fixed-route shuttles that will have reached the end of their useful life and will be fully depreciated.</p>	<p>NOT APPLICABLE</p>	<p>The FTA considers vehicles of this size to be depreciated after 4 years or 100,000 miles. By the time of their retirement under this project, these buses will be 4-6 years old and will have accumulated approximately 200,000-250,000 miles. Replacing these elderly buses will maintain service quality and reliability, and reduce maintenance costs.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU					TOTAL
	FY 04	FY 05	FY06	FY07	FY08	
Administration	\$0	\$15	\$25	\$15	\$0	\$55
Professional Services	0	0	15	10	0	25
Vehicle Procurement	0	0	1,170	485	0	1,655
TOTAL	\$0	\$15	\$1,210	\$510	\$0	\$1,735

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU					TOTAL
	FY 04	FY 05	FY 06	FY 07	FY 08	
FEDERAL:						
FTA Section 5307	\$0	\$12	\$0	\$0	\$0	\$12
LOCAL:						
TDA	0	3	0	0	0	3
TOTAL	\$0	\$15	\$0	\$0	\$0	\$15

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1142000
Project Name:	Catenary Contact Wire

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
This project will replace the contact wire and associated hardware from 12th and Imperial to San Ysidro.	NOT APPLICABLE	The San Diego Trolley contact wire and associated hardware on the South Line is wearing out. Based on San Diego Trolley measurements it is time to begin to change out the contact wire. The replacement of the wire will be done in segments with several contracts to limit the budget impact on any single fiscal year.

EXPENDITURE PLAN (\$000)


TASK	THRU FY 04	FY 05	FY 06	FY 07	FY 08	LATER YEARS	TOTAL
Administration	\$0	\$25	\$180	\$180	\$180	\$180	\$745
Engineering & Design	0	260	260	260	260	0	1,040
Professional Services	0	0	0	0	200	200	400
Construction Management	0	0	260	260	260	260	1,040
Construction	0	0	2,670	2,670	2,670	2,670	10,680
Contingency	0	25	250	250	250	250	1,025
TOTAL	\$0	\$310	\$3,620	\$3,620	\$3,820	\$3,560	\$14,930

FUNDING SOURCE	THRU FY 04	FY 05	FY 06	FY 07	FY 08	LATER YEARS	TOTAL
FEDERAL:							
FTA Section 5307	\$0	\$248	\$0	\$0	\$0	\$0	\$248
LOCAL:							
TDA	0	62	0	0	0	0	62
TOTAL	\$0	\$310	\$0	\$0	\$0	\$0	\$310

NOTE: The entire cost of the project is estimated at \$14,930,000
Continued funding is subject to the annual capital programming process.

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1142100
Project Name:	Substation Standardization - Phase II

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This is continuation of project 10799 where we started the process of replacing old contactors with breakers and bringing older sub stations to current design and performance standard. In this phase yard substations will be upgraded.</p>		<p>Older sub stations with contactors have more failures and tend to create unsafe conditions. Investigation report of last couple of major failures discovered faulty design of the contactor coils and recommended that all those contactors be replaced. In this project we will replace contactors with breakers in one or two yard substations.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU					TOTAL
	FY 04	FY 05	FY 06	FY 07	FY 08	
Administration	\$0	\$12	\$0	\$25	\$25	\$62
Engineering & Design	0	50	0	75	75	200
Professional Services	0	240	0	25	25	290
Construction Management	0	50	0	75	75	200
Construction	0	0	0	500	500	1,000
Contingency	0	50	0	50	50	150
TOTAL	\$0	\$402	\$0	\$750	\$750	\$1,902

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU					TOTAL
	FY 04	FY 05	FY 06	FY 07	FY 08	
FEDERAL:						
FTA Section 5307	\$0	\$322	\$0	\$0	\$0	\$322
LOCAL:						
TDA	0	80	0	0	0	80
TOTAL	\$0	\$402	\$0	\$0	\$0	\$402

NOTE: The entire cost of the project is estimated at \$1,902,000
Continued funding is subject to the annual capital programming process.

MAJOR LRT AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1145700
Project Name:	Fare Technology

PROJECT DESCRIPTION	SITE LOCATION	
This project will develop a regional automated fare technology system using smart card technology. This project is a joint effort between MTDB and North County Transit District (NCTD).	NOT APPLICABLE	One card and one system will allow patrons to utilize transit throughout the region while we improve customer and operator interaction, eliminate confusion, and make transit more accessible. This project will increase security for passengers and employees by reducing cash transactions, reduce dwell times for both bus and rail boarding's, and increase efficiency because processing of electronic payments is more cost efficient than the manual process of cash and coin handling.

EXPENDITURE PLAN (\$000)

TASK	THRU		TOTAL
	FY 04	FY 05	
Administration	\$234	\$200	\$434
Miscellaneous Equipment	20,067	16,423	36,490
Professional Services	592	384	976
Communications Equip.	0	0	0
Construction	0	1,200	1,200
Construction Management	0	200	200
Contingency	0	0	0
TOTAL	\$20,893	\$18,407	\$39,300

FUNDING PLAN FOR PROJECT COSTS (\$000)

FUNDING SOURCE	THRU		TOTAL
	FY 04	FY 05	
Bond Proceeds	\$20,893	\$18,407	\$39,300
TOTAL	\$20,893	\$18,407	\$39,300

FUNDING PLAN TO REPAY DEBT SERVICE (\$000)

FUNDING SOURCE	THRU							TOTAL
	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	FY 10	
FEDERAL:								
FTA Section 5307 - MTDB	\$6,531	\$518	\$4,907	\$3,806	\$0	\$0	\$0	15,762
FTA Section 5307 - NCTD	2,029	155	1,139	932	0	0	0	4,255
STATE:								
STIP	800	0	0	0	0	0	0	800
LOCAL:								
TDA	1,033	168	1,308	2,804	7,023	7,005	2,668	22,009
Gap Funding	307	0	203	0	0	0	0	511
TOTAL	\$10,700	\$840	\$7,558	\$7,542	\$7,023	\$7,005	\$2,668	\$43,337

MAJOR RAIL AND BUS CAPITAL IMPROVEMENT PROJECT

Project Number:	1148100
Project Name:	I15 Bus Rapid Transit

PROJECT DESCRIPTION	SITE LOCATION	PROJECT JUSTIFICATION
<p>This project will provide for the environmental clearance, right-of-way acquisition, design, and construction of Bus Rapid Transit Stations at South Escondido/Del Lago, Rancho Bernardo, and Sabre Springs/Penasquitos. Project includes purchase of BRT vehicles and operating and marketing plans for the new service. The service will utilize the Managed Lanes and Direct Access Ramps being constructed by Caltrans.</p>		<p>This project will implement commuter express bus service as part of the Regional Transit Vision. It will provide faster, more efficient and more comfortable express service. Future expansion of the Escondido Transit Center to accommodate the BRT service is anticipated. This will connect with the new Oceanside to Escondido LRT line. A connection to the future Mira Mesa Transit Center is also anticipated. This joint Caltrans/SANDAG/MTS managed lanes/bus rapid transit project is expected to relieve congestion in the northern I-15 corridor for the next 20 years.</p>

EXPENDITURE PLAN (\$000)

TASK	THRU				TOTAL
	FY 04	FY 05	FY 06	FY 07	
Administration	\$117	\$75	\$110	\$72	\$374
Engineering & Design	275	600	243	0	1,118
Construction Management	0	0	130	1,000	1,130
Professional Services	37		0	0	37
Right of Way	11,160	2,100	0	0	13,260
Construction	0	0		11,300	11,300
Vehicle Procurement	0	0		24,363	24,363
TOTAL	\$11,589	\$2,775	\$483	\$36,735	\$51,582

FUNDING PLAN (\$000)

FUNDING SOURCE	THRU				TOTAL
	FY 04	FY 05	FY 06	FY 07	
STATE:					
TCRP	\$5,600	\$0	\$0	\$23,100	\$28,700
FEDERAL:					
CMAQ	0	2,314	483	19,335	22,132
TransNet*	5989	461	0	-5,700	750
TOTAL	\$11,589	\$2,775	\$483	\$36,735	\$51,582

* Potential repayment of TransNet funds in lieu of TCRP in the future

TABLE 4c MINOR CAPITAL PROJECT DESCRIPTIONS

Included under Minor Capital Projects are improvement and replacement projects of less than \$1 million related to LRT or bus operations. These are projects for which SANDAG, MTS, SDTI, SDTC, CVT, and NCT would be responsible to undertake. These projects are primarily funded from federal funds and matched with reserve funds, TDA, and other local funds.

Project #	Project Title	(\$'000'S) Budget
1075300	<u>Trolley Station Signs</u> The project would provide for station sign replacement system wide	\$365.0
1077500	<u>Santee Bus Stop Improvements</u> This is an ongoing project of upgrading and modifying bus stops and replacing signs around Santee. (Conducted by the City of Santee.)	\$120.0
1082100	<u>Transit Watch Enhancements</u> This project provides for ongoing modification and enhancement of the organization's security reporting system.	\$191.0
1083200	<u>Configuration Management</u> This project will provide for document filing and electronic storage of key engineering records including off-site backup of drawings and documentation.	\$100.0
1084300	<u>Fenton Parkway Grade Crossing</u> This project will design a grade crossing and preparation of a PUC grade-crossing application for a future parking lot adjacent to the Fenton Parkway Station.	\$100.0
1087400	<u>Organizational Network Infrastructure</u> This project will replace/upgrade network switches/routers/hubs of MTDB, SDTI, and SDTC. This equipment provides critical connectivity for network resources and between the three agencies and regional partners.	\$675.0
1089700	<u>Yard Switch Electrification - Phase II</u> This project will equip a group of yard switches with power switching mechanisms and train-to-wayside control to allow switching operations electrically from the cab of the LRV instead of manually.	\$821.0
1089900	<u>Yard Traction Power Enhancements</u> This project will install a traction power substation, feeder cable duct bank, pull boxes, section breaks, insulated joints, and redistribute feeder cables to add more traction power to the LRV storage yard.	\$555.0
1094200	<u>Grade Crossing/Standby Power Improvements</u> This project will modify crossing control circuits to ensure gate lamp voltage complies with FRA requirements.	\$462.0
1094900	<u>Crossing Protection Indicators (design)</u> This project will provide for the installation of two aspect indicators at each grade crossing to reflect gate down detection and crossing approach circuit activation.	\$100.0

Project #	Project Title	Budget (\$'000'S)
1095000	<u>Electric Switches - Imperial & Broadway</u> This project is for the installation of electric switch machines at switches CC33, CC35, and CC41 at the Broadway Wyes; an electric switch machine at switch CC5 at Imperial terminal; installation of TWC equipment and two signals.	\$50.0
1097100	<u>LRT Station Platform Rehabilitation</u> This project will remove asphalt, rehabilitate track, and improve the ride quality at the E Street grade crossing adjacent to the Bayfront/E Street station.	\$455.0
1098100	<u>Network Server Replacement / Upgrades</u> This project provides for the procurement and replacement of organization servers and network storage systems.	\$475.0
1098300	<u>Organization Database Storage</u> This project will provide for the procurement of additional hard disk storage units for the AS/400.	\$82.0
1098400	<u>SDMTS Web Site</u> This project will provide for the procurement of equipment, software, and services to implement the SDMTS World Wide Web site.	\$75.0
1098800	<u>Articulated Bus A/C Retrofit</u> This project will replace the Peugeot engines in the 1100 series coach air conditioning system. This project is to purchase the hardware to perform the retrofit.	\$171.0
1099400	<u>Organizational Desktop Replacement</u> This project provides for the annual replacement of MTDB, SDTI, and SDTC desktop computer systems, printers, and software. This project also funds the annual contract for computer training services.	\$750.0
1099500	<u>Regional Scheduling System</u> This project will provide for consulting fees to consolidate scheduling package with SDTI.	\$60.0
1099600	<u>IAD/KMD Yard Lighting</u> This project will provide for additional security lighting at SDTC's Imperial Avenue Division (IAD) and Kearny Mesa Division (KMD) maintenance yards.	\$150.0
1100300	<u>Regional Bus Stop Signs and Improvements (FY 01 - 04)</u> This project will improve and provide for the purchase of ongoing installation of bus stop signs, poles, and related equipment.	\$377.9
1102000	<u>Overhaul Rerail Equipment</u> This project will provide for the overhaul and update of LRV rerail equipment	\$80.0

Project #	Project Title	(\$'000'S) Budget
1102200	<u>IAD Building Shakeup Room</u> This project will remodel one bus bay at IAD Building No. 1 into a shakeup room for operators and class/training rooms.	\$150.0
1102500	<u>Bus Simulator</u> This project will provide for the purchase and installation of a simulator to train and qualify bus operators. It will also be used to assist in decreasing accident rates and increase overall transit system performance.	\$2.0
1102600	<u>SBMF Building Site Improvements</u> This project will provide for building and site improvements including mechanical and electrical upgrades at South Bay Maintenance Facility (SBMF).	\$46.0
1102700	<u>SBMF Equipment (FY 01 - 04)</u> This project will provide for the purchase of equipment to supplement maintenance operations at the South Bay Maintenance Facility (SBMF)	\$205.6
1103400	<u>Resurfacing Parking Lot (NCT Yard)</u> This project will resurface portions of the Administrative and Maintenance Facility bus parking lot at National City Transit.	\$50.0
1104900	<u>Regional Miscellaneous Operations Capital (SDTC)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$100.0
1105000	<u>Regional Miscellaneous Operations Capital (SDTI)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$100.0
1105100	<u>Regional Miscellaneous Operations Capital (NCT)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$17.2
1105300	<u>Traffic Signal at Harbor Drive and Schley Street</u> This is a cooperative project between MTDB, the City of San Diego, Chevron, and ARCO. MTDB's contribution is \$10,000 out of an estimated project cost of \$120,000. This project will install a traffic signal and railroad preemption system at the intersection of Harbor Drive and Schley Street, adjacent to MTDB tracks. This project will clear vehicles from the tracks when a train or trolley is approaching.	\$10.0
1105400	<u>Signal Plan Update</u> This project would establish the annual budget for the GEC to update the SDTI signal plans.	\$92.0

Project #	Project Title	(\$'000'S) Budget
1105500	<u>MTDB Contract Svcs. Bus Driver Seat Replacement (70)</u> This project will replace or upgrade seven-year old bus driver seats or will provide a rehabilitation of the seat, if possible.	\$55.0
1105900	<u>Imperial Avenue Division Elevator</u> This project will remove the old elevator controller, install a new microprocessor controller, and test the system for proper operation	\$61.6
1106000	<u>Spring Street Curves</u> This project will replace the heavily worn rail throughout the Spring Street station and replace the station platform in the track area.	\$600.0
1106100	<u>Rail Replacement Broadway & MP13</u> This project will replace the flange worn curves at Broadway Wye and M.P. 13 on the Orange Line.	\$300.0
1106200	<u>SDTI Non-Revenue Vehicles</u> This project will purchase replacement vehicles (2 security, 1 revenue, 3 facilities, and 2 maintenance of way (MOW) vehicles.	\$622.0
1106500	<u>Digital Safety Surveillance System (NCT)</u> This project will upgrade the existing video safety surveillance system to a digital, hi-tech system at NCT	\$30.0
1106700	<u>Sorrento Valley Coaster Connection Mitigation Buses</u> This project provides two minibuses to allow expansion of service for Caltrans I-5 project mitigation.	\$145.0
1106800	<u>Taxi Lift</u> This project would provide for a new taxi lift for Taxicab.	\$90.0
1106900	<u>Regional Miscellaneous Capital (MTDB)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$207.5
1107100	<u>Regional Miscellaneous Capital (SDTC)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$75.0
1107200	<u>Regional Miscellaneous Capital (SDTI)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$200.0

Project #	Project Title	(\$'000'S) Budget
1107300	<u>Regional Miscellaneous Capital (NCT)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$40.0
1107400	<u>Regional Miscellaneous Capital (CVT)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$55.0
1107500	<u>CTS Rural Bus Spare Vehicles</u> This project will provide two spare vehicles for the CTS rural bus service.	\$200.0
1107600	<u>CTS Rural Bus Stops</u> This project will install new bus stop signs at 224 locations and bus stop solar lighting at 175 locations.	\$225.0
1107700	<u>Non-Revenue Vehicles</u> This project will replace older staff vehicles that have exceeded their useful life.	\$50.0
1107900	<u>MCS Battery Compartment Upgrade (73)</u> This project will provide for the upgrade of battery compartments on 73 1995 2000/2100 series buses.	\$150.0
1108000	<u>SDTC Battery Compartment Upgrade</u> This project will provide for the upgrade of battery compartments on 24 1995 1400 series buses.	\$60.0
1108100	<u>SDTC Driver Seat Replacement</u> This project will provide for the upgrade of drive seats on 24 1995 1400 series buses and 4 1994 1300 series buses.	\$50.0
1108200	<u>KMD Steam Cleaner</u> This project would provide for the purchase of a new steam cleaner at the Kearny Mesa Division (KMD) facility.	\$18.0
1108400	<u>Station Resigning (MVE)</u> This project provides for the resigning of trolley stations to reflect the Mission Valley East project and the new operating plan.	\$602.0
1108500	<u>Switch Indicator Modifications</u> This project will provide for the modification of route and indication systems at switch locations in non-automatic block signal areas (i.e. Bayside, C Street, 12th Avenue, and Imperial Avenue) to make them consistent with the new Broadway Wye control system. This project will also replace the signal case at switches CC9 and CC11.	\$448.0

Project #	Project Title	(\$'000'S) Budget
1108600	<u>Maintenance Audit of Rail and Bus Facilities</u> This project provides for the triennial independent audit to ensure that MTS's facilities, capital equipment, and infrastructure are in good condition. This audit will conduct physical field inspections of all facilities, vehicles, equipment, and records.	\$425.0
1108700	<u>SD100 Digital Voice System Replacement</u> This project will replace the existing voice announcement system on 26 of the SD100 LRV fleet in preparation for the opening of Mission Valley East.	\$586.0
1108800	<u>Install Yard Substation</u> This project will remove both substations for the A Street site, install the relocated substation from the City College site on an existing pad at the A Street site, reconfigure the traction power feeders in the vicinity of America Plaza, develop a new substation site to serve the yard, install one of the removed substations on the new yard site, reconfigure the yard traction power feeders and energize and test both newly installed substations.	\$695.0
1108900	<u>CTS Fare box Replacement</u> This project will provide for fare box replacement on the CTS buses	\$42.0
1109700	<u>Video Surveillance Retrofit</u> This project will retrofit eight 1999 and 2000 mid-size buses with video security camera systems and enhance the automatic vehicle location system to provide the public with information on bus location and on-time status as well as "next bus" information using the Internet.	\$105.0
1140700	<u>CTS Bus Stop Improvements</u> This project will improve and provide for the ongoing upkeep and ADA compliance of former CTS bus stops and zones	\$170.0
1141000	<u>CTS Rural Bus Facilities & Improvements</u> This project will provide rural bus operations with two accessible modular offices and other facility operational needs that will serve as operating bases for the expanded northeast and southeast operations. Rural bus stop improvements will also be provided.	\$62.0
1111000	<u>Regional Miscellaneous Capital (SANDAG/MTS)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$119.0
1111100	<u>Regional Miscellaneous Capital (SDTC)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$119.0

Project #	Project Title	(\$'000'S) Budget
1111200	<u>Regional Miscellaneous Capital (SDTI)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$119.0
1111300	<u>Regional Miscellaneous Capital (MMO)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$106.0
1111400	<u>Regional Miscellaneous Capital (CVT)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$26.0
1111500	<u>Regional Miscellaneous Capital (NCT)</u> This project provides for the purchase of miscellaneous equipment to supplement regional operations, including equipment and materials needed to continue maintaining working space, vehicles, and facilities in a proactive manner.	\$11.0
1111600	<u>CVT ADA Bus Stop Improvements</u> This project Provides for federally required ADA improvements at several bus stops throughout the City of CV. These small projects will include concrete landing pads, small retaining walls, and other passenger access improvements to bring the system up to full ADA compliance.	\$23.0
1111700	<u>CVT Bus Security Cameras (15 Buses)</u> This project provides for the purchase a full coverage digital interior bus security camera system for each of 31 buses. The system will have both digital image, voice capabilities, adequate storage, and will include base equipment to store and review data for both security and customer service issues.	\$164.0
1111800	<u>CVT Shop Fork Lift</u> This project provides for the purchase a 4,000lb capacity, 3-stage mast, electric forklift for the CVT transit shop areas.	\$34.5
1111900	<u>H Street Transit Center Pavement Rehab</u> This project will provide for the complete rehabilitation of the pavement on the bus side of the H Street Transit Center in Chula Vista.	\$150.0
1112000	<u>NCT Maintenance Shop Improvements</u> This project provides for two Enclosed Sheds- one for bus cleaning materials and a second shed for tires, tools for bus stops, and medium size equipment	\$15.0

Project #	Project Title	('\$000'S) Budget
1112100	<u>MCS Non-revenue Vehicles (2)</u> This project provides for the replacement of two cars used by MTS Contract Services staff for service monitoring and various operation support functions.	\$25.0
1112200	<u>OTTC Bench Replacement and Shelter Rehabilitation</u> This project will replace the wooden benches with a more durable and easier to maintain bench.	\$15.0
1112300	<u>Regional Bus Stop Signs and Improvements</u> This project provides for the ongoing installation of bus stop signs, poles, and related equipment	\$100.0
1112400	<u>SBMF Equipment</u> This project provides for the purchase of equipment to supplement maintenance operations at the South Bay Maintenance Facility (SBMF).	\$80.0
1112500	<u>Broadway Wye Train Location</u> This project will incorporate Train Location for Broadway Wye, including all approach circuits, and the track segment between the Broadway Wye and ABS limits at Cedar Street grade crossing into the existing MVW train location program.	\$100.0
1112600	<u>LRV Tires</u> This project will provide for the purchase of 456 tires to replace old worn tires. Approximately changing tires on one-third of the LRV Fleet.	\$453.0
1112700	<u>SDTI Overhaul Brake Kits</u> This project provides for the purchase of brake kits to overhaul brakes on SD-100s.	\$554.0
1112800	<u>IAD Radio Room Remodel</u> This project provides for the radio room re-model to support the new CAD/AVL system installation.	\$55.0
1112900	<u>IAD Steam Rack</u> This project provides for the purchase a steam rack for IAD.	\$235.0
1113000	<u>SDTC Supervisor Vehicles (9)</u> This project will provide for the purchase of field supervisor vehicles to replace vehicles that currently have a mileage of 107,00 to 142,000.	\$75.0

5. BUDGET DETAIL - MISCELLANEOUS

RESERVES

MTS maintains a variety of reserves as shown in Table 5a:

- Contingency Reserve. For ongoing capital projects, future matching of grants, operations funding, and unforeseen/special occurrences. The minimum level to be maintained in the reserve has been increased from \$2 million to equal approximately 5 percent of the MTS operating budget (\$8 million). The reserve is governed by Board Policy No. 36. The balance for FY 05 (July 1, 2004) is expected to be \$10.2 million. The detail of the contingency reserve is shown in Table 5b.
- Redevelopment Agency of San Diego. To be used by MTDB for projects identified and approved by MTDB after consultation with the Centre City Development Corporation (CCDC) for the enhancement of public transit within Centre City. All of the reserve has been programmed for East Village capital projects.
- Billboard--San Diego and Chula Vista. Reserves established from the 1984 advertising sign settlement. Rental income from certain billboards that are located on MTDB right-of-way is deposited into these reserves. By agreement with the cities, the reserves are to be used for special improvements to the right-of-way, such as additional landscaping.
- SD&AE (Fee and Billboard). Accumulates maintenance fee payments, billboard revenues, and various expenditures and revenues received for SD&AE properties, and are restricted to SD&AE uses.
- Claims Liability Reserve. A reserve established for potential future liability claims against MTS, SDTC, or SDTI within self-insured retention levels. The reserve is governed by Board Policy No. 46.
- Contract Services Capital Replacement. The bus capital depreciation account for MCS is governed by Board Policy No. 15. However, since the match to the federal formula funds is now provided from the pool of MTS transit resources, annual deposits are no longer made into this capital replacement account. This account receives miscellaneous revenue from various reimbursed funding projects.
- MTDB Capital Replacement. A reserve established in FY 90 to be used for replacement of vehicles and office furniture/equipment. However, since the match to the federal formula funds is now provided from the pool of MTS transit resources, annual deposits are no longer made into this capital replacement account.
- Taxicab Administration Capital Replacement. A capital depreciation account to be used for the replacement of office equipment and vehicles.
- Land Management Reserve. Funded by rental income from various rental properties. The reserve is to be used for unforeseen expenditures or capital improvements associated with the rental property.

**TABLE 5a
MTDB RESERVES**

RESERVE DESCRIPTION	ESTIMATED BALANCE 6/30/04	USE RESTRICTED TO CAPITAL OR SPECIFIC PURPOSE?	USE GOVERNED BY / APPLICABLE RESTRICTIONS
<u>MISCELLANEOUS RESERVES:</u>			
MTDB Contingency Reserve (a)	\$17,856,000	N	Policy No. 37; \$2 million minimum balance required; set at \$6-\$8 million for FY 04.
Redevelopment Agency of San Diego (b)	223,000	Y	Agreement with CCDC; used for transit enhancement projects; majority vote of MTDB after consultation with CCDC
Billboard - San Diego	250,000	Y	Agreements with Cities of San Diego and Chula Vista; used for right-of-way improvements; cities approve use
Billboard - Chula Vista	377,000	Y	
San Diego & Arizona Eastern (c)	795,000	Y	Operating agreement with SD&IV; used for SD&AE capital improvements
MTDB/SDTI/SDTC Claims Liability Reserve	52,895	Y	Policy No. 47; \$2 million minimum balance required; two-thirds vote of MTDB to use; any use is replenished in next budget cycle.
MPS Building Reserve (d)	242,000	N	Proceeds from legal settlement; restricted to repair MTS Tower.
Land Management	346,000	N	Used for repair and maintenance of rental property.
TOTAL MISCELLANEOUS RESERVES	\$20,141,895		
<u>CAPITAL REPLACEMENT RESERVES:</u>			
Contract Services Capital Replacement	307,000	Y	Majority vote of MTDB; used for replacement of minor Contract Service-related assets.
MTDB Capital Replacement (e)	205,000	N	Majority vote of MTDB; used for replacement of office assets.
Taxicab Administration Capital Replacement	32,000	Y	Ord. No. 11, Limited to Taxicab use; used for replacement of Taxicab Administration assets.
TOTAL CAPITAL REPLACEMENT RESERVES	\$544,000		
<u>CAPITAL PROJECT RESERVES:</u>			
Mission Valley East LRT TransNet Reserve	\$3,450,000		Project reserve set up from TransNet funds; requires majority vote of MTDB.
TOTAL CAPITAL PROJECT RESERVES	\$3,450,000		
TOTAL MTDB RESERVES	\$24,135,895		

(a) Net of amounts budgeted for use in FY 04 and capital project commitments of \$2.5 million

(b) This balance is net of capital project commitments of \$827,000.

(c) This balance is net of capital project commitments of \$320,000.

(d) This balance is net of capital project commitments of \$238,000.

(e) This balance is net of capital project commitments of \$12,000.

TABLE 5b
MTDB CONTINGENCY RESERVE BALANCE

June 30, 2003 audited balance	\$25,861,957 *
Less Board approved appropriations:	
FY 04 operations	(6,815,853)
Capital projects	(2,544,245)
Plus:	
Estimated FY 04 savings in MTDB General Fund	214,771
Estimated interest earnings (through 6/30/04)	1,140,000
Estimated balance at June 30,2004	<u>\$17,856,630</u>
June 24, 2004 Board approved appropriations:	
FY 05 operations	(4,405,235)
FY 05 general fund	(818,196)
FY 05 energy reserve	(350,000)
FY 05 insurance reserve	(1,950,000)
TOTAL FY 05 appropriations	<u>(7,523,431)</u>
Balance after FY 05 appropriations	<u>\$10,333,199</u>

NOTES:

Of the balance above, approximately \$6.3 million is being used on a temporary basis for the automated fare technology project, pending state reimbursement.

**TABLE 6
MTS OPERATORS
FIVE-YEAR PROJECTIONS**

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	ACTUALS							BUDGET FY 04	PROJECTIONS									
	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03		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	179.92	179.92	184.6	187.0	190.2	192.7	196.0	198.6	202.0	204.6
Mission Valley East Startup Costs	-	-	-	-	-	-	-	0.00	2.81	2.81	6.7	6.7	6.9	7.0	7.1	7.2	7.3	7.4
Total Operating Costs									182.53	182.53	191.3	193.7	197.1	199.6	203.1	205.7	209.3	212.0
Deposit to Claims Reserve	0.60	-	-	1.17	0.50	0.40	0.85	1.95	1.95	1.95	?	?	?	?	?	?	?	?
Deposit to Establish Energy Contingency Reserve	-	-	-	-	-	-	-	-	0.35	0.35	-	-	-	-	-	-	-	-
Deposit to Capital Replacement Reserves	-	2.00	5.50	2.76	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Payment	0.96	0.78	0.87	0.83	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. TOTAL RECURRING EXPENSES	106.20	115.47	128.53	137.00	145.68	154.70	165.87	175.84	184.83	184.83	191.3	193.7	197.1	199.6	203.1	205.7	209.3	212.0
Recurring Revenues:																		
Fares (Base)	50.99	55.88	58.47	59.04	62.14	65.97	64.33	65.87	68.01	68.01	68.8	70.0	70.8	72.0	72.8	74.0	74.9	76.1
Fares Mission Valley East	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.7	2.0	2.1	2.4	2.1	2.5	2.2	2.6
Subsidy for ADA	1.17	1.86	1.33	2.22	2.76	3.77	6.28	4.30	4.38	4.38	4.5	4.6	4.6	4.7	4.7	4.9	4.9	5.2
TDA	31.39	34.39	42.47	46.18	50.85	50.67	56.29	56.27	57.83	57.83	58.6	61.7	61.4	64.4	64.2	67.6	67.4	70.9
TransNet	0.48	0.95	1.37	3.10	3.15	4.60	5.42	8.78	9.70	9.70	15.6	15.6	15.6	15.6	15.6	15.6	0.0	0.0
STA	3.51	3.95	4.58	4.62	4.93	8.55	5.20	4.78	4.91	4.91	5.0	5.1	5.0	5.3	5.1	5.5	5.1	5.7
Federal Section 5307-operating/maint. (includes JARC)	4.83	4.57	4.43	4.47	6.30	6.60	7.00	23.78	23.88	23.88	23.9	23.9	23.8	23.8	23.8	23.8	23.8	23.8
Other (APCD, I-15 FASTRAK, misc.)	4.03	4.29	7.29	6.64	1.91	2.68	2.38	2.49	2.58	2.58	2.5	2.5	2.6	2.6	2.7	2.7	2.7	2.7
Advertising	1.13	1.12	1.19	1.59	1.35	0.99	0.78	0.80	0.80	0.80	0.8	0.8	0.8	0.8	0.8	0.9	0.9	0.9
2. TOTAL RECURRING REVENUES	97.53	107.01	121.13	127.86	133.39	143.83	147.68	167.07	172.09	172.09	181.5	186.2	186.8	191.7	191.9	197.5	181.8	187.9
3. ANNUAL RECURRING BALANCE (1 - 2) (Expenses less revenues)	(8.66)	(8.47)	(7.40)	(9.14)	(12.29)	(10.87)	-(18.19)	(8.77)	(12.75)	(12.75)	12.3	5.0	12.9	5.4	13.8	5.7	30.2	21.4
Non-recurring Revenues:																		
TransNet Interest Change	0.71	1.40	2.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TransNet Formula Change	-	-	-	-	-	-	-	-	3.50	3.50	-	-	-	-	-	-	-	-
Contingency Reserve/LRV Lsebeck & interest	5.86	4.07	0.27	7.84	2.83	-	5.12	8.77	6.71	6.71	-	-	-	-	-	-	-	-
Bus Replacement Fund	-	-	-	-	-	1.40	-	-	-	-	-	-	-	-	-	-	-	-
Federal Exchange-Local	-	-	2.23	-	-	2.12	1.15	-	-	-	-	-	-	-	-	-	-	-
Additional federal preventive maintenance	-	-	-	-	8.86	4.25	9.11	-	-	-	-	-	-	-	-	-	-	-
Additional TDA by reducing capital funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional capital replacement to match grant	-	-	-	-	-	3.00	1.30	-	-	-	-	-	-	-	-	-	-	-
Release of TDA Reserve	-	-	-	-	-	-	2.00	-	-	-	-	-	-	-	-	-	-	-
Mission Valley East Capital Project Start-up Funds	-	-	-	-	-	-	-	-	2.00	2.00	-	-	-	-	-	-	-	-
Federal CMAQ	2.09	3.00	2.10	1.30	0.60	-	-	-	0.54	0.54	4.4	4.2	4.3	4.0	3.9	3.6	0.0	0.0
4. TOTAL NON-RECURRING REVENUES	8.66	8.47	7.40	9.14	12.29	10.77	18.68	8.77	12.74	12.74	4.4	4.2	4.3	4.0	3.9	3.6	0.0	0.0
5. TOTAL REVENUES (2 + 4)	106.19	115.48	128.53	137.00	145.68	154.60	166.35	175.84	184.83	184.83	185.9	190.4	191.0	195.7	195.8	201.1	181.8	187.9
6. OVERALL SURPLUS (DEFICIT) (1 - 5)	(0.00)	0.00	0.00	0.00	0.00	(0.10)	-(0.48)	0.00	0.00	0.00	-7.8	-0.8	-8.6	-1.4	-10.0	-2.1	-30.2	-21.4

TABLE 7a
FUTURE YEAR CONTRACT OBLIGATIONS-MTDB
(to be furnished in final publication)

TABLE 7b
Contractual Service Schedule - SDTC
(to be furnished in final publication)

TABLE 7c
Contractual Service Schedule-SDTI
(to be furnished in final publication)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

25

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****

9:07

1. INSTRUCTIONS

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

Date Peter Warner

Name (PLEASE PRINT) PO BOX 2135

Address Menford CA 93232

Telephone 619 347 6422

Organization Represented (if any) AAS / TRAC

Subject of your remarks: Various Budget Issues

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

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

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

25

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**** 9:23

1. INSTRUCTIONS

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

Date 2004-06-24
Name (PLEASE PRINT) Clive Richard
Address 5153 La Donna Street
San Diego
Telephone 619.582.4036
Organization Represented (if any) Self

Subject of your remarks: Service Cuts begets ridership reduction which begets revenue loss which begets fare increases, etc.

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. 30

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

CIP 10453

June 24, 2004

Subject:

**MTDB: BUS BAY PARKING MANAGEMENT SERVICES FOR THE SAN YSIDRO
INTERMODAL TRANSIT CENTER**

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to award a contract to Ace Parking (see Attachment A) contingent upon successful negotiations. In the event that the CEO is unable to reach an agreement, the CEO is authorized to begin negotiations with the next ranked proposer(s) and award a contract contingent upon successful negotiations.

Budget Impact

None.

Executive Committee Recommendation

At its meeting on June 17, 2004, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

A Request for Proposals (RFP) to provide Bus Bay Parking Management Services was issued on January 28, 2004. The three firms who responded were:

- Ace Parking
- MetroPort, LLC
- Border Transportation Council



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.

Proposals were rated by an Evaluation Team, which also held interviews with all three firms on April 26, 2004. The members of the Evaluation Team were:

- Tim Allison - San Diego Association of Governments
- Elliot Hurwitz and Roy Meenes - Metropolitan Transit System
- Robert Chavez - City of San Diego
- Chip Willett - Wiggans & Willett, Inc.

The Evaluation Team felt that all three firms were capable of providing bus bay management services. After the initial evaluation of the proposals, Ace Parking was rated first, MetroPort, LLC second, and Border Transportation Council third. At the conclusion of the interviews, Ace Parking continued to be rated first, MetroPort, LLC second, and the Border Transportation Council third. The final ranking was based on a reevaluation of the ratings of the firms' proposals and interviews. The Evaluation Team's evaluation of each firm's proposal is presented below.

ACE PARKING

Ace Parking provided numerous examples of management of similar facilities, including the San Diego Airport, the San Diego Super Bowl, the Pro Bowl in Hawaii, and other events. Ace Parking's business plan and method of collection of the parking fees were the most comprehensive of the three firms and provided the most efficient method of reporting and control. Ace Parking would issue permits to authorized users of the facilities or one-time tickets (both with bar coding). A meter connected to Ace Parking's computer system would read the bar codes at the time of use. The system precludes unauthorized or reuse of single tickets. This system can provide any reporting that MTS needs (daily, weekly, or monthly reports showing revenues). In addition, Ace Parking makes nightly deposits of all funds with Bank of America and has access to the Bank of America system so that any discrepancies between the deposit and the metered funds is noted no later than the following morning. Although Ace Parking may not have been as familiar with the nuances of the San Ysidro Intermodal Transportation Center (SYITC) area as the other firms, the Evaluation Team felt that having handled a variety of difficult parking situations, Ace Parking is the best equipped to "read and react" to any situation that might occur.

METROPORT, LLC

MetroPort, LLC, is a proposed limited liability company that would be formed to contract for the services. Its proposed general manager, Miguel Aguirre, is a long-time business owner in the San Ysidro area, and he would be working with Parking Company of America to provide the services. Parking Company of America is one of the largest parking firms in the United States, but it did not demonstrate the kind of multimodal experience offered by Ace Parking.

MetroPort, LLC's business plan was well presented, and the fare-collection method proposed was acceptable. The "Pay and Display" (P&D) machines proposed by Metroport, LLC are multi-space parking meters with reporting capabilities. Information from the machines is electronically downloaded and provides fully reconcilable accounting. This system was deemed slightly more complex and less user-friendly than

the Ace Parking system by the Evaluation Team. Mr. Aguirre is extremely familiar with the SYITC area, including the operations of local transit providers. The Evaluation Team felt, however, that acknowledgement of the workings of the local transportation providers (as with the Border Transportation Council below), although important, did not outweigh the experience and adaptability that Ace Parking brings to the project.

BORDER TRANSPORTATION COUNCIL

The Border Transportation Council is a non-profit public benefit corporation founded in 1993 to address transportation issues in San Ysidro. It demonstrated the least experience in managing parking facilities of the three firms. The Border Transportation Council proposed that monthly operational costs would be allocated amongst the users of the facilities at the end of every month. This system was deemed the least reliable and most complex by the Evaluation Team, who favored some kind of metering system as proposed by Ace Parking and MetroPort, LLC. It also lacks the kind of reporting capabilities of the other firms. In addition, the Border Transportation Council's members are providers of intercity bus services, which may be a conflict of interest under the minimum qualifications (as shown below). When asked this question directly, the Border Transportation Council responded that it would work with MTS on rates and usage of the facilities to overcome any conflict of interest concerns. The Evaluation Team felt that this process would require continuous and very time-consuming oversight by MTS.

On May 19, 2004, MTDB received a written protest from the Border Transportation Council. The protest alleged that MTDB failed to properly evaluate key criteria of the RFP and erroneously concluded that the Border Transportation Council's members had a conflict of interest. The Protest Committee carefully reviewed all of the materials submitted by the Border Transportation Council, including the RFP, the addendums, the proposal submittals, and the interview questions and concluded that the Evaluation Committee did not improperly evaluate any of the criteria established for the RFP. In addition, the Protest Committee concluded that although the RFP did not specifically identify that members of a proposing nonprofit public benefit corporation could not be providers of intercity or intracity bus services, the Minimum Qualifications section of the RFP clearly stated "[t]he proposer, including any subsidiary, employee, agent, or assignee of the proposer, shall not be a provider of intercity or intracity bus services." Although the corporation itself is not a provider of intercity or intracity bus services, the members of the Border Transportation Council are providers of these services and, therefore, the Evaluation Committee's conclusion that there may be a conflict of interest under the Minimum Qualifications section was correct. The Protest Committee therefore concluded that the Evaluation Committee properly evaluated the criteria listed in the RFP, and recommended to the CEO that the protest be denied. On June 14, 2004, the CEO issued the final administrative decision in writing denying the protest.

MINIMUM QUALIFICATIONS

- The Proposer must have a valid California Business License. A copy of the license must be attached with the proposal (Ace Parking complied, and the other two could comply if selected).


- The Proposer shall have a minimum of five (5) years experience in providing and/or managing parking facilities, surface transportation facilities, bus facilities, taxicab facilities and/or publicly owned facilities in California (all three complied).
- The Proposer shall provide a list of at least one recent customer for whom they have provided similar services as are being proposed. The list shall be attached with the proposal and include the name of contact person, title, telephone number, telefax number, e-mail address, business address, and scope of the completed project (all three complied).
- The Proposer, including any subsidiary, employee, agent, or assignee of Proposer, shall not be a provider of intercity or intracity bus services in the communities of San Ysidro or Mexico in the period before, during, or after award of the contract (conflict of interest). MTS reserves the right to cancel the award and/or executed contract if it is discovered that the successful Proposer and/or Contractor has such a conflict of interest (Ace Parking and MetroPort, LLC made affirmative statements of compliance. The Border Transportation Council did not and explained it would work with MTS on issues to avoid any conflicts of interest).

EVALUATION FACTORS

The proposals and the proposal/interview combination were evaluated based on the following criteria.

- Firm and project team's qualifications and experience in providing similar services to other clients;
- Experience and credentials of the firm's proposed site and contract manager;
- Organization of proposal, conformance with instructions, and understanding of the project requirements; and
- Quality and equity of the business plan.

Based on the foregoing and the ranking of the proposals and interviews, staff recommended the CEO be authorized to enter into a contract with ACE Parking for bus bay parking management services, contingent upon successful negotiations. The Executive Committee voted to forward the recommendation to the full Board for approval.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Chip Willett, 619.557.4529, chip.willett@sdmts.com

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6/17/04

Attachment: A. Memo Regarding Recommendation of Firm
B. Proposal Scoring Sheet

} **Board Only**

Memorandum

DATE: May 12, 2004 CIP 10453

TO: Paul Jablonski, Jim Linthicum, John Haggerty

FROM: Chip Willett *TA for CW*

SUBJECT: RECOMMENDATION OF FIRM TO PROVIDE BUS BAY MANAGEMENT SERVICES AT THE SAN YSIDRO INTERMODAL TRANSIT CENTER (SYITC)

On April 14, 2004, the following three firms were asked to interview for the Bus Bay Management Services Project:

- Ace Parking
- MetroPort, LLC (MetroPort)
- Border Transportation Council (BTC)

The interviews by the evaluation team were held on April 26, 2004. The members of the evaluation team included:

Tim Allison, San Diego Association of Governments (SANDAG)
Elliot Hurwitz, Metropolitan Transit Systems (MTS)
Roy Meenes, MTS
Robert Chavez, City of San Diego
Chip Willett, Wiggins & Willett, Inc.

The interview format for each firm included a 25-minute presentation, a 20-minute question-and-answer session where each firm was asked five questions by the evaluation team, and a 15-minute period for closing remarks. Following the last interview, the evaluation team met to discuss the interviews and to recommend the top-ranked firm with which to negotiate.

RECOMMENDATION

The evaluation team recommends that Ace Parking be selected as the firm to open negotiations with to provide Bus Bay Management services.




DISCUSSION

The evaluation team felt that all three firms were capable of providing Bus Bay Management services. Each firm's proposal was previously rated by the evaluation team. After the initial evaluation of the proposals, Ace Parking was rated first, MetroPort second, and the BTC third (see attachment). The team's evaluation of each firm's interview is presented below.

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

ACE PARKING

Ace Parking provided numerous examples of management of similar facilities, including the San Diego Airport, the San Diego Super Bowl, the Pro Bowl in Hawaii, and other events. Steve Kitts, the proposed onsite manager, and John Steele, the contract manager, have over 23 years of experience in shuttle bus, parking management, and customer service experience. They will oversee and manage attendants who will be responsible for the day-to-day operations of the facilities. Ace Parking also has over 3,000 employees in the San Diego area, and they can respond to any demand for additional personnel immediately.

Ace Parking's business plan and method of collection of the parking fees was the most comprehensive of the three firms and provided the most efficient method of reporting and control. Ace Parking proposed various fee schedules, from monthly permits at \$200 (\$50 in the shuttle area) to single-use fees of \$5 (\$1 in the shuttle area). Ace Parking would issue permits to authorized users of the facilities or one-time tickets, both with bar coding. A meter will read the bar codes at time of use, with the meter connected to Ace Parking's computer system. The system precludes unauthorized or reuse of single tickets. This system can provide any reporting that MTS needs (daily, weekly, or monthly reports showing revenues). In addition, Ace Parking makes nightly deposits of all funds with Bank of America and has access to the Bank of America system so that any discrepancy between the deposit and the metered funds is noted no later than the following morning.

Although they may not have been as familiar with the nuances of the SYITC area as the other proposers, they evaluation team felt that, having handled a variety of difficult parking situations, Ace Parking was best equipped to "read and react" to any situation that might occur.

METROPORT

MetroPort is a proposed limited liability company that would be formed to contract for the services. It's proposed general manager, Miguel Aguirre, is a long-time business owner in the San Ysidro area, and he would be working with Parking Company of America to provide the services. Parking Company of America is one of the largest parking firms in the United States, but it did not demonstrate the kind of multimodal experience offered by Ace Parking.

Parking Company of America employees dedicated to the project are Ed Graff (proposed site manager), Eduardo Diaz (proposed site supervisor), and Steve Webb (proposed operations manager). Mr. Graff has six years experience in the industry, and Mr. Diaz has over 26 years experience managing parking facilities in San Ysidro. MetroPort's business plan was well presented, and the fare collection method proposed was acceptable. The "pay and display" (P&D) machines proposed by MetroPort are multispace parking meters, with reporting capabilities. The proposed fees would be \$6 per 30 minutes for the bus bays and \$2 per 15 minutes (with a \$250 per month permit fee) for the shuttle area. Information from the machines is electronically downloaded and provides fully reconcilable accounting.

The evaluation team deemed this system slightly more complex and less user friendly than the Ace Parking system. Mr. Aguirre is extremely familiar with the SYITC area, including the operations of local transit providers. The evaluation team felt, however, that knowledge of the workings of the local transportation providers (as with the BTC, below), although important, did not outweigh the experience and adaptability that Ace Parking brings to the project.

BTC

The BTC is a committee of intercity and international carriers. The BTC made a good presentation, overcoming many of the shortcomings of its written proposal. It's proposed site manager, John Currie, has approximately 16 years of experience managing his family's parking facility near the bus bays. There really was no "reference" for this work, since it is his family's business, and this demonstrated the least experience in managing parking facilities of the three firms.

The BTC proposed that monthly operational costs would be allocated among the users of the facilities, at the end of every month. This system was deemed the least reliable and most complex by the evaluation team, who favored some kind of metering system as proposed by Ace Parking and MetroPort. The BTC method also lacks the kind of reporting capabilities of the other firms. Also, as the BTC's members are providers of intercity bus services, they may have a conflict of interest under the minimum qualifications, as shown below. When asked this question directly, the BTC representatives responded that they would work with MTS on rates and usage of the facilities to overcome any conflict of interest concerns. The evaluation team felt that this process would be too time consuming and burdensome on MTS staff.

MINIMUM QUALIFICATIONS

The proposer must have a valid California Business License. A copy of the license must be attached with the proposal. **[Ace Parking complied, and the other two firms can comply if selected.]**

The proposer shall have a minimum of five years experience in providing and/or managing parking facilities, surface transportation facilities, bus facilities, taxi facilities, and/or publicly owned facilities in California. **[All three complied.]**

The proposer shall provide a list of at least one recent customer for whom they have provided similar services as are being proposed. The list shall be attached with the proposal and include the name of contact person, title, telephone number, facsimile number, e-mail address, business address, and scope of the completed project. **[All three complied.]**

The proposer, including any subsidiary, employee, agent, or assignee of the proposer, shall not be a provider of intercity or intracity bus services in the community of San Ysidro or Mexico in the time period before, during, or after award of the contract (conflict of interest). MTS reserved the right to cancel the award and/or executed contract if it is discovered that the successful proposer and/or contractor has such a conflict of interest. **[Ace Parking and MetroPort made affirmative statements of compliance. The BTC did not, and explained that it would work with MTDB on issues to avoid any conflict of interest.]**

EVALUATION FACTORS

The proposals and the proposal/interview combination were evaluated based on the following criteria.

1. Firm and project team's qualifications and experience in providing similar services to other clients (up to 25 points).

2. Experience and credentials of the firm's proposed site manager and contract manager (up to 25 points).
3. Organization of proposal, conformance with instructions, and understanding of the project requirements (up to 10 points).
4. Quality and equity of the Business Plan (up to 40 points).

CONCLUSION

The evaluation team recommends that Ace Parking be selected to open negotiations for a service contract to provide bus bay management services.

LTorio
M-SYITC-BUSBAY-RECO.CWILLE

Attachment: Proposal Points and Ranking Summary (Not attached)

Proposal Evaluation

Qualifications and Experience of Proposed Team
 Experience and Credentials of Site and Contract Managers
 Organization of Proposal/Conformance w/Instructions/Understanding of Project Requirements
 Quality/Equity of the Business Plan

	BTC				MetroPort, LLC				ACE			
Max Pts												
25	10	5	15	5	15	15	22	10	20	25	25	25
25	10	10	10	10	15	10	20	15	20	25	22	25
10	5	5	7	5	8	8	8	7	10	10	9	10
40	15	5	20	10	30	20	30	15	30	30	35	30
TOTAL	40	25	52	30	68	53	80	47	80	90	91	90

	BTC				MetroPort, LLC				ACE			
AVERAGE	36.75				62.00				87.75			

Proposal Evaluation/Post Interviews

Qualifications and Experience of Proposed Team
 Experience and Credentials of Site and Contract Managers
 Organization of Proposal/Conformance w/Instructions/Understanding of Project Requirements
 Quality/Equity of the Business Plan

	BTC				MetroPort, LLC				ACE			
Max Pts												
25	15	12	18	15	15	12	20	15	25	25	23	25
25	15	12	15	15	15	10	18	15	25	25	22	25
10	5	5	7	7	10	8	8	5	10	10	9	9
40	25	10	25	25	30	15	30	25	35	35	35	35
TOTAL	60	39	65	62	70	45	76	60	95	95	89	94

	BTC				MetroPort, LLC				ACE			
AVERAGE	56.5				62.75				93.25			

SAN YSIDRO PROPOSAL POINTS

NOT PRESENT AT CALLING

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

30

ORDER REQUEST RECEIVED

1

10:36

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

1. INSTRUCTIONS

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

Date 6/24/05

Name (PLEASE PRINT) Martha Rañón

Address 3227 Glancy Dr. SY, CA 92173

Telephone (619) 429-5575

Organization Represented (if any) Border Transportation Council BTC

Subject of your remarks: Do not support award to Ace Parking for management of Bus Bay Parking in SY.

Agenda Item Number on which you request to speak 30

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.****

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

30

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****

11:15

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 6-24-04
Name (PLEASE PRINT) MARSO Tamquay
Address 229 16th St #116
San Diego, Calif 92101
Telephone 619 231-1144
Organization Represented (if any) Businesswoman

Subject of your remarks: comments

Agenda Item Number on which you request to speak 30
Your comments are presenting a position of: SUPPORT OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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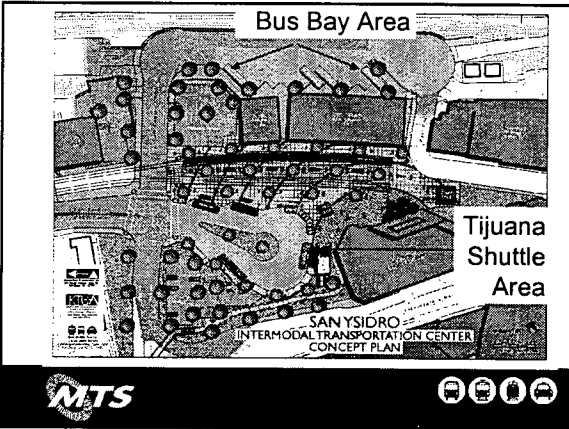
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San Ysidro Intermodal Transportation Center Project

Intercity Bus Facility Management Services Contract





Intercity Bus Bays & Vehicles



Bus Bay Operation Goals

- Limit MTS Resources/use Private Sector
- Select a Quality Contract Site Manager
- Control for Legitimate Operators
- Provide for Equitable Access
- Presence for Safety of patrons
- Assure Maintenance
- Achieve Positive or Neutral Cost Benefit



Selection Schedule

- January 28, 2004 - RFP issued, 3 proposals received
- March 2004 – Evaluation Committee ranks proposals
- April 26, 2004 – Interviews
- May 12, 2004 – Evaluation Committee recommendation to CEO
- June 14, 2004 – Letter Resolving Protest
- June 24, 2004 – Request authorization to negotiate with top firm



Evaluation Process

- Prepare Scope & Evaluation Criteria, Issue RFP
- Assemble Objective Evaluation Team
- Review Proposals & Conducted Interviews
- Rank Proposers Focusing on Criteria & Interview Performance
- Develop Recommendation for CEO



Contractor Qualifications

- Valid California business license
- 5 years parking facility management
- References
- No conflict of interest



Evaluation Criteria

- Experience providing similar services to other clients
- Experience of firm's proposed site and contract manager
- Understanding of project requirements
- Quality and equity of the management plan



Management Plans

- Ace Parking – monthly pass or metered time w/ attendant, bar code readers
- Metroport – monthly pass or metered time w/ attendant, pay & display meters
- BTC – monthly costs allocation among users w/ attendant



Evaluation Results

- Recommended - Ace Parking
 - Best business plan and managers
 - Clear, fair, accountable bus bay allocation system
 - Best reporting and control methods
 - Highly experienced
 - Least San Ysidro area experience



Evaluation Results

- Other Proposers - MetroPort, LLC & Border Transportation Council (BTC)
 - Weaker business plans, bus bay allocation methods and fee collection
 - Less experience in multi-modal facility management
 - BTC unclear on conflict of interest avoidance
 - Both have strong San Ysidro presences



Recommendation

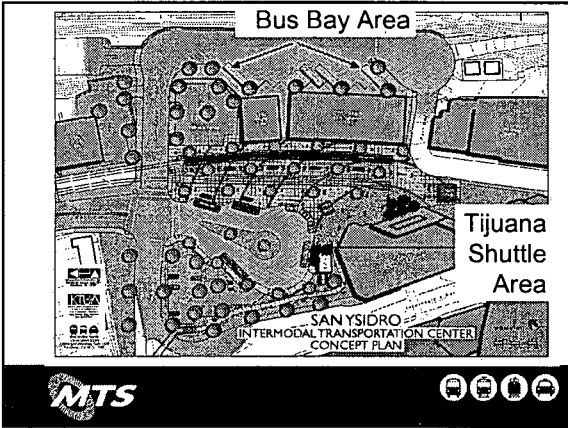
- Authorize the Chief Executive Officer to award a contract to Ace Parking contingent upon successful negotiations.



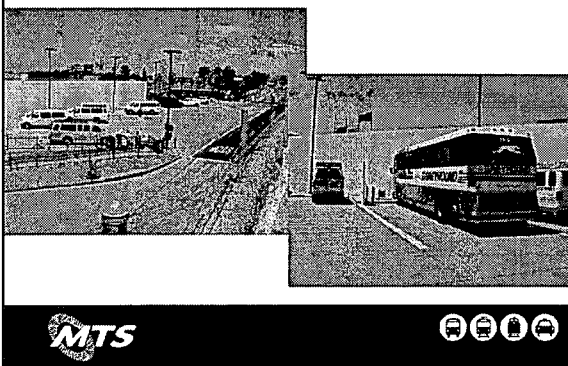
San Ysidro Intermodal Transportation Center Project

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- Develop Recommendation for CEO



Contractor Qualifications

- Valid California business license
- 5 years parking facility management
- References
- No conflict of interest



Evaluation Criteria

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Management Plans

- Ace Parking – monthly pass or metered time w/ attendant, bar code readers
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 - Both have strong San Ysidro presences



Recommendation

- Authorize the Chief Executive Officer to award a contract to Ace Parking contingent upon successful negotiations.





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)

June 24, 2004

Subject:

**SDTC: ISSUANCE OF PENSION OBLIGATION BONDS TO FUND UNFUNDED
ACCRUED ACTUARIAL LIABILITY OF SDTC PENSION PLANS**

RECOMMENDATION:

That the Board of Directors receive this report, direct staff to proceed with the review of the potential savings and benefits of the issuance of pension obligation bonds, authorize the Chief Executive Officer (CEO) to enter into a contract with the California Transit Finance Corporation (CTFC) for review and issuance of the bonds, and authorize the CEO to commission a new actuarial evaluation.

Budget Impact

Potentially could reduce annual pension costs by \$1,500,000 depending on the size of the offering, the bond interest rate, and pension investment returns.

Executive Committee Recommendation

At its meeting on June 17, 2004, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

Under a defined benefits pension plan, the actuarial liability is the present value of the plan's current and expected benefits payments. If a plan's actuarial liability exceeds the actuarial value of current assets, the plan has a shortfall that is known as an unfunded



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.

accrued actuarial liability (UAAL). Based upon the most recent actuarial valuation, the retirement plans of San Diego Transit Corporation (SDTC) have a UAAL of \$65 million. SDTC is not alone in this; a recent study by Wilshire Associates reveals that a record 93 percent of public pension plans are underfunded. The rapid growth in unfunded liabilities for public pension plans over the last few years has been driven by investment losses, benefit enhancements, and greater longevity of pension plan beneficiaries.

In response to this increase in unfunded liabilities, several states, cities, counties, and municipalities have turned to pension obligation bonds (POBs) to cover all or part of their UAALs. The POBs market started in 1985 with the City of Oakland's transaction. Since 1995, over \$37 billion POBs have been issued nationwide. The issuance of POBs has increased over the last two years. In California, examples of POB issuances in 2002/2003 are:

- City of Long Beach \$88 million
- Fresno County \$520 million
- Imperial County \$33 million
- San Diego County \$737 million
- Contra Costa County \$322 million
- Sonoma County \$231 million
- Sacramento County \$152 million
- Kern County \$288 million

Governmental entities are increasingly using POBs as a budget management tool to fund their pension liabilities in order to reduce their long-term pension costs and/or to provide near-term cash flow relief. In a POB transaction intended to reduce long-term costs, the issuer uses bond proceeds to finance a lump sum deposit into the pension fund, reducing the unfunded pension liability. Projected cost savings are realized when the debt service requirements of the bond issue are lower than the original amortized payment schedule. Essentially, municipalities are predicting that the return on their pension assets will be greater than the interest they are obligated to pay on the pension bonds. This is considered a favorable arbitrage position. Because POB proceeds are invested with positive arbitrage expectations, pension bonds are federally taxable. The MTS Board of Directors can choose how the POBs are structured to either spread the projected cost savings over the term of the bonds to achieve a long-term contribution rate reduction or to accelerate the projected cost savings and achieve greater up-front cash flow relief. The Board can also choose how much of the UAAL to fund. Many plans have chosen to fund their plans a less than 100 percent. Staff proposes that we set this at 85 percent of the UAAL.

While the financial implications of POBs are complex, the actual mechanics are relatively simple. The issuer of the POBs will use the findings from the most recent actuarial valuation or have a new valuation completed to determine the pension system's UAAL. It would then decide what portion of the UAAL (either all or part) would be funded with the POB. Once the POB is sized and sold, the net proceeds are invested by the pension plan according to the plan's asset allocation guidelines. If approved, the financing would be accomplished through CTFC, a nonprofit public benefit corporation formed to assist transit entities in the State of California in obtaining low-cost financing. We have used the CTFC previously, and it has provided MTS with rapid and cost-effective access to the financial market.

The primary risk of a POB transaction is that the pension plan does not, on average, meet its actuarially assumed investment earning rate over the term of the transaction; however, this risk already exists for the plan without a POB. Currently, if the long-term investment return is not achieved, the annual pension contribution is increased to offset the shortfall. By entering into a POB transaction, the risk of not meeting the investment target is lowered from the existing actuarial rate of 8.5 percent to the bond rate expected to be around 6 percent. Most public pension plans have chosen investment returns that range from 7.5 percent to 8.5 percent. While SDTC historical long-term returns have exceeded the 8.5 percent, recent market trends indicate that this would be difficult to achieve in the future. Staff recommends that the 8.5 percent long-term growth rate be reviewed and that a lower rate be used in determining the UAAL.

There is an additional risk of market timing. Under normal conditions, additional funds from investments and contributions flow into the pension plan over time. POBs result in a large infusion of cash all at once, concentrating (rather than spreading) market-timing risk.

Attachment A is a more-detailed presentation of POBs and the possible benefits that they could provide. Representatives for UBS Municipal Securities Group will be present to address any questions that the Board may have.

In conclusion, POBs have the potential to reduce our long-term pension costs, as well as provide near-term cash flow relief. This is accomplished by refinancing the UAAL at the lower POB bond rate by replacing UAAL payments with lower POB debt service payments. POBs can help shape debt service payments over several fiscal years, spreading the projected cost savings over the term of the issue or some combination thereof. Staff recommends moving forward with reviewing the issuance of POBs through the CTFC and set the size of the issuance at 85 percent of the UAAL. There will be other issues to resolve before we issue the POBs, such as the term of the POBs and the type of rate (fixed versus variable). Staff will bring this item back to get Board input and approval before moving forward with the issuance of the POBs. Staff also recommends that, as part of the process, a new actuarial valuation be performed that takes the recently negotiated labor agreements into consideration and that a lower long return rate be considered in determining the plan's UAAL.



Paul C. Jablonski
Chief Executive Officer

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

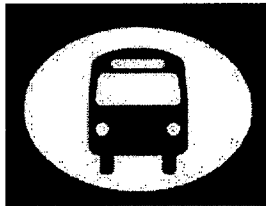
JGarde
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6/7/04

Attachment: A. Detailed Presentation of POBs (**Board Only**)



Municipal Securities Group

Pension Obligation Bond ("POB") Update



San Diego Transit Corporation

May 18, 2004



UBS Financial Services Inc. is a subsidiary of UBS AG

Att. A, AI 31, 6/24/04, OPS 9



Presentation Topics

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Pension Obligation Bonds.....	3
	<u>Appendix</u>
Detailed Financial Analysis.....	A
Level Savings Scenario Cashflows.....	B
Upfront Savings Scenario Cashflows.....	C



Executive Summary

- The Retirement Plans of the San Diego Transportation Corporation (“SDTC” or the “Plan”) have a recognized Unfunded Actuarially Accrued Liability (“UAAL”) of \$64.954 million ⁽¹⁾
- Currently, the UAAL annually accrues interest at the actuarially assumed earnings rate of 8.50%
- Pension Obligation Bonds (“POBs”) can effectively refinance the UAAL at the lower POB bond rate by replacing UAAL payments with lower POB Debt Service Payments
- Pension obligation bonds are issued on a taxable basis and therefore price relative to U.S. Treasury Bonds
- POBs can help shape debt service payments over several fiscal years, spreading the savings over the term of the issue or some combination thereof

Pension Obligation Bonds (“POBs”) Can Help:⁽²⁾

	Level Savings	Upfront Savings
Produce immediate annual cashflow relief for SDTC (FY2004-FY2013)	\$1.515 million/yr.	\$2.498 million/yr.
Generate significant PV savings over the term of the transaction (@ 8.5%)	\$ 15.977 million	\$ 17.933 million
Generate significant PV savings over the term of the transaction (@ POB TIC)	\$ 20.800 million	\$ 20.067 million

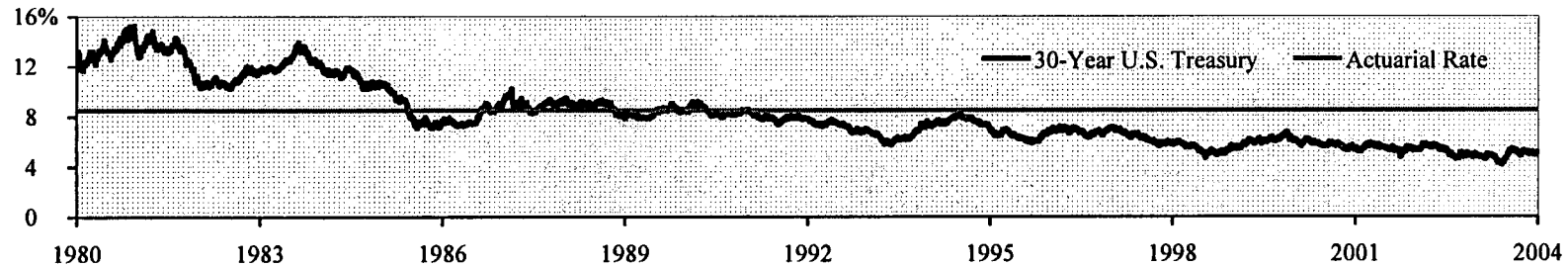
(1) Based upon Actuarial Valuation as of January 1, 2004.

(2) Market as of May 17, 2004. Assumes assets contributed to Pension Plan earn 8.50%.



Executive Summary

- The POB proceeds will be available for investment by the Plan at the closing of the bond transaction, with the immediate elimination of the annual UAAL payments and “substitution” of debt service on the POB
- With interest rates near historic forty-five year lows, the 30 Year U.S. Treasury closing at 5.42% on May 17, 2004, it is an attractive time to enter into a POB transaction



- The primary risk of a POB transaction is that the Plan does not, on average, meet its investment management targets over the term of the transaction – a risk which already exists for the Plan without a POB
- By entering into a POB transaction, the risk of not meeting the investment management targets of the system are essentially lowered from the existing actuarial rate of 8.50%, to the bond rate of approximately 5.90%
- Over the last ten years, states, cities, counties, and municipalities including the State of Illinois, the State of New Jersey, *San Diego County*, Los Angeles County, New Orleans, Oakland and Philadelphia, have completed over 300 POB transactions for over \$37 billion in issuance

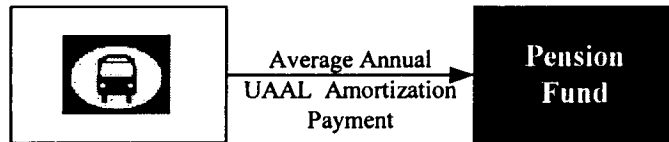


Pension Obligation Bonds

POB Structure

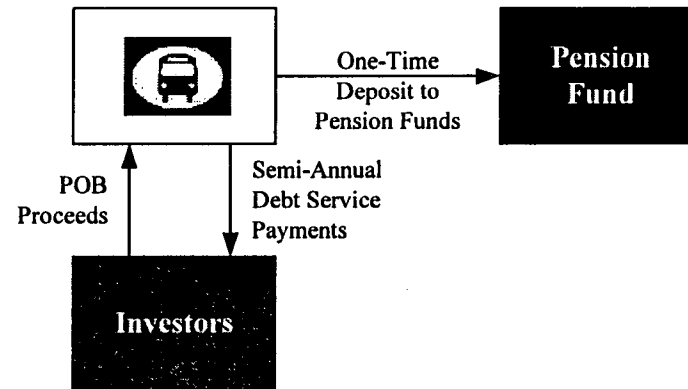
- POBs replace the obligation to fund the UAAL over time with a fixed liability to bondholders *plus* the obligation to fund any UAAL arising in the future

Current Plan



- SDTC makes annual payments over term of UAAL amortization
- Inherent in the liability stream is the Plan's actuarial earnings rate which accrues on unfunded assets

After POB Transaction



- SDTC issues pension obligation bonds to fund 100% or portion of UAAL
- SDTC's obligation to make UAAL payments is replaced with principal and interest payments to bondholders
- Expected savings is the difference between the bond rate and the actuarial earnings rate
- POBs often used to provide near term budget relief (Amount depends upon structure)



Pension Obligation Bonds

POB Structure

Pension Obligation Bond analysis and structuring can seem complex and full of detail, but may be distilled into three steps as follows

Step 1: Determine the Dollar value of the UAAL

- Asset valuation (e.g., actuarial, mark to market, etc.)
- Present Value of Future Liabilities
- What should be included?

$$\text{UAAL} = \text{Liabilities} - \text{Assets}$$

Step 2: Determine the Existing UAAL Payment Schedule of UAAL

- Number of years or end date
- Amortization method (e.g., Level Percentage of Payroll, Statutorily Determined, etc.)
- Actuarial data (e.g., Covered Payroll, Annual Pay Increase, etc.)
- GASB Note No. 25 considerations

$$\text{UAAL Payment} = \text{Covered Payroll} \times \text{UAAL Contribution Rate}$$

(done on an annual basis for entire term of amortization)

Note: Plan assumes an actuarial earnings rate of 8.50%.



Pension Obligation Bonds

POB Structure

Step 3: Structure POBs against UAAL Payment Schedule and Dollar Amount to be Funded

- Define SDTC's fiscal & policy objectives (e.g., achieve upfront cashflow relief, reduce long term contribution rate, determine amount to fund with issue etc.)
- Structure bonds to match SDTC's objectives, potentially including with
 - (i) Principal Deferral
 - (ii) Capitalized Appreciation Bonds ("CABs" are also known as Zero Coupon Bonds in other markets)
 - (iii) Capitalized Interest Fund
 - (iv) Derivative Products (e.g., Synthetic Fixed, Step Coupons, etc.)
- Calculate Expected Savings

$$\text{Expected Savings} = \text{Existing UAAL Payment} - \text{POB Debt Service}$$

- Expected Savings may be calculated in a number of fashions and include
 - (i) Present Value ("PV") Savings
 - (ii) % PV Savings
 - (iii) Gross Savings
 - (iv) Annual Savings



Pension Obligation Bonds

Summary of Structuring Results ⁽¹⁾

Savings Scenario	Level Savings	Upfront Savings
PV Savings (Discounted at TIC)	\$20.8 million	\$20.1 million
TIC	5.89%	5.98%
Total Projected Gross Savings	\$44.7 million	\$27.2 million

(1) The underlying assumptions are provided in Appendix A

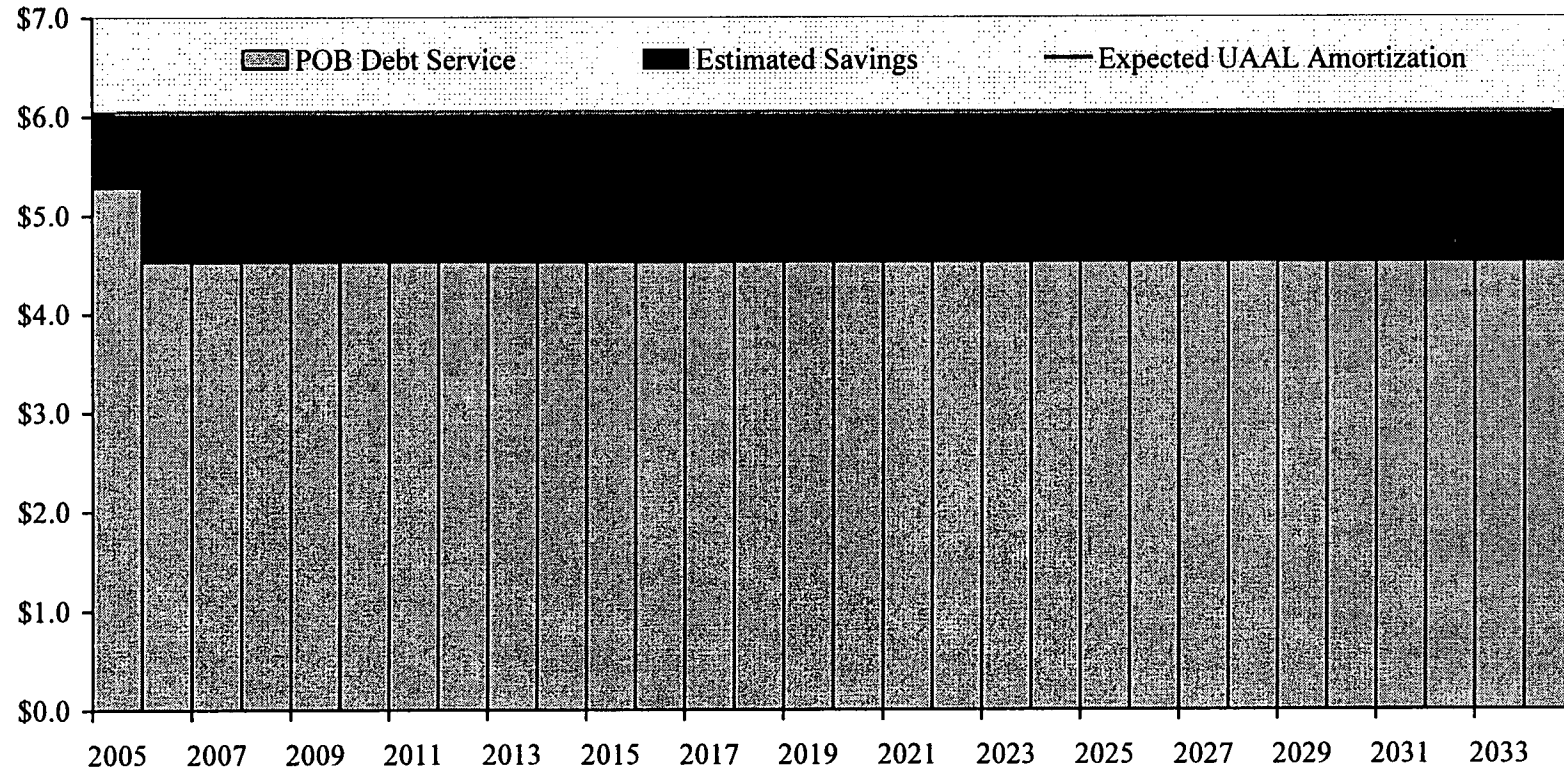


Pension Obligation Bonds

Scenario 1 — Level Savings

Cashflows

(\$ Millions)



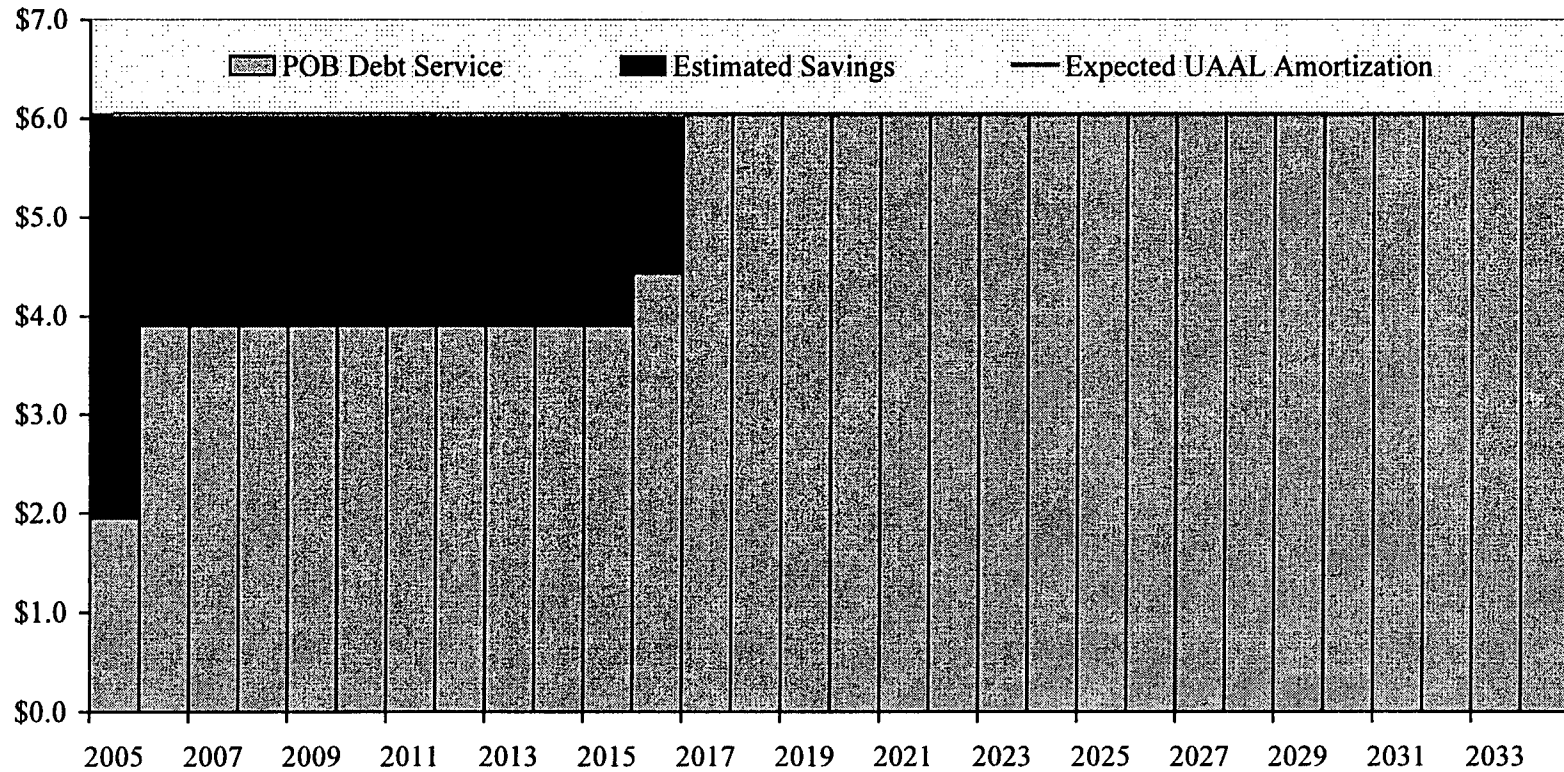


Pension Obligation Bonds

Scenario 2 — Upfront Savings

Cashflows

(\$ Millions)





Appendix A



Detailed Financial Analysis

Assumptions

1. Assumptions based upon 2004 Actuarial Report. All figures shown are on a fiscal year basis, year ending December 31.
2. Market as of May 17, 2004
3. All amortization schedules assume that UAAL payments occur at the end of the fiscal year annually.
4. All amortization schedules assume 8.50% actuarial rate is fixed and accrues annually
5. Amortization schedule assumes a 30-year amortization as a level percent of payroll
6. Bond calculations assume dated date of July 1, 2004, delivery date of July 1, 2004, and first interest payment of January 1, 2005.
7. Net proceeds based upon market assets UAAL as of January 1, 2004, and assume all payments and earnings assumptions contained within 2004 valuation
8. All figures assume that the percentage of UAAL liability funded is 100%, if only a portion of the liability is funded, the savings are proportional and our analysis may be modified accordingly



Detailed Financial Analysis

Level Savings Scenario

Assumptions

Actuarial Rate	8.500%
Date of Actuarial Assessment	January 1, 2004
Remaining Amortization (years)	30
UAAL Amount	\$64,954,209
True Interest Cost	5.888%
Total Present Value Savings @ 8.500%	\$15,976,971
Total Present Value Savings @ TIC	\$20,799,505

Amortization of UAAL

Year Ending Jan 1	Expected UAAL Amortization	POB Debt Service	Estimated Savings
2005	\$ 6,044,027	\$ 5,287,693	\$ 756,334
2006	6,044,027	4,528,961	1,515,066
2007	6,044,027	4,527,196	1,516,831
2008	6,044,027	4,528,128	1,515,899
2009	6,044,027	4,527,616	1,516,411
2010	6,044,027	4,530,640	1,513,387
2011	6,044,027	4,528,199	1,515,828
2012	6,044,027	4,530,481	1,513,546
2013	6,044,027	4,527,103	1,516,924
2014	6,044,027	4,527,277	1,516,750
2015	6,044,027	4,527,487	1,516,540
2016	6,044,027	4,527,187	1,516,840
2017	6,044,027	4,526,717	1,517,310
2018	6,044,027	4,527,954	1,516,073
2019	6,044,027	4,528,710	1,515,317
2020	6,044,027	4,528,696	1,515,331
2021	6,044,027	4,527,624	1,516,403
2022	6,044,027	4,530,204	1,513,823
2023	6,044,027	4,525,861	1,518,166
2024	6,044,027	4,529,593	1,514,434
2025	6,044,027	4,530,536	1,513,491
2026	6,044,027	4,529,576	1,514,451
2027	6,044,027	4,529,736	1,514,291
2028	6,044,027	4,530,424	1,513,603
2029	6,044,027	4,526,048	1,517,979
2030	6,044,027	4,526,312	1,517,715
2031	6,044,027	4,525,328	1,518,699
2032	6,044,027	4,527,504	1,516,523
2033	6,044,027	4,526,952	1,517,075
2034	6,044,027	4,528,080	1,515,947
	\$ 181,320,795	\$ 136,603,818	\$ 44,716,978

Upfront Savings Scenario

Assumptions

Actuarial Rate	8.500%
Date of Actuarial Assessment	January 1, 2004
Remaining Amortization (years)	30
UAAL Amount	\$64,954,209
True Interest Cost	5.983%
Total Present Value Savings @ 8.500%	\$17,932,690
Total Present Value Savings @ TIC	\$20,066,886

Amortization of UAAL

Year Ending Jan 1	Expected UAAL Amortization	POB Debt Service	Estimated Savings
2005	\$ 6,044,027	\$ 1,950,551	\$ 4,093,476
2006	6,044,027	3,901,102	2,142,925
2007	6,044,027	3,901,102	2,142,925
2008	6,044,027	3,901,102	2,142,925
2009	6,044,027	3,901,102	2,142,925
2010	6,044,027	3,901,102	2,142,925
2011	6,044,027	3,901,102	2,142,925
2012	6,044,027	3,901,102	2,142,925
2013	6,044,027	3,901,102	2,142,925
2014	6,044,027	3,901,102	2,142,925
2015	6,044,027	3,901,102	2,142,925
2016	6,044,027	4,436,102	1,607,925
2017	6,044,027	6,041,410	2,617
2018	6,044,027	6,041,201	2,826
2019	6,044,027	6,038,779	5,248
2020	6,044,027	6,038,857	5,170
2021	6,044,027	6,040,856	3,171
2022	6,044,027	6,039,201	4,826
2023	6,044,027	6,043,602	425
2024	6,044,027	6,043,194	833
2025	6,044,027	6,042,688	1,339
2026	6,044,027	6,041,408	2,619
2027	6,044,027	6,043,288	739
2028	6,044,027	6,042,440	1,587
2029	6,044,027	6,043,272	755
2030	6,044,027	6,039,896	4,131
2031	6,044,027	6,041,720	2,307
2032	6,044,027	6,042,560	1,467
2033	6,044,027	6,041,528	2,499
2034	6,044,027	6,042,736	1,291
	\$ 181,320,795	\$ 154,146,306	\$ 27,174,489



Appendix B

SOURCES AND USES OF FUNDS**San Diego Transit Corporation
Pension Obligation Bonds
Series 2004
(Level Savings)****Sources:**

Bond Proceeds:	
Par Amount	66,370,000.00
	<hr/>
	66,370,000.00

Uses:

Project Fund Deposits:	
Deposit to Retirement Plan of SD Transit Corp	64,954,209.00
Delivery Date Expenses:	
Cost of Issuance	663,700.00
Insurance @ 55 bps	<hr/>
	751,321.00
	1,415,021.00
Other Uses of Funds:	
Additional Proceeds	770.00
	<hr/>
	66,370,000.00

BOND SUMMARY STATISTICS

San Diego Transit Corporation
 Pension Obligation Bonds
 Series 2004
 (Level Savings)

Dated Date	07/01/2004
Delivery Date	07/01/2004
Last Maturity	01/01/2034
Arbitrage Yield	5.888044%
True Interest Cost (TIC)	5.888044%
Net Interest Cost (NIC)	5.816369%
All-In TIC	5.987238%
Average Coupon	5.816369%
Average Life (years)	18.194
Duration of Issue (years)	10.465
Par Amount	66,370,000.00
Bond Proceeds	66,370,000.00
Total Interest	70,233,817.50
Net Interest	70,233,817.50
Total Debt Service	136,603,817.50
Maximum Annual Debt Service	5,287,692.50
Average Annual Debt Service	4,630,637.88
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bonds	16,950,000.00	100.000	5.016%	5.620
Term Bond Maturing in 2024	15,965,000.00	100.000	5.770%	16.294
Term Bond Maturing in 2034	33,455,000.00	100.000	5.920%	25.471
	66,370,000.00			18.194

BOND SUMMARY STATISTICS

San Diego Transit Corporation
Pension Obligation Bonds
Series 2004
(Level Savings)

	TIC	All-In TIC	Arbitrage Yield
Par Value	66,370,000.00	66,370,000.00	66,370,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(663,700.00)	
- Other Amounts	(751,321.00)	(751,321.00)	(751,321.00)
Target Value	65,618,679.00	64,954,979.00	65,618,679.00
Target Date	07/01/2004	07/01/2004	07/01/2004
Yield	5.888044%	5.987238%	5.888044%

BOND PRICING

San Diego Transit Corporation
Pension Obligation Bonds
Series 2004
(Level Savings)

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	01/01/2005	3,490,000	1.760%	1.760%	100.000
	01/01/2006	995,000	2.690%	2.690%	100.000
	01/01/2007	1,020,000	3.340%	3.340%	100.000
	01/01/2008	1,055,000	3.840%	3.840%	100.000
	01/01/2009	1,095,000	4.290%	4.290%	100.000
	01/01/2010	1,145,000	4.580%	4.580%	100.000
	01/01/2011	1,195,000	4.830%	4.830%	100.000
	01/01/2012	1,255,000	5.050%	5.050%	100.000
	01/01/2013	1,315,000	5.310%	5.310%	100.000
	01/01/2014	1,385,000	5.400%	5.400%	100.000
	01/01/2015	1,460,000	5.500%	5.500%	100.000
	01/01/2016	<u>1,540,000</u>	5.550%	5.550%	100.000
		16,950,000			
Term Bond Maturing in 2024:					
	01/01/2017	1,625,000	5.770%	5.770%	100.000
	01/01/2018	1,720,000	5.770%	5.770%	100.000
	01/01/2019	1,820,000	5.770%	5.770%	100.000
	01/01/2020	1,925,000	5.770%	5.770%	100.000
	01/01/2021	2,035,000	5.770%	5.770%	100.000
	01/01/2022	2,155,000	5.770%	5.770%	100.000
	01/01/2023	2,275,000	5.770%	5.770%	100.000
	01/01/2024	<u>2,410,000</u>	5.770%	5.770%	100.000
		15,965,000			
Term Bond Maturing in 2034:					
	01/01/2025	2,550,000	5.920%	5.920%	100.000
	01/01/2026	2,700,000	5.920%	5.920%	100.000
	01/01/2027	2,860,000	5.920%	5.920%	100.000
	01/01/2028	3,030,000	5.920%	5.920%	100.000
	01/01/2029	3,205,000	5.920%	5.920%	100.000
	01/01/2030	3,395,000	5.920%	5.920%	100.000
	01/01/2031	3,595,000	5.920%	5.920%	100.000
	01/01/2032	3,810,000	5.920%	5.920%	100.000
	01/01/2033	4,035,000	5.920%	5.920%	100.000
	01/01/2034	<u>4,275,000</u>	5.920%	5.920%	100.000
		33,455,000			
		66,370,000			

BOND PRICING**San Diego Transit Corporation
Pension Obligation Bonds
Series 2004
(Level Savings)**

Dated Date	07/01/2004	
Delivery Date	07/01/2004	
First Coupon	01/01/2005	
Par Amount	66,370,000.00	
Original Issue Discount		
Production	66,370,000.00	100.000000%
Underwriter's Discount		
Purchase Price	66,370,000.00	100.000000%
Accrued Interest		
Net Proceeds	66,370,000.00	

BOND DEBT SERVICE

San Diego Transit Corporation
Pension Obligation Bonds
Series 2004
(Level Savings)

Period Ending	Principal	Coupon	Interest	Debt Service
01/01/2005	3,490,000	1.760%	1,797,692.50	5,287,692.50
01/01/2006	995,000	2.690%	3,533,961.00	4,528,961.00
01/01/2007	1,020,000	3.340%	3,507,195.50	4,527,195.50
01/01/2008	1,055,000	3.840%	3,473,127.50	4,528,127.50
01/01/2009	1,095,000	4.290%	3,432,615.50	4,527,615.50
01/01/2010	1,145,000	4.580%	3,385,640.00	4,530,640.00
01/01/2011	1,195,000	4.830%	3,333,199.00	4,528,199.00
01/01/2012	1,255,000	5.050%	3,275,480.50	4,530,480.50
01/01/2013	1,315,000	5.310%	3,212,103.00	4,527,103.00
01/01/2014	1,385,000	5.400%	3,142,276.50	4,527,276.50
01/01/2015	1,460,000	5.500%	3,067,486.50	4,527,486.50
01/01/2016	1,540,000	5.550%	2,987,186.50	4,527,186.50
01/01/2017	1,625,000	5.770%	2,901,716.50	4,526,716.50
01/01/2018	1,720,000	5.770%	2,807,954.00	4,527,954.00
01/01/2019	1,820,000	5.770%	2,708,710.00	4,528,710.00
01/01/2020	1,925,000	5.770%	2,603,696.00	4,528,696.00
01/01/2021	2,035,000	5.770%	2,492,623.50	4,527,623.50
01/01/2022	2,155,000	5.770%	2,375,204.00	4,530,204.00
01/01/2023	2,275,000	5.770%	2,250,860.50	4,525,860.50
01/01/2024	2,410,000	5.770%	2,119,593.00	4,529,593.00
01/01/2025	2,550,000	5.920%	1,980,536.00	4,530,536.00
01/01/2026	2,700,000	5.920%	1,829,576.00	4,529,576.00
01/01/2027	2,860,000	5.920%	1,669,736.00	4,529,736.00
01/01/2028	3,030,000	5.920%	1,500,424.00	4,530,424.00
01/01/2029	3,205,000	5.920%	1,321,048.00	4,526,048.00
01/01/2030	3,395,000	5.920%	1,131,312.00	4,526,312.00
01/01/2031	3,595,000	5.920%	930,328.00	4,525,328.00
01/01/2032	3,810,000	5.920%	717,504.00	4,527,504.00
01/01/2033	4,035,000	5.920%	491,952.00	4,526,952.00
01/01/2034	4,275,000	5.920%	253,080.00	4,528,080.00
	66,370,000		70,233,817.50	136,603,817.50

BOND SOLUTION

San Diego Transit Corporation
Pension Obligation Bonds
Series 2004
(Level Savings)

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
01/01/2005	3,490,000	5,287,693	5,287,693	6,044,027	756,335	114.30368%
01/01/2006	995,000	4,528,961	4,528,961	6,044,027	1,515,066	133.45284%
01/01/2007	1,020,000	4,527,196	4,527,196	6,044,027	1,516,832	133.50488%
01/01/2008	1,055,000	4,528,128	4,528,128	6,044,027	1,515,900	133.47740%
01/01/2009	1,095,000	4,527,616	4,527,616	6,044,027	1,516,412	133.49250%
01/01/2010	1,145,000	4,530,640	4,530,640	6,044,027	1,513,387	133.40338%
01/01/2011	1,195,000	4,528,199	4,528,199	6,044,027	1,515,828	133.47530%
01/01/2012	1,255,000	4,530,481	4,530,481	6,044,027	1,513,547	133.40808%
01/01/2013	1,315,000	4,527,103	4,527,103	6,044,027	1,516,924	133.50761%
01/01/2014	1,385,000	4,527,277	4,527,277	6,044,027	1,516,751	133.50249%
01/01/2015	1,460,000	4,527,487	4,527,487	6,044,027	1,516,541	133.49630%
01/01/2016	1,540,000	4,527,187	4,527,187	6,044,027	1,516,841	133.50515%
01/01/2017	1,625,000	4,526,717	4,526,717	6,044,027	1,517,311	133.51901%
01/01/2018	1,720,000	4,527,954	4,527,954	6,044,027	1,516,073	133.48252%
01/01/2019	1,820,000	4,528,710	4,528,710	6,044,027	1,515,317	133.46023%
01/01/2020	1,925,000	4,528,696	4,528,696	6,044,027	1,515,331	133.46065%
01/01/2021	2,035,000	4,527,624	4,527,624	6,044,027	1,516,404	133.49226%
01/01/2022	2,155,000	4,530,204	4,530,204	6,044,027	1,513,823	133.41622%
01/01/2023	2,275,000	4,525,861	4,525,861	6,044,027	1,518,167	133.54426%
01/01/2024	2,410,000	4,529,593	4,529,593	6,044,027	1,514,434	133.43422%
01/01/2025	2,550,000	4,530,536	4,530,536	6,044,027	1,513,491	133.40644%
01/01/2026	2,700,000	4,529,576	4,529,576	6,044,027	1,514,451	133.43472%
01/01/2027	2,860,000	4,529,736	4,529,736	6,044,027	1,514,291	133.43001%
01/01/2028	3,030,000	4,530,424	4,530,424	6,044,027	1,513,603	133.40974%
01/01/2029	3,205,000	4,526,048	4,526,048	6,044,027	1,517,979	133.53873%
01/01/2030	3,395,000	4,526,312	4,526,312	6,044,027	1,517,715	133.53094%
01/01/2031	3,595,000	4,525,328	4,525,328	6,044,027	1,518,699	133.55998%
01/01/2032	3,810,000	4,527,504	4,527,504	6,044,027	1,516,523	133.49578%
01/01/2033	4,035,000	4,526,952	4,526,952	6,044,027	1,517,075	133.51206%
01/01/2034	4,275,000	4,528,080	4,528,080	6,044,027	1,515,947	133.47880%
	66,370,000	136,603,818	136,603,818	181,320,810	44,716,993	



Appendix C

SOURCES AND USES OF FUNDS**San Diego Transit Corporation
Pension Obligation Bonds
Series 2004
(Upfront Savings)****Sources:**

Bond Proceeds:	
Par Amount	66,470,000.00
	<hr/>
	66,470,000.00

Uses:

Project Fund Deposits:	
Deposit to Retirement Plan of SD Transit Corp	64,954,209.00
Delivery Date Expenses:	
Cost of Issuance	664,700.00
Insurance @ 55 bps	<u>847,804.68</u>
	1,512,504.68
Other Uses of Funds:	
Additional Proceeds	3,286.32
	<hr/>
	66,470,000.00

BOND SUMMARY STATISTICS

San Diego Transit Corporation
Pension Obligation Bonds
Series 2004
(Upfront Savings)

Dated Date	07/01/2004
Delivery Date	07/01/2004
Last Maturity	01/01/2034
Arbitrage Yield	5.982942%
True Interest Cost (TIC)	5.982942%
Net Interest Cost (NIC)	5.883546%
All-In TIC	6.067332%
Average Coupon	5.883546%
Average Life (years)	22.419
Duration of Issue (years)	12.296
Par Amount	66,470,000.00
Bond Proceeds	66,470,000.00
Total Interest	87,676,306.00
Net Interest	87,676,306.00
Total Debt Service	154,146,306.00
Maximum Annual Debt Service	6,043,601.50
Average Annual Debt Service	5,225,298.51
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bonds	535,000.00	100.000	5.550%	11.500
Term Bond Maturing in 2024	21,295,000.00	100.000	5.770%	16.294
Term Bond Maturing in 2034	44,640,000.00	100.000	5.920%	25.472
	66,470,000.00			22.419

BOND SUMMARY STATISTICS

San Diego Transit Corporation
 Pension Obligation Bonds
 Series 2004
 (Upfront Savings)

	TIC	All-In TIC	Arbitrage Yield
Par Value	66,470,000.00	66,470,000.00	66,470,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense		(664,700.00)	
- Other Amounts	(847,804.68)	(847,804.68)	(847,804.68)
Target Value	65,622,195.32	64,957,495.32	65,622,195.32
Target Date	07/01/2004	07/01/2004	07/01/2004
Yield	5.982942%	6.067332%	5.982942%

BOND PRICING

San Diego Transit Corporation
 Pension Obligation Bonds
 Series 2004
 (Upfront Savings)

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:	01/01/2016	535,000	5.550%	5.550%	100.000
Term Bond Maturing in 2024:	01/01/2017	2,170,000	5.770%	5.770%	100.000
	01/01/2018	2,295,000	5.770%	5.770%	100.000
	01/01/2019	2,425,000	5.770%	5.770%	100.000
	01/01/2020	2,565,000	5.770%	5.770%	100.000
	01/01/2021	2,715,000	5.770%	5.770%	100.000
	01/01/2022	2,870,000	5.770%	5.770%	100.000
	01/01/2023	3,040,000	5.770%	5.770%	100.000
	01/01/2024	<u>3,215,000</u>	5.770%	5.770%	100.000
		21,295,000			
Term Bond Maturing in 2034:	01/01/2025	3,400,000	5.920%	5.920%	100.000
	01/01/2026	3,600,000	5.920%	5.920%	100.000
	01/01/2027	3,815,000	5.920%	5.920%	100.000
	01/01/2028	4,040,000	5.920%	5.920%	100.000
	01/01/2029	4,280,000	5.920%	5.920%	100.000
	01/01/2030	4,530,000	5.920%	5.920%	100.000
	01/01/2031	4,800,000	5.920%	5.920%	100.000
	01/01/2032	5,085,000	5.920%	5.920%	100.000
	01/01/2033	5,385,000	5.920%	5.920%	100.000
	01/01/2034	<u>5,705,000</u>	5.920%	5.920%	100.000
		44,640,000			
		66,470,000			

Dated Date	07/01/2004	
Delivery Date	07/01/2004	
First Coupon	01/01/2005	
Par Amount	66,470,000.00	
Original Issue Discount		
Production	66,470,000.00	100.000000%
Underwriter's Discount		
Purchase Price	66,470,000.00	100.000000%
Accrued Interest		
Net Proceeds	66,470,000.00	

BOND DEBT SERVICE

San Diego Transit Corporation
Pension Obligation Bonds
Series 2004
(Upfront Savings)

Period Ending	Principal	Coupon	Interest	Debt Service
01/01/2005			1,950,551.00	1,950,551.00
01/01/2006			3,901,102.00	3,901,102.00
01/01/2007			3,901,102.00	3,901,102.00
01/01/2008			3,901,102.00	3,901,102.00
01/01/2009			3,901,102.00	3,901,102.00
01/01/2010			3,901,102.00	3,901,102.00
01/01/2011			3,901,102.00	3,901,102.00
01/01/2012			3,901,102.00	3,901,102.00
01/01/2013			3,901,102.00	3,901,102.00
01/01/2014			3,901,102.00	3,901,102.00
01/01/2015			3,901,102.00	3,901,102.00
01/01/2016	535,000	5.550%	3,901,102.00	4,436,102.00
01/01/2017	2,170,000	5.770%	3,871,409.50	6,041,409.50
01/01/2018	2,295,000	5.770%	3,746,200.50	6,041,200.50
01/01/2019	2,425,000	5.770%	3,613,779.00	6,038,779.00
01/01/2020	2,565,000	5.770%	3,473,856.50	6,038,856.50
01/01/2021	2,715,000	5.770%	3,325,856.00	6,040,856.00
01/01/2022	2,870,000	5.770%	3,169,200.50	6,039,200.50
01/01/2023	3,040,000	5.770%	3,003,601.50	6,043,601.50
01/01/2024	3,215,000	5.770%	2,828,193.50	6,043,193.50
01/01/2025	3,400,000	5.920%	2,642,688.00	6,042,688.00
01/01/2026	3,600,000	5.920%	2,441,408.00	6,041,408.00
01/01/2027	3,815,000	5.920%	2,228,288.00	6,043,288.00
01/01/2028	4,040,000	5.920%	2,002,440.00	6,042,440.00
01/01/2029	4,280,000	5.920%	1,763,272.00	6,043,272.00
01/01/2030	4,530,000	5.920%	1,509,896.00	6,039,896.00
01/01/2031	4,800,000	5.920%	1,241,720.00	6,041,720.00
01/01/2032	5,085,000	5.920%	957,560.00	6,042,560.00
01/01/2033	5,385,000	5.920%	656,528.00	6,041,528.00
01/01/2034	5,705,000	5.920%	337,736.00	6,042,736.00
	66,470,000		87,676,306.00	154,146,306.00

BOND SOLUTION

San Diego Transit Corporation
Pension Obligation Bonds
Series 2004
(Upfront Savings)

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
01/01/2005		1,950,551	1,950,551	6,044,027	4,093,476	309.86255%
01/01/2006		3,901,102	3,901,102	6,044,027	2,142,925	154.93127%
01/01/2007		3,901,102	3,901,102	6,044,027	2,142,925	154.93127%
01/01/2008		3,901,102	3,901,102	6,044,027	2,142,925	154.93127%
01/01/2009		3,901,102	3,901,102	6,044,027	2,142,925	154.93127%
01/01/2010		3,901,102	3,901,102	6,044,027	2,142,925	154.93127%
01/01/2011		3,901,102	3,901,102	6,044,027	2,142,925	154.93127%
01/01/2012		3,901,102	3,901,102	6,044,027	2,142,925	154.93127%
01/01/2013		3,901,102	3,901,102	6,044,027	2,142,925	154.93127%
01/01/2014		3,901,102	3,901,102	6,044,027	2,142,925	154.93127%
01/01/2015		3,901,102	3,901,102	6,044,027	2,142,925	154.93127%
01/01/2016	535,000	4,436,102	4,436,102	6,044,027	1,607,925	136.24635%
01/01/2017	2,170,000	6,041,410	6,041,410	6,044,027	2,618	100.04333%
01/01/2018	2,295,000	6,041,201	6,041,201	6,044,027	2,827	100.04679%
01/01/2019	2,425,000	6,038,779	6,038,779	6,044,027	5,248	100.08690%
01/01/2020	2,565,000	6,038,857	6,038,857	6,044,027	5,171	100.08562%
01/01/2021	2,715,000	6,040,856	6,040,856	6,044,027	3,171	100.05249%
01/01/2022	2,870,000	6,039,201	6,039,201	6,044,027	4,827	100.07992%
01/01/2023	3,040,000	6,043,602	6,043,602	6,044,027	426	100.00704%
01/01/2024	3,215,000	6,043,194	6,043,194	6,044,027	834	100.01379%
01/01/2025	3,400,000	6,042,688	6,042,688	6,044,027	1,339	100.02216%
01/01/2026	3,600,000	6,041,408	6,041,408	6,044,027	2,619	100.04335%
01/01/2027	3,815,000	6,043,288	6,043,288	6,044,027	739	100.01223%
01/01/2028	4,040,000	6,042,440	6,042,440	6,044,027	1,587	100.02626%
01/01/2029	4,280,000	6,043,272	6,043,272	6,044,027	755	100.01249%
01/01/2030	4,530,000	6,039,896	6,039,896	6,044,027	4,131	100.06840%
01/01/2031	4,800,000	6,041,720	6,041,720	6,044,027	2,307	100.03818%
01/01/2032	5,085,000	6,042,560	6,042,560	6,044,027	1,467	100.02428%
01/01/2033	5,385,000	6,041,528	6,041,528	6,044,027	2,499	100.04136%
01/01/2034	5,705,000	6,042,736	6,042,736	6,044,027	1,291	100.02136%
	66,470,000	154,146,306	154,146,306	181,320,810	27,174,504	

Retirement Plans of San Diego Transit Corporation

UAAL Amortization ¹

	Fiscal Year	Starting UAAL Balance ²	UAAL Interest ³	Amortization ⁴	PV of Amortization ⁵	Ending UAAL Balance ⁶
1	2004	64,954,209	5,521,108	5,570,531	5,570,531	64,904,785
2	2005	64,904,785	5,516,907	5,570,531	5,134,130	64,851,161
3	2006	64,851,161	5,512,349	5,570,531	4,731,917	64,792,978
4	2007	64,792,978	5,507,403	5,570,531	4,361,214	64,729,850
5	2008	64,729,850	5,502,037	5,570,531	4,019,552	64,661,356
6	2009	64,661,356	5,496,215	5,570,531	3,704,656	64,587,040
7	2010	64,587,040	5,489,898	5,570,531	3,414,430	64,506,407
8	2011	64,506,407	5,483,045	5,570,531	3,146,940	64,418,920
9	2012	64,418,920	5,475,608	5,570,531	2,900,405	64,323,997
10	2013	64,323,997	5,467,540	5,570,531	2,673,185	64,221,005
11	2014	64,221,005	5,458,785	5,570,531	2,463,765	64,109,259
12	2015	64,109,259	5,449,287	5,570,531	2,270,751	63,988,015
13	2016	63,988,015	5,438,981	5,570,531	2,092,858	63,856,465
14	2017	63,856,465	5,427,800	5,570,531	1,928,901	63,713,733
15	2018	63,713,733	5,415,667	5,570,531	1,777,789	63,558,869
16	2019	63,558,869	5,402,504	5,570,531	1,638,515	63,390,842
17	2020	63,390,842	5,388,222	5,570,531	1,510,153	63,208,532
18	2021	63,208,532	5,372,725	5,570,531	1,391,846	63,010,726
19	2022	63,010,726	5,355,912	5,570,531	1,282,807	62,796,106
20	2023	62,796,106	5,337,669	5,570,531	1,182,311	62,563,244
21	2024	62,563,244	5,317,876	5,570,531	1,089,687	62,310,588
22	2025	62,310,588	5,296,400	5,570,531	1,004,320	62,036,456
23	2026	62,036,456	5,273,099	5,570,531	925,641	61,739,024
24	2027	61,739,024	5,247,817	5,570,531	853,125	61,416,310
25	2028	61,416,310	5,220,386	5,570,531	786,290	61,066,165
26	2029	61,066,165	5,190,624	5,570,531	724,692	60,686,257
27	2030	60,686,257	5,158,332	5,570,531	667,918	60,274,058
28	2031	60,274,058	5,123,295	5,570,531	615,593	59,826,821
29	2032	59,826,821	5,085,280	5,570,531	567,367	59,341,570
30	2033	59,341,570	5,044,033	5,570,531	522,919	58,815,072

64,954,209

Notes

¹ Based on actuarial valuation as of January 1, 2004

² Based on Market Assets provided on page 50 of the actuarial report

³ Investment Rate of Return is 8.5%

⁴ Based on 30-Year Amortization provided by page 50 of the actuarial report

⁵ Present value assuming annual compounding

⁶ Ending UAAL Balance = Starting UAAL Balance + UAAL Interest - UAAL Amortization

Retirement Plans of San Diego Transit Corporation


*UAAL Amortization*¹
Necessary UAAL Amortization

Fiscal Year	Starting UAAL Balance ²	UAAL Interest ³	Amortization ⁴	PV of Amortization ⁵	Ending UAAL Balance ⁶
1 2004	64,954,209	5,521,108	6,044,027	6,044,027	64,431,290
2 2005	64,431,290	5,476,660	6,044,027	5,570,531	63,863,923
3 2006	63,863,923	5,428,433	6,044,027	5,134,130	63,248,330
4 2007	63,248,330	5,376,108	6,044,027	4,731,917	62,580,412
5 2008	62,580,412	5,319,335	6,044,027	4,361,214	61,855,720
6 2009	61,855,720	5,257,736	6,044,027	4,019,552	61,069,430
7 2010	61,069,430	5,190,902	6,044,027	3,704,656	60,216,305
8 2011	60,216,305	5,118,386	6,044,027	3,414,430	59,290,665
9 2012	59,290,665	5,039,706	6,044,027	3,146,940	58,286,345
10 2013	58,286,345	4,954,339	6,044,027	2,900,405	57,196,657
11 2014	57,196,657	4,861,716	6,044,027	2,673,185	56,014,347
12 2015	56,014,347	4,761,219	6,044,027	2,463,765	54,731,540
13 2016	54,731,540	4,652,181	6,044,027	2,270,751	53,339,694
14 2017	53,339,694	4,533,874	6,044,027	2,092,858	51,829,542
15 2018	51,829,542	4,405,511	6,044,027	1,928,901	50,191,026
16 2019	50,191,026	4,266,237	6,044,027	1,777,789	48,413,237
17 2020	48,413,237	4,115,125	6,044,027	1,638,515	46,484,335
18 2021	46,484,335	3,951,169	6,044,027	1,510,153	44,391,477
19 2022	44,391,477	3,773,276	6,044,027	1,391,846	42,120,726
20 2023	42,120,726	3,580,262	6,044,027	1,282,807	39,656,962
21 2024	39,656,962	3,370,842	6,044,027	1,182,311	36,983,777
22 2025	36,983,777	3,143,621	6,044,027	1,089,687	34,083,371
23 2026	34,083,371	2,897,087	6,044,027	1,004,320	30,936,431
24 2027	30,936,431	2,629,597	6,044,027	925,641	27,522,002
25 2028	27,522,002	2,339,370	6,044,027	853,125	23,817,345
26 2029	23,817,345	2,024,474	6,044,027	786,290	19,797,793
27 2030	19,797,793	1,682,812	6,044,027	724,692	15,436,579
28 2031	15,436,579	1,312,109	6,044,027	667,918	10,704,662
29 2032	10,704,662	909,896	6,044,027	615,593	5,570,531
30 2033	5,570,531	473,495	6,044,027	567,367	(0)

70,475,317

Notes


- 1 Based on actuarial valuation as of January 1, 2004
- 2 Based on Market Assets provided on page 50 of the actuarial report
- 3 Investment Rate of Return is 8.5%
- 4 Necessary UAAL amortization
- 5 Present value assuming annual compounding
- 6 Ending UAAL Balance = Starting UAAL Balance + UAAL Interest - UAAL Amortization

 UBS

Presentation to Joint Meeting of the Board of Directors

Issuance of Pension Obligation Bonds to Fund Unfunded Accrued Actuarial Liability


June 24, 2004



UBS Financial Services Inc.

Funding the Unfunded Accrued Actuarial Liability

- ◆ Over the past three years, many government agencies have seen their pension position deteriorate as a result of stock market losses and employee benefit increases
- ◆ Today most agencies have unfunded pension liabilities which signify the need to “catch up” on its funding in order to cover the pension benefits earned to date by employees and retirees
- ◆ Methods of funding Unfunded Accrued Actuarial Liability (“UAAL”) are:
 - Increased annual contributions
 - Issuance of Pension Obligation Bonds (“POBs”)
- ◆ POBs can fund the pension liability immediately and cost effectively in lower interest rate environments (rate of return on pension assets needs to be higher than interest rate of the bonds)
- ◆ POBs are often used to provide near term budget relief as an additional benefit

 UBS

1
UBS Financial Services Inc.

Who Has Issued Pension Obligation Bonds?

- ◆ \$37.4 billion of POBs have been issued nationwide since 1993 and \$3.8 billion of POBs have been issued in California since 2001

California POB Issuance Since 2001

Sale Date	Par Amount (\$ mils)	Issuer	Description
3/8/01	\$ 107.005	Contra Costa Co	Taxable Pension Obligations
6/5/01	75.000	Imperial Irrigation Dt	Taxable Pension Oblig Rev Bonds
6/13/01	8.500	South Gate	Taxable Certs of Participation
10/3/01	195.639	Oakland	Taxable Pension Obligation Bonds
1/23/02	205.335	Fresno	Taxable Pension Oblig Bonds
3/13/02	117.055	Fresno Co	Pension Obligation Ref Bonds
8/9/02	87.950	Long Beach City	Taxable Pension Oblig Ref Bonds
9/6/02	33.265	Imperial Co	Taxable Pension Bonds
9/17/02	737.340	San Diego Co	Taxable Pension Obligation Bonds
12/12/02	91.945	Mendocino Co	Taxable Pension Oblig Bonds
4/23/03	322.710	Contra Costa Co	Taxable Pension Obligation Bonds
5/7/03	112.805	Marin Co	Taxable Pension Oblig Bonds
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6/26/03	137.194	San Luis Obispo Co	Pension Obligation Bonds
7/9/03	50.670	Santa Rosa	Pension Obligation Ref Bonds
7/15/03	152.321	Sacramento Co	Pension Ref Cap Appreciatn Bonds
3/23/04	402.898	Fresno Co	Taxable Pension Obligation Bonds
6/8/04	463.620	San Bernardino Co	Pension Obligation Bonds



How Can Pension Obligation Bonds Benefit SDTC?

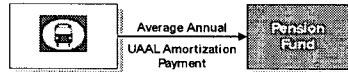
- ◆ The Retirement Plans of SDTC have a recognized unfunded actuarially accrued liability of approximately \$65 million ⁽¹⁾
- ◆ Pension Obligation Bonds can effectively finance the UAAL at the lower POB bond rate by replacing UAAL payments with POB debt service payments
- ◆ In current market, projected present value savings of \$20 million can be generated for SDTC compared to the scheduled UAAL payments
- ◆ POBs can reshape payment schedule and create upfront projected savings of \$2.4 million or higher in the next fiscal year's budget and projected gross savings of \$26.7 million through fiscal year 2015

Note: (1) As of January 1, 2004 actuarial valuation

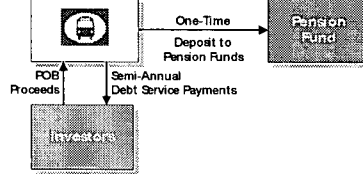


Mechanics

Current Plan



After POB Transaction



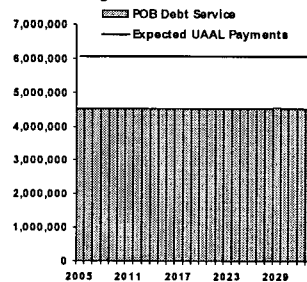
- SDTC makes annual payments over term of UAAL amortization
- Inherent in the liability stream is the Plan's actuarial earnings rate which accrues on unfunded assets
- MTDB issues pension obligation bonds to fund UAAL
- SDTC's obligation to make UAAL payments is replaced with debt service payments to bondholders
- Projected savings is the difference between the bond rate and the actuarial earnings rate



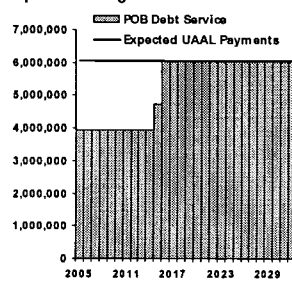
Summary of Structuring Results

Scenario	Level/Annual Savings	Upfront Savings
Present Value Projected Savings (\$)	\$ 20,023,175	\$ 19,286,100
Present Value Projected Savings as a % of Bonds	30.167%	29.015%
Average Interest Cost	5.881%	5.940%
Average Annual Projected Savings		
2005-2016	\$ 1,512,526	\$ 2,340,530
2017-2034	\$ 1,512,998	\$ 2,641
Total Projected Gross Savings	\$ 44,501,957	\$ 26,768,587

Level Savings



Upfront Savings



Summary of Benefits

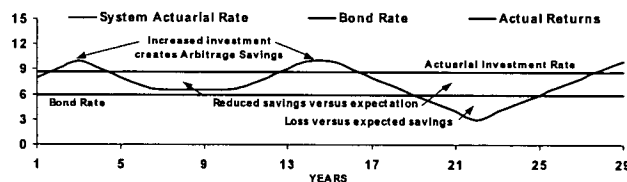
- ◆ Significant expected present value savings
- ◆ Significant and immediate budgetary relief
- ◆ Proven and acceptable tool to manage existing liability
 - SDTC is essentially amortizing its UAAL at the Plan's Actuarial Earnings rate while an opportunity exists to issue bonds at low interest rates to replace that obligation
- ◆ Markets have never been more favorable for POBs
 - Bond market participants including rating agencies, institutional investors and bond insurers are more familiar than ever with municipal POBs



Summary of Risks

- ◆ Primary risk is failure to meet earnings assumptions of actuarial rate of return over life of bond deal (Notably, this "risk" currently exists with the entire asset portfolio pool)
 - If earnings < bond rate: dissavings
 - If earnings < actuarial rate > bond rate: reduced expected savings
 - If earnings = actuarial rate: projected savings is achieved
 - If earnings > actuarial rate: investment arbitrage increases expected savings

Impact of Investment Returns on Expected Savings



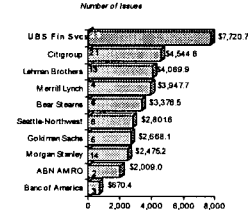
- ◆ Precise amount of savings is dependent upon realized rate of return over life of bond deal – not single year performance

Note: Plan assumes an actuarial earnings rate of 8.50%.

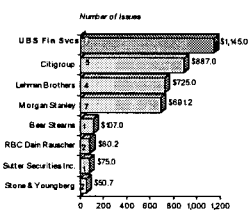


UBS Credentials — Leadership in Structuring and Underwriting Pension Obligation Bonds

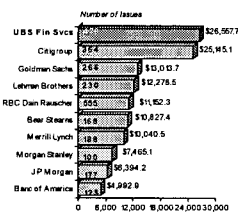
Senior Managed Negotiated Pension Experience 1993 to 2004 YTD
(# of issues/\$ in millions)



Senior Managed Negotiated California Pension Experience 1999 to 2004 YTD
(# of issues/\$ in millions)



Senior Managed Negotiated Taxable Experience 1993 to 2004 YTD
(# of issues/\$ in millions)



Source: SDC 06/09/2004

- ◆ UBS is **ranked #1** in the POB market and has served as senior manager on more POB transactions than any other firm since 1993.
- ◆ UBS is **ranked #1** in the California POB market, with \$1.1 billion of senior managed issues since 1999.
- ◆ UBS is **ranked #1** in the taxable market and has served as senior manager on more taxable transactions than any other firm since 1993.
- ◆ UBS is **ranked #1** in the negotiated tax-exempt market in 2004 YTD with over 16% market share and \$20.3 billion nationally.

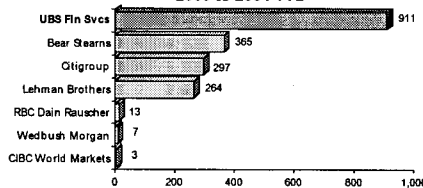


8
UBS Financial Services Inc.

UBS' California Transit Experience

- ◆ **Number one** ranked underwriter of California senior managed negotiated transit issues since 2000
- ◆ Competitively selected by California Transit Finance Corporation

Senior Managed California Mass Transit Rankings 2000 to 2004 YTD



San Diego Metropolitan Transit Development Board
Certificates of Participation Series 2003B
(San Diego Regional Fare Collection System Project)
\$32,850,000

San Diego Metropolitan Transit Development Board
Series 2003-04 Revenue Anticipation Notes
\$20,000,000

North San Diego County Transit Development Board
Certificates of Participation 2004 Series-A
(Sprinter Project)
\$105,000,000*



* Preliminary

9
UBS Financial Services Inc.



Presentation to Joint Meeting of the Board of Directors

Issuance of Pension Obligation Bonds to Fund
Unfunded Accrued Actuarial Liability

June 24, 2004



Funding the Unfunded Accrued Actuarial Liability

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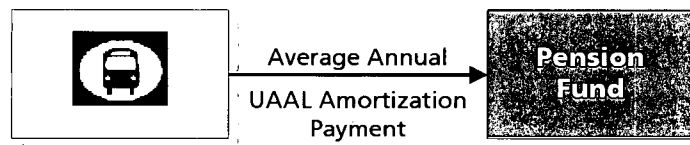
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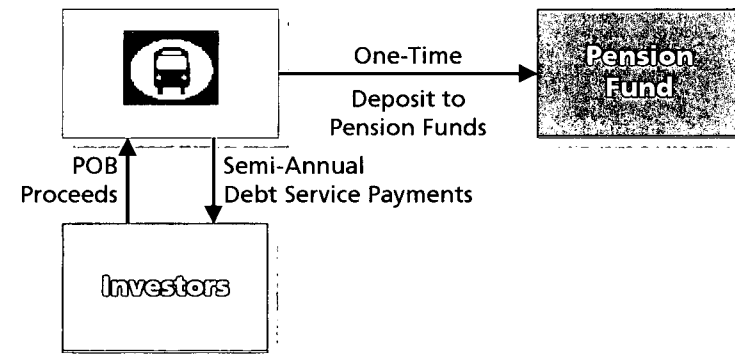
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Mechanics

Current Plan



After POB Transaction



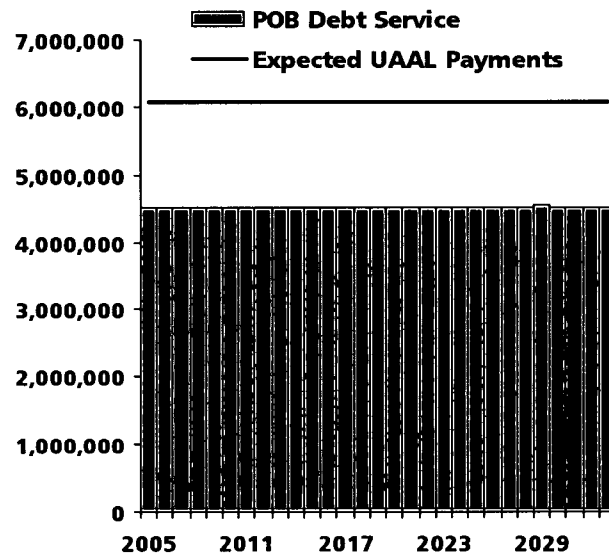
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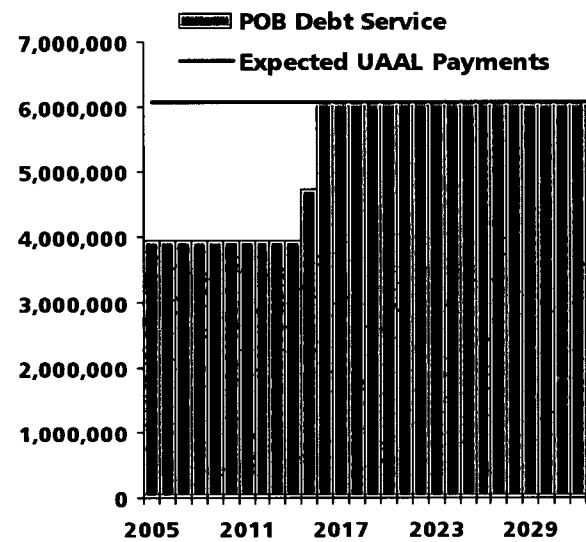
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Level Savings



Upfront Savings



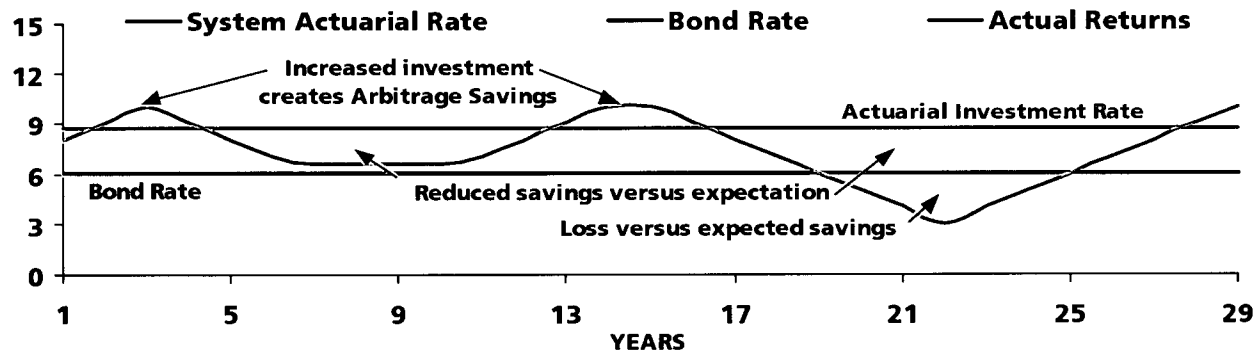
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Impact of Investment Returns on Expected Savings

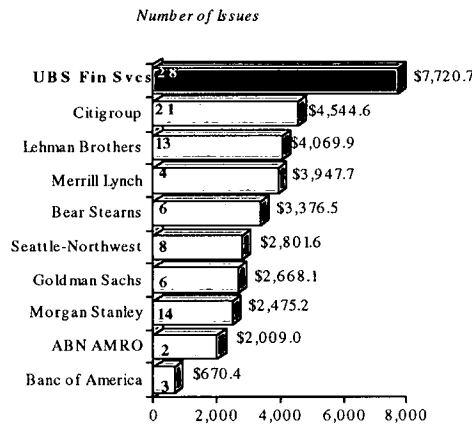


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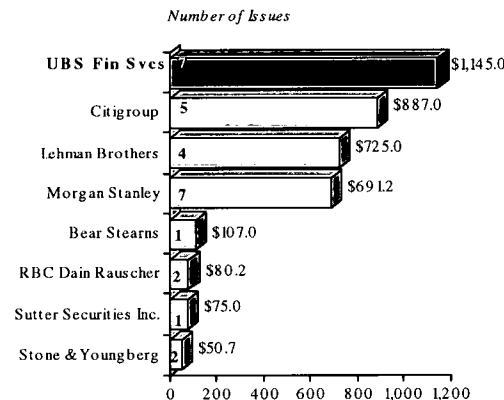
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UBS Credentials – Leadership in Structuring and Underwriting Pension Obligation Bonds

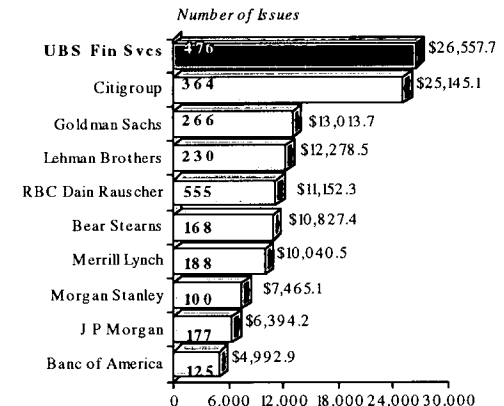
Senior Managed Negotiated Pension Experience 1993 to 2004 YTD (# of issues/\$ in millions)



Senior Managed Negotiated California Pension Experience 1999 to 2004 YTD (# of issues/\$ in millions)



Senior Managed Negotiated Taxable Experience 1993 to 2004 YTD (# of issues/\$ in millions)



Source: SDC 06/09/2004

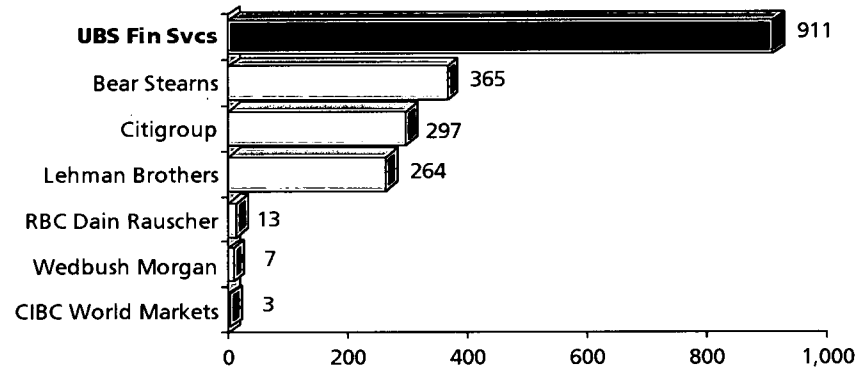
- ◆ UBS is **ranked #1** in the POB market and has served as senior manager on more POB transactions than any other firm since 1993.
- ◆ UBS is **ranked #1** in the California POB market, with \$1.1 billion of senior managed issues since 1999.
- ◆ UBS is **ranked #1** in the taxable market and has served as senior manager on more taxable transactions than any other firm since 1993.
- ◆ UBS is **ranked #1** in the negotiated tax-exempt market in 2004 YTD with over 16% market share and \$20.3 billion nationally.



UBS' California Transit Experience


- ◆ **Number one** ranked underwriter of California senior managed negotiated transit issues since 2000
- ◆ Competitively selected by California Transit Finance Corporation

**Senior Managed California Mass Transit Rankings
2000 to 2004 YTD**





**San Diego
Metropolitan Transit
Development Board
Certificates of
Participation
Series 2003B**

(San Diego Regional Fare
Collection System Project)
\$32,850,000



**San Diego
Metropolitan Transit
Development Board
Series 2003-04
Revenue Anticipation
Notes**

\$20,000,000



**North San Diego
County Transit
Development Board
Certificates of
Participation
2004 Series-A**

(Sprinter Project)
\$105,000,000*

* Preliminary



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Agenda

Item No. 45

Chief Executive Officer's Report

ADM 121.7 (PC 30100)

June 24, 2004

Minor Contract Actions

- City of La Mesa for additional deposit for construction for Mission Valley East Light Rail Extension.
- Rush Press for Mission Valley Map Pad and Chargers Stadium brochure.
- Partner Press, Inc. for June 2004 MTS News.
- Berryman & Hennigar for general engineering consultant services for the 12th & Market Station Reconfiguration.
- Stacy & Witbeck, Inc. for construction services related to the San Ysidro Intermodal Transit Center.
- West Coast General Corp. for construction services related to the 12th & Market Station Reconfiguration.
- Clark Construction Group Incorporated for construction services related to the Mission Valley East Light Rail Extension.
- Balfour Beatty/Ortiz Enterprises., for construction services for the Mission Valley East La Mesa Segment of the Mission Valley East Light Rail Extension.
- Stacy & Witbeck for Mission Valley East Track Work and Systems for the Mission Valley East Light Rail Extension.

Contract Matters

Contract Change Order (CCO) 29 with Stacy & Witbeck, Inc. was approved for an increase of \$7,351.00 to modify signals and circuits for S60R and S16L. (San Ysidro Intermodal Transportation Center, Blue Line Switch Machines Project, Contract No. LRT-453)

Personnel Matters

Susan Champlin, Administrative Assistant II, celebrates her 5th anniversary on June 28, 2004.



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.