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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.

July 8, 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 24, 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 to the Clerk of the Board.
4. Presentation of Employee Awards Receive



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

- | | | |
|----|---|-----------------|
| 5. | <u>Closed Session Items</u> | Possible Action |
| a. | <u>MTDB: CLOSED SESSION - PUBLIC EMPLOYEE APPOINTMENT - General Counsel (Government Code Section 54957)</u> | |
| b. | <u>MTDB: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - Anticipated Litigation - Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9 (One Potential Case)</u> | |

Oral Report of Final Actions Taken in Closed Session

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

- | | | |
|------|---|---------|
| * 6. | <u>MTDB: Budget Transfers and Contract Change Orders for Mission Valley East</u> | Approve |
| | Action would authorize the CEO to transfer funds within the Mission Valley East (MVE) project budget to various MVE line items and ratify CCO No. 305. | |
| * 7. | <u>MTDB: Controller's Report for March 2004</u> | Receive |
| | Action would receive this report for information. | |
| * 8. | <u>MTDB: Amendment - Inland Breeze MOU and Fund Transfer Agreement</u> | Approve |
| | Action would authorize the Chief Executive Officer (CEO) to execute the first amendment to the Memorandum of Understanding (MOU) and Fund Transfer Agreement between MTDB and the San Diego Association of Governments (SANDAG) for the Inland Breeze (Routes 980/990) Interstate 15 (I-15) FasTrak Value Pricing Project, for the period of July 1, 2004, through June 30, 2007. | |
| * 9. | <u>MTDB: Legislative Update</u> | Receive |
| | Action would receive this report for information. | |

NOTICED PUBLIC HEARINGS

- | | |
|-----|-------|
| 25. | None. |
|-----|-------|

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

DISCUSSION ITEMS

30. SDTI: 2004 Suzuki Rock 'N' Roll Marathon Summary Review Receive
- Action would receive this report for information and reaffirm the Board's position with respect to the 2005 Suzuki Rock 'N' Roll Marathon course as follows:
1. For the safety of its patrons and those participating in the Rock 'N' Roll Marathon, the crossing at Friars Road/ Napa Street cannot be closed to LRT through movement for any duration of time for the 2005 Rock 'N' Roll Marathon;
 2. Declare that MTDB has the exclusive jurisdiction under Public Utilities Code section 120105(e) to determine the rules and regulations for the use and operation of its property and facilities, including its transit systems and related transportation facilities, and to determine whether a race course may be established over its property and facilities; and
 3. Direct staff to transmit this formal position to Elite Racing.
44. Chairman's Report Possible Action
45. Chief Executive Officer's Report No Report
46. Board Member Communications
47. Additional Public Comments Not on the Agenda Possible Action
- If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous Hearings or agenda items may not again be addressed under Public Comments.
50. Next Meeting Date: July 22, 2004
60. Adjournment

JGarde
AGENDAS EC 7-1-04 BD 7-8-04
7/2/2004

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 7/8/04

CALL TO ORDER (TIME): 9:07 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:27 a.m.

RECONVENE: 10:04 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 10:45 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
CLABBY	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
INZUNZA	<input type="checkbox"/> (Ungab) <input type="checkbox"/>		<input checked="" type="checkbox"/>
KALTENBORN	<input type="checkbox"/> (N/A) <input type="checkbox"/>		<input checked="" type="checkbox"/>
LEWIS, Charles	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
LEWIS, Mark	<input checked="" type="checkbox"/> (Santos) <input type="checkbox"/>		
MÄIËNSCHEIN	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>	9:13 a.m.	
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		
ROSE	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>		
RYAN	<input type="checkbox"/> (Dale) <input type="checkbox"/>		<input checked="" type="checkbox"/>
STERLING	<input 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

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Gail Williams
Jeffrey K. ...

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

June 24, 2004

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

MINUTES

1. Roll Call

Chairman Williams called the meeting to order at 9:06 a.m. A roll call sheet is attached listing Board member attendance.

2. Approval of Minutes

Mr. Monroe moved to approve the minutes of the June 10, 2004, Board of Directors meeting. Mr. Emery seconded the motion and the vote was 8 to 0 in favor.

3. Public Comment

Peter Warner – Mr. Warner reported that on Wednesday night, June 23, San Diego Trolley Train 63 – Green Line from Petco Park - narrowly missed the connection with Coaster 659 leaving 22 passengers stranded at Santa Fe Depot. He reported that this was the last train of the day. He asked that MTDB relay his request to North County Transit that they adopt a 10-minute wait policy similar to Los Angeles Metrolink's wait policy when there is going to be a connection problem. He said the conductor saw the passengers coming and should have held the train.

4. Presentation of Employee Awards

MTDB: MTS/Coca-Cola Scholarship Awards:

The following San Diego Trolley, Inc. (SDTI) employees were presented with service awards: Five Years of Service: Rebecca Zelt. 10 Years of Service: Joe Martinez and James Patrick Clark.

Mr. Wayne Terry, SDTI, also presented a Distinguished Service Award to train operator Bozana Vidic who interceded with a person about to commit suicide. He reported that Ms. Vidic had been on the job for only one month and was operating a trolley when this incident occurred. He reported that she used the trolley car's public address system to get and hold the attention of the jumper until authorities could arrive.

Gonzalo Lopez, Director of Marketing and Communications, provided the Board with information regarding the MTDB/Coca Cola Scholarship Award Program. He also provided the Board with anecdotal information from the essays submitted by the students who participated in the program. He stated that 156 students submitted essays and 20 were selected to receive awards. Mr. Charles Simpson of Coca Cola also made statements regarding the program and advised the Board that winners would be receiving laptop computers. The following Board members and staff made comments recognizing the winner(s) in their district and presented the awards as follows:

Mr. Nick Inzunza to Sharie Michalec, Mark Twain High School
Ms. Toni Atkins to Yahira Martinez, Hoover High School
Mr. Tom Clabby to Sage Browning, San Dieguito High School Academy
Ms. Ruth Sterling to Brittany English, Mission Bay High School
Mr. Phil Monroe to John Zeugschmidt, Valley Center High School
Mr. Ron Roberts to Jose Vallejo, Jr., the Bishop's School
Mr. Jerry Rindone to Brandon Nelson, Bonita Vista High School
Mr. Leon Williams to Erica Gold, Mt. Carmel High School
Mr. Paul Jablonski to Lauren Sweeney, La Costa Canyon High School
Mr. Bob Emery to Monique Wiesmiller, Poway High School (Not Present)
Mr. Charles Lewis to Alex Hodges, Hoover High School
Mr. Brian Maienschein to Annesh Kadakia and Zarina Sadat, Scripps Ranch High School
Mr. Michael Zucchet to Ellina Polyak, La Jolla High School

Mr. Lopez presented an award recognizing the ongoing efforts of Mr. Simpson of Coca Cola. Mr. Lopez then recognized the efforts of MTDB staff members who are also an integral part of maintaining this program. Mr. Jim Esterbook, representing the County Office of Education, recognized the accomplishments of the students.

5. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:44 a.m. for MTDB: Conference With Legal Counsel – Anticipated Litigation – Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9: Four Potential Cases

The Board reconvened to Open Session at 10:27 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, Interim General Counsel, reported the following: The Board of Directors received a report on anticipated litigation and gave direction to staff.

CONSENT ITEMS

6. SDTI: Financial Report for April 2004 (OPS 970.5, PC 30102)

That the Board of Directors receive the following reports: Summary of Cash in Treasury, Status of Revenue, Summary of FY 04 Appropriations and Expenditures, and San Diego

Association of Governments (SANDAG) Ridership Summaries.

7. MTDB: General Reprographic Services – Contract Amendments (CIP 10900)

That the Board of Directors authorize the 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, and Advance Reprographics – MTDB Doc. No. G0655.2-01.

8. MTDB: MTS Operators Budget Status Report for April 2004 (FIN 310, PC 30100)

That the Board of Directors receive the MTS Operators Budget Status Report for the month of April 2004.

9. MTDB: Consideration of Amending City of San Diego Council Policy No. 500-02 to Temporarily Limit Single Taxicab Permits (TAXI 590.10, PC 30110)

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

10. MTDB: MTS Poway Transit Services Contract Amendment (OPS 920.6, PC 30203))

That the Board of Directors authorize the CEO to execute a 48-month contract extension with Laidlaw Transit Services for Poway Transit Services bus service, as outlined in the agenda item – MTDB Doc. No. B0339.3-02, for an amount not to exceed \$3,616,733. The extension will cover the period of July 1, 2004, through June 30, 2008.

11. MTDB: Workers' Compensation Coverage for Volunteers (ADM 122.2, PC 30100)

That the Board of Directors adopt Resolution No. 04-6 declaring that MTDB volunteers are employees for workers' compensation purposes only.

12. MTDB: Controller's Report for January 2004 (FIN 305, PC 30100)

That the Board of Directors 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.

13. MTDB: Controller's Report for February 2004 (FIN 305, PC 30100)

That the Board of Directors 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 (OPS 960.3, PC 30101)

That the Board of Directors receive the SDTC Financial Report Through April 2004.

15. MTDB: Mission Valley East Light Rail Transit Project: Design Contract Amendment
(CIP 10426.9)

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 the agenda item; 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 the agenda item, in an amount not to exceed \$700,000, for the continuation of construction phase services.

16. MTDB: Proposed 2004/2005 Audit Plan (LEG 492, PC 30100)

That the Board of Directors approve the Internal Audit Plan as outlined in the agenda item.

17. SDTI: LRV 1040 Paint: Award Service Contract (OPS 970.6, PC 30102)

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

18. MTDB: Courier Service: Exercise of Contract Option (FIN 330.3, PC 40600)

That the Board of Directors authorize the CEO 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.

Public Speakers on Consent Agenda Item No. 9:

William A. Price - Hack, Inc.: Mr. Price stated that he was representing North City Cab Company. He advised the Board that his "shareholders" were not notified that the Taxicab Committee would be discussing this item at its meeting. He requested that the Board send this item back to the Taxicab Committee for further consideration.

Hushang Nahavandian, American Cab: He stated that this item needs more study. He stated that approval of this item would be unfavorable to those who do not hold medallions.

Amir Aghass, Orange Cabi: Mr. Aghassi also requested that this item be returned to the Taxicab Committee for further discussion and review. He stated that approval of this item would be unfavorable to small taxicab businesses. He also stated that they were not notified that the Taxicab Committee would be discussing this item. He stated that he will be retiring soon and

has promised to sell his business to certain individuals. He stated he will be unable to do so if this item is approved by the City.

Anthony Palmeri, Yellowcab of San Diego: Mr. Palmeri also requested that this item be returned to the Taxicab Committee. He stated that this is a very serious issue and that he doesn't feel that all the issues have been presented. He also stated that this issue was passed by the Taxicab Committee by a show of hands. He added that discussions after the meeting with Committee members revealed that they felt pressured by the voting method to cast a favorable vote. He strongly supported giving all operators, old and new, an opportunity to speak regarding this item.

Margo Tanguay: Ms. Tanguay spoke in favor of having a balance between owned and leased permits. She also stated that if everyone was not notified that the Taxicab Committee was going to be discussing this item, it should be returned to the Committee for further review.

Motion on Recommended Consent Items

Mr. Maienschein moved to pull Consent Agenda Item No. 9 for discussion and approve Consent Agenda Item Nos. 6, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17 and 18. Mr. Emery seconded the motion and the vote was 14 to 0 in favor.

Mr. Maienschein stated that he and Mr. Inzunza are on the Taxicab Committee and that he is reluctant to return Agenda Item No. 9 to the Taxicab Committee because returning items to committee causes unnecessary delays. He added that he was concerned that members of the Board are somewhat unclear about what was voted on, and that these issues need to be clear when they come to MTDB. He stated that since there is confusion, he would not be opposed to returning this item to the Taxicab Committee. He added that this should not become a habit, and that this issue needs to be resolved at the next Taxicab Committee meeting. He stated that it is important to ensure that everyone is properly notified that this item will be discussed by the Committee.

Motion on Recommended Consent Item

Ms. Maienschein moved to approve Consent Agenda Item No. 9. Mr. Inzunza seconded the motion and the vote was 14 to 0 in favor.

Mr. Williams agreed with Mr. Robert's statement that the proper protocol in this situation would be to pull the item for which there are public speakers, approve the Consent Agenda without that particular item, hear staff's report, hear public speakers, and then approve the item.

NOTICED PUBLIC HEARINGS

25. MTDB: FY 05 Budget: Public Hearing and Adoption (FIN 310, PC 30100)

Ms. Susan Hafner, MTDB Director of Multimodal Operations, provided an overview of this item. She reviewed the actions that were taken by the Board at its May 27, 2004, meeting and changes that have been made since that time. She pointed out that staff created a FY 05 budget energy contingency of \$350,000. She reported that the total contingency available in the FY 05 budget is \$12.6 million, or approximately seven

percent of the operating budget. She also reviewed budget changes involving revenue anticipation notes and minor service adjustments.

In response to a question from Mr. Monroe about the adequacy of the energy contingency recently established by staff, Ms. Hafner reported that diesel costs have decreased from \$1.86 to \$1.27 per gallon in recent months. She also stated that fuel prices fluctuate with highest prices typically occurring during summer months and that is why an average for the whole year is used for budgeting purposes. She stated that staff is cautious but optimistic about this aspect of the budget.

Mr. Rindone point out that the SANDAG Transportation Committee has already approved this budget and their vote is basically final. Mr. Emery complimented staff members who compiled the budget and pointed out that the individuals who normally prepare MTDB's budget have been transferred to SANDAG.

Public Hearing

The Public Hearing was opened at 10:51 a.m.

Public Speakers on Discussion Agenda Item No. 25:

Peter Warner: Mr. Warner requested that revenues received from special events be included in the budget and asked a question about fuel prices. Mr. Jablonski stated that revenues from special events are already included in the budget. Mr. Roberts advised Mr. Warner that MTDB purchases diesel fuel, not gasoline, and has its own suppliers.

Clive Richard: Mr. Richard spoke out against service cuts on a piecemeal basis and supported the concept of a comprehensive operational analysis.

The Public Hearing was closed at 10:58 a.m.

In response to a question from Ms. Sterling, Mr. Jablonski stated that responsibilities for planning and programming of projects rest with SANDAG. Mr. Rindone added that Mr. Jablonski has discussed his concerns regarding capital needs with Gary Gallegos at SANDAG, and that Mr. Gallegos has acknowledged the priorities that Mr. Jablonski presented. Mr. Rindone pointed out that the issue before the Board at this time is the operating budget. Mr. Jablonski added that the process for the Capital Improvement Program (CIP) will begin in late November/early December and will actually identify capital needs for FY 06. He stated that the CIP for FY 05 was approved in December 2003 and added that funding is only available for about one-third of the projects in that CIP. He added that the SANDAG Transportation Committee is also aware of MTDB's infrastructure capital needs. Mr. Emery also pointed out that some of MTDB's board members also sit on the SANDAG Transportation Committee and have participated in related discussions at both MTDB and SANDAG.

In response to a question from Ms. Sterling, Mr. Jablonski reported that all MTDB planners were shifted to SANDAG. He stated that there will be discussions with the Joint Committee on Regional Transit at its next meeting regarding the planning process

as well as a recommendation to approve a definition of the roles and responsibilities of planning within each organization.

Action Taken

Mr. Emery moved to adopt Resolution No. 04-5 (Page III of Attachment A in the agenda item) approving the operating and capital budget for MTDB and approving the operating budgets for San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTDB Contract Services, Chula Vista Transit, National City Transit, and the Coronado Ferry. Mr. Monroe seconded the motion and the vote was 12 to 0 in favor.

DISCUSSION ITEMS

30. MTDB: Bus Bay Parking Management Services for the San Ysidro Intermodal Transit Center (CIP 10453)

Mr. John Haggerty, SANDAG, reviewed the Intercity Bus Facility Management Services Contract process for the San Ysidro Intermodal Transportation Center Project. He reviewed the operating goals for the center, showed a diagram and traffic flow chart of the bus bay area and reviewed contractor qualifications as specified in the Request for Proposals (RFP). He reported that the Evaluation Committee consisted of representatives from the City, SANDAG, MTDB multimodal staff, and a right-of-way consultant. Mr. Haggerty reviewed the evaluation criteria that were used to evaluate the proposers. He also reviewed the results of the evaluation, as outlined in the agenda item, for each proposer. He stated that, based on that evaluation, Ace Parking appeared to have the best proposal.

Mr. Haggerty advised the Board that a protest was received, which was resolved on June 14, 2004, by MTDB's CEO. He stated that the Border Transportation Council (BTC) protest alleged that MTDB failed to properly evaluate key criteria of the RFP and erroneously concluded that the BTC's members had a conflict of interest. He reported that the Protest Committee carefully reviewed all the associated materials and concluded that the Evaluation Committee properly evaluated the criteria listed in the RFP, and that there may be a conflict of interest for BTC under the Minimum Qualifications section of the RFP.

Public Speakers:

Martha Ranon: Not Present

Margo Tanguay: Ms. Tanguay stated that Ace Parking, while having great background for this type of project, will not get cooperation from the community in the same way as an operator based within the community.

Mr. Emery reported that this item was reviewed by the Executive Committee, and it is clear that the established process was followed and, under that process, Ace Parking was the top-ranked proposer. Mr. Monroe stated that he appreciated the diligent attention and thoughtful consideration the Executive Committee gave to this item and spoke in favor of moving ahead with this item.

Mr. Williams stated that he empathizes with the BTC. He added that MTDB is a public agency and its mission, as a public agency, is to serve the public. He stated that MTDB must therefore seek the best way to do that. He added that MTDB's mission is to spend public dollars in a way that maximizes the public's interests. He stated that Ace Parking can execute the particulars of this contract and potentially return some revenue.

Action Taken

Mr. Emery moved to authorize the 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. Mr. Clabby seconded the motion and the vote was 11 to 0 in favor.

31. SDTC: Issuance of Pension Obligation Bonds to Fund Unfunded Accrued Actuarial Liability of SDTC Pension Plans (OPS 960.5, PC 30101)

Mr. Cliff Telfer, SDTC Vice President of Finance/Administration, recalled previous discussions with the Board regarding SDTC's \$65 million unfunded pension liability. He advised the Board that this figure does not reflect recent improvements in benefits and a possible adjustment downward of the Plan's current 8.5-percent interest rate assumption. He added that 93 percent of all public pension plans are experiencing unfunded liabilities because of the downturn in the market, benefit improvements, and because retirees are living longer.

Mr. Jablonski pointed out that the Board is not being asked to approve the issuance of the bonds but rather to direct staff to determine a number of factors that would be involved with an issue, e.g. interest rate, terms, dollar amount of issue, etc. He added that approval would be requested after the determination of these factors.

Action Taken

Mr. Maienschein moved to direct staff to proceed with the review of the potential savings and benefits of the issuance of pension obligation bonds, authorize the 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 valuation. Mr. Monroe seconded the motion and the vote was 10 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)

Mr. Jablonski reported that MTDB is proceeding with the fulfillment of a contract award for buses that was approved by the Board last fall but delayed due to the loss of funding. He reminded the Board that they approved a contract to purchase 47 buses from North American Bus Industries and seven from Creative Bus. He advised the Board that \$10 million of the \$16 million in TCRP funds that were originally allocated for this purchase

have been released; therefore, MTDB is proceeding with a partial order of buses with delivery projected for January 2005. He added that it appears, because of negotiations with Indian tribes over gaming rights, the additional \$6 million may be restored when the new budget passes.

46. Board Member Communications

Phil Monroe: Mr. Monroe stated that he was disappointed in the quality of the TDA Triennial Audit recently completed for SANDAG. He added that the results of this audit should have been presented to the MTDB Board of Directors before it was presented to the SANDAG committees and board.

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, July 8, 2004, at 9:00 a.m. in the same location.

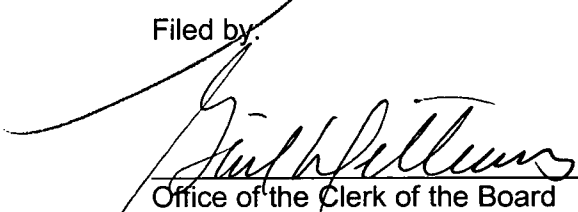
60. Adjournment

Chairman Williams adjourned the meeting at 11:32 a.m.



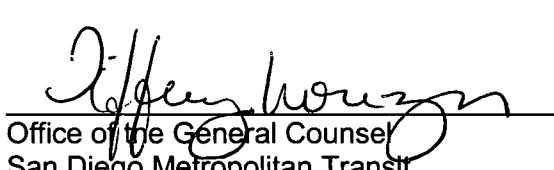
Chairman
San Diego Metropolitan Transit
Development Board

Filed by:



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

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit
Development Board

GWilliams/minutes

Attachments: A. Roll Call Sheet

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"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	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

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Gail Williams
Tiffany 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****

8:29

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 July 8Name (PLEASE PRINT) Virginia CONWAYAddress 1455 2nd Ave #1010SAN Diego, CA 92101

Telephone _____

Organization Represented (if any) _____

Subject of your remarks: Trolley safety, bus suggestion

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.****

School programs - for safety
over 90 - special pass
Sent bus

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

3

ORDER REQUEST RECEIVED

2

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

8:34

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 7/8/04Name (PLEASE PRINT) Penelope MadridAddress 2078 Via Las Cumbres #3San Diego CA 92111Telephone (858) 292-0968

Organization Represented (if any) _____

Subject of your remarks: objectionable material at Old Town
Transit Center

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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****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.

3

ORDER REQUEST RECEIVED

3

8:41

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

1. INSTRUCTIONS

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

Date 2004 - 07 - 08Name (PLEASE PRINT) Clive RichardAddress 5153 La Dorna ST
San Diego CA 92115-1530Telephone 619.582.4036Organization Represented (if any) NONESubject of your remarks: Performance

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.****

on-time performance
10% - 20%
3% 10-min. late



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

Agenda

Item No. 6

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

CIP 10426.7

July 8, 2004

Subject: MTDB: BUDGET TRANSFERS AND CONTRACT CHANGE ORDERS FOR
MISSION VALLEY EAST

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to:

1. transfer \$1,300,000 into the Mission Valley East (MVE) Tunnel and Underground Station Construction line item (WBS 10426-1010) from available balances in other project line items, in the amounts shown in Attachment A;
2. transfer \$1,300,000 from the San Diego State University (SDSU) Tunnel and Underground Station Construction line item (WBS 10426-1010) into the Construction Contingency for the SDSU Tunnel and Underground Station, as shown on Attachment B, to fund pending and proposed change orders for the SDSU construction contract;
3. transfer \$300,000 for the La Mesa Segment Construction line item (WBS 10426-109918LM) into the Grantville Segment Construction line item (WBS 10426-109918GR) to correct a negative balance in the Grantville line item, as shown in Attachment A;
4. ratify the action of the Chairman of the Board authorizing the CEO to execute Contract Change Order (CCO) No. 305 (Attachment C) with Clark Construction Group (CCG), contractor for the SDSU Tunnel and Underground Station, in an amount not to exceed \$500,000, to start work on additional fire alarm system equipment and detection wiring, as required by the State Fire Marshall. CCO No. 305 directs the contractor to order equipment with a long lead time; this will save MTDB from potential costs associated with contractor delays; and



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. execute Contract Change Order (CCO) No. 101, Supplement No. 1, with Stacey and Witbeck, Inc. (SWI), in an amount not to exceed \$40,525, in substantially the same form as shown in Attachment D, for SWI to construct a cast-in-place concrete retaining wall at the Keeney Street Substation site for the Trackwork and Systems Contract (LRT-426.1).

Budget Impact

1. The \$1,300,000 transferred into the SDSU Tunnel and Underground Station Construction line item (WBS 10426-1010) would revise line item budgets and leave the remaining balances, as shown in Attachment A. The total project budget would not change.
2. The \$300,000 transferred into the Grantville Segment Construction line item (WBS 10426-109918GR) would come from the La Mesa Segment Construction line item (WBS 10426-109918LM) with the revised line item budgets and remaining balances, as shown in Attachment A.
3. The \$1,300,000 transferred into the SDSU Tunnel and Underground Station Construction contingency would increase the construction contingency, as shown in Attachment B.
4. A total of \$500,000 for CCO No. 305 would be encumbered from available funds in the SDSU Tunnel and Underground Station Contract (LRT-426.1) Construction Contingency (WBS 10426-1010) after the transfers above, leaving a balance of \$1,636,946 in the SDSU Construction Contingency.
5. A total of \$40,525 for CCO No. 101, Supplement No. 1, with SWI would be encumbered from available funds in the Trackwork and Systems Project (LRT-426.5) Construction Contingency, leaving a balance of \$1,942,183 in the Construction Contingency (WBS 10426-109918TR). The funds for the original CCO No. 101 have already been encumbered under this construction contingency.

DISCUSSION:

Budget Transfers

The primary contractor for construction of the SDSU Tunnel and Underground Station has pending and potential CCOs that would require up to \$1,300,000 in additional funds from the construction contingency. In order to fund these CCOs, we would recommend transferring \$1,300,000 from the available balances in the La Mesa Segment Track and Systems and SDSU Mitigation line items into the SDSU Construction Contingency. In addition, the Grantville Segment Construction line item has a negative balance of \$149,000. We recommend transferring \$300,000 into this project line item to create a positive balance. The Grantville Segment Construction Contingency is adequate and does not require an increase at this time. The transferred amounts, revised budgets, and remaining balances are shown in Attachment A.

The project's budget transfer history is included as Attachment E for information.

Contract Change Orders

LRT-426.1. CCOs under negotiation with the contractor include: No. 305 (discussed below) for changes to the fire alarm system and detection wiring required by the State Fire Marshall; No. 175 for reconfiguration of the LON control system throughout the underground station and tunnel; CCO No. 208 for field changes to be made during construction.

The SDSU Tunnel and Underground Station Contract (LRT-426.1) with CCG is the primary contract for construction of the SDSU Tunnel and Underground Station. On June 2, 2004, the MTS CEO requested that the Chairman of the Board authorize an CCO No. 305 immediately for revisions to the tunnel and station fire life safety systems. The CCO authorized the contractor to order long lead-time specialized fire alarm equipment for the life safety systems to accommodate changes in the code and requirements of the State Fire Marshall not anticipated in the design of the system five years ago.

This immediate action was requested to avoid further delay to the contractor and reduce exposure to claims for extended overhead. In accordance with Board Policy No. 4, Section 4.6, which states that the Executive Committee, or if not practical, the Chairman, is authorized to approve CCOs exceeding \$100,000 when waiting for Board approval would increase the cost of the CCO. The memorandum requesting this authorization is included (Attachment F). The final agreed-upon price for CCO No. 305 is being negotiated and will be authorized by supplement(s) that will be brought before the Board for final approval.


The CCG Workforce Report is attached for information as Attachment G.

LRT-426.5. SWI is the contractor for the installation of Trackwork and Systems on the infrastructure constructed by the two-line segment and SDSU contractors (LRT-426.5). SWI has been working on the MVE Extension Project since January 2003.

CCO No. 101, Supplement No. 1 is to pay SWI to construct a new cast-in-place concrete retaining wall at the Keeney Street substation site. At this site, one retaining wall was constructed per the contract drawings, but upon completion, it was noted that the embankment behind it was still unstable. This CCO is to pay SWI to construct a second retaining wall above and behind the present contract-constructed retaining wall in order to stabilize the slopes adjacent to the substation. The original CCO No. 1 was authorized by the CEO to have the contractor order the required steel and perform excavation in a timely manner so as not to slow down the construction progress and date of completion.

The Board is requested to approve CCO No. 101, Supplement No. 1 for \$40,525 to reimburse the contractor for adding this retaining wall, which is beyond those called for in the original contract documents.

The SWI Workforce Report is attached for information as Attachment H.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Dennis L. Wahl, 619.235.2635, dennis.wahl@sdmts.com

JGarde
JULY8-04.6.DWAHL
6/24/04

- Attachments:
- A. Summary of Proposed Budget Revisions
 - B. Approved Construction Contingency Changes
 - C. CCG Contract Change Order No. 305
 - D. SWI Contract Change Order No. 101, Supplement No. 1
 - E. Mission Valley East Budget Transfer History
 - F. Memorandum from CEO to Chairman
 - G. Clark Construction Group Workforce Report
 - H. SWI Workforce Report

Board Only

**Mission Valley East LRT Project
Summary of Proposed Budget Revisions
July 8, 2004**

	<u>Current Budget</u>	<u>Revised Budget</u>	<u>Change</u>	<u>Remaining Balance</u>
SDSU Tunnel & Station Const.	108,073,875	109,373,875	1,300,000	165,586
SDSU Mitigation	13,489,000	13,189,000	(300,000)	1,833,385
Grantville Segment Const.	72,023,875	72,323,875	300,000	248,736
La Mesa Segment Const.	64,550,000	63,750,000	(800,000)	345,573
Track & Systems Const.	47,000,000	46,500,000	(500,000)	317,542
Unchanged Line Items	<u>183,871,102</u>	<u>183,871,102</u>	0	
TOTAL:	489,007,852	489,007,852	0	

**Mission Valley East LRT Project
Approved Construction Contingency Changes**

	Segment/Contract No.				
	109918GR	1010	1010	109918LM	109918TR
	Grantville LRT 426.3	SDSU Utility LRT 426.2	SDSU LRT 426.1	La Mesa LRT 426.4	Track & Systems LRT 426.5
5% Original Construction Contingency	\$ 2,871,502	\$ 451,731	\$ 4,135,020	\$ 2,981,094	\$ 2,192,878
4/19/01 AI #6		\$ 150,000			
8/09/01 AI #24		\$ 100,000			
8/22/02 AI #9			\$ 500,000		
9/12/02 AI #30			\$ 1,500,000		
11/14/02 AI #18			\$ 450,000		
12/12/2002 AI #33	\$ 500,000		\$ 2,000,000		
1/16/2003 AI #37			\$ 4,200,000		
2/27/2003 AI #18	\$ 750,000				
4/24/2003 AI #5	\$ 500,000				
5/8/2003 AI #10				\$ 500,000	
DW to provide backup		\$ 247,546	\$ (247,546)		
8/7/2003 AI #9	\$ 600,000		\$ 800,000		
10/30/2003 AI #9			\$ 1,000,000		
12/11/2003 AI # 5	\$ 500,000		\$ 1,000,000		
3/25/2004 AI#18	\$ 100,000			\$ 500,000	
4/29/04 AI#12		250,000			
07/08/2004 AI#			\$ 1,300,000		
Approved Construction Contingency	\$ 5,821,502	\$ 1,199,277	\$ 16,637,474	\$ 3,981,094	\$ 2,192,878

MTDB**CONTRACT CHANGE ORDER (CCO)**

Report Date: 06/10/04

Contract No. 426.1

SDSU Tunnel and Underground Station

File: 426

CCO NO. 305
 SUPPLEMENT NO. 0
 REVISION NO. 0
 TO: Clark Construction Group, Inc.

You are hereby directed to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

NOTE: This change order is not effective until approved by The General Manager

Description of work to be done, estimate of quantities, and prices to be paid. Segregate between additional work at contract price, agreed price and force account. Unless otherwise stated, rates for rental of equipment cover only such time as equipment is actually used and no allowance will be made for idle time.
 Change requested by Engineer

Estimate of Extra Work at Force Account

In accordance with Sections 4-1.03D "Extra Work" of the Standard Specifications and as directed by the Engineer, provide labor, material and equipment necessary to procure the equipment required for the installation of the Fire Alarm System for the SDSU tunnel and station as shown on the approved Fire Alarm drawings dated 4/29/04 and transmitted to Clark on May 6, 2004 via WGI transmittal W/C-2485.

Force Account Estimate \$500,000.00

Total Change This Supplement: \$500,000.00 (Increase)

By reason of this order the time of completion will be adjusted as follows: Time adjustment deferred

Submitted by: [Signature] Date 6-10-04
 Resident Engineer Mark Benson

Recommended by: [Signature] Date 6/14/04
 Construction Project Manager Stephen Paré

Recommended by: _____ Date _____
 Construction Engineer William A. Prey

Recommended by: _____ Date _____
 Director of Engineering & Construction Jim D. Linthicum

Approved by: [Signature] Date _____
~~General Manager~~ Paul Jablonski, CEO

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

Accepted, Date _____ Contractor: Clark Construction Group, Inc.

By _____ Title _____

If the contractor does not sign acceptance of this order, his attention is directed to the requirements of the specifications as to proceeding with the ordered work and filling a written protest within the time therein specified.

MTDB**CONTRACT CHANGE ORDER (CCO)**

File: CIP10426.7

Contract No. LRT-426.5

MVE Trackwork & Systems

Report Date: 06/23/04

CCO NO. 101
 SUPPLEMENT NO. 1
 REVISION NO. 0
 TO: Stacy and Witbeck Inc.

You are hereby directed to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

NOTE: This change order is not effective until approved by The General Manager

Description of work to be done, estimate of quantities, and prices to be paid. Segregate between additional work at contract price, agreed price and force account. Unless otherwise stated, rates for rental of equipment cover only such time as equipment is actually used and no allowance will be made for idle time.
 Change requested by Engineer

In accordance with Sections 4-1.03D "Extra Work" of the Standard Specifications, as shown on the attached boring logs; Caltrans Standard Plan Sheets BO-3, B3-1, B3-2; LRT-426.4 drawings SK-250, SK-239A REV, TA-1, TA-2, TA-3; and as directed by the Engineer, the Contractor shall provide the labor, material, equipment, and incidentals necessary to construct the retaining wall R838-RT and fence west of the Keeney Substation at approximate Sta 8+386 to 8+410 adjacent to the eastbound tracks.

The Contractor agrees to an increase of \$40,525 for the construction of the retaining wall, fence, and related facilities included in the attached plans. This sum constitutes full compensation to the Contractor, including all markups for this change.
 Contract time is not affected by this change.

Extra Work at Agreed Price

Agreed Price \$40,525.00

Total Change This Supplement:

\$40,525.00 (Increase)

By reason of this order the time of completion will be adjusted as follows: No Adjustment

Submitted by: _____ Date _____
 Resident Engineer Steven Dill

Recommended by: _____ Date _____
 Construction Project Manager Stephen Pare

Approved by: _____ Date _____
 Construction Engineer William A. Prey

Approved by: _____ Date _____
 Director of Engineering & Construction Jim Linthicum

Approved by: _____ Date _____
 General Manager Paul Jablonski / CEO

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the prices shown above.

Accepted, Date _____ Contractor: Stacy and Witbeck Inc.

By _____ Title _____

If the contractor does not sign acceptance of this order, his attention is directed to the requirements of the specifications as to proceeding with the ordered work and filing a written protest within the time therein specified.

MISSION VALLEY EAST BUDGET TRANSFER HISTORY

Budget Transfers

			30	31	32	33	34	Cumulative Changes	Current Approved Budget	
Board Approval Date> Board Item Number>			12/11/2003 # 5	01/29/2004 #6	06/10/2004 #10	06/24/2004 #15	07/08/2004 #			
WBS	Budget Line Item	@ FFGA								
0100	Admin	14,900,000						-	14,900,000	
0599SDSU	SDSU Utility Betterments							1,500,000	1,500,000	
0610	Design Tunnel	6,800,000				(400,000)		8,400,350	15,200,350	
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	32,900,000	
1010	SDSU Construction*	86,500,000	1,000,000				1,300,000	22,873,875	109,373,875	
1099	SDSU Mitigation	-					(300,000)	13,189,000	13,189,000	
1018	Const. Line Segment	179,400,000						(179,400,000)	-	
109918GR	Const. Grantville		500,000				300,000	72,323,875	72,323,875	
109918LM	Const. La Mesa						(800,000)	63,750,000	63,750,000	
109918TS	Const. Track & Sys.						(500,000)	46,500,000	46,500,000	
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	(1,500,000)	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	Approved Budget
									485,547,760	MTDB Funded Budget
									3,460,102	SDSU & Insurance Claim
3900	Project Reserve	0		(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

Att. E, AI 6, 7/8/04, CIP 426.7



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

Memorandum

DATE: June 2, 2004
 TO: Mr. Leon Williams, Chairman of the Board
 FROM: Mr. Paul Jablonski, CEO
 SUBJECT: Contract LRT-426.1 CCO #305, Procure Equipment for Fire Alarm System

We are seeking approval to authorize proposed Contract Change Order 305 to the Mission Valley East SDSU Tunnel contract LRT-10426.1. If approved, this change order would procure equipment required to install the Fire Alarm System for the SDSU tunnel and station.

After a review of the Fire Alarm System included in the LRT-10426.1 contract for the Mission Valley East project, the State Fire Marshall has determined that additional features are required to complete the system. These additional features include the installation of a voice annunciated warning system and a linear heat detection system for the SDSU tunnel and tunnel station which will be compatible with the Fire Alarm System included in the contract. These features are required in order to gain an occupancy permit for the tunnel and station from the State Fire Marshall. A redesign of the Fire Alarm System to include these features is now complete and has been approved by the Fire Marshall. Construction of the Fire Alarm System can now begin.

The first step to construction will be the procurement of the equipment needed for the Fire Alarm System. Procurement of the equipment is needed immediately since major components of this system have long order and fabrication time requirements. There is a cost savings (currently estimated at approximately \$80,000.00) associated with the immediate procurement of this equipment. This savings is directly associated with construction management and overhead costs tied to a longer contract duration.

Immediate action is required to authorize the MTDB CEO to execute a change order in substantially the same form as the attached Memorandum in order to obtain the estimated cost savings since the savings is based on procurement of the equipment being performed concurrent with other contract work. Materials for this added work need to be ordered by June 4, 2004.

The method of payment for this work shall be extra work at force account as noted on the attached contract change order memorandum and is estimated to total \$500,000.00.

Board Policy 4, Section 4.6, specifies the Executive Committee, or if not practical, the Chairman, is authorized to approve contract change orders exceeding \$100,000.00 when waiting for Board approval would increase the cost of the change order. If this change order cannot be executed by June 4, 2004 the project cost is estimated to increase by \$80,000.00. Therefore, approval is being sought from the Chairman to authorize the CEO to execute this change order on an expedited basis.



I authorize the MTDB CEO to approve LRT-10426.1 Contract Change Order 305 to procure equipment required to install the Fire Alarm System for the SDSU tunnel and station as described above for an amount not to exceed \$500,000.00.

Approved by:


Leon Williams, Chairman of the Board

Date:

6-2-04

**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:

Clark Construction Group, Inc

B. AKA/DBA:

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

5157 COLLEGE AVE

SAN DIEGO CA 92115

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.

3100 BRISTOL STREET Suite 100

COSTA MESA CA 92626

City COSTA MESA County ORANGE State CA Zip 92626

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						10	1	12
Engineers/Architects/Surveyors											
Professionals (N.E.C.)											
Technicians											
Sales											
Administrative Support											
Protective Services											
Services (N.E.C.)											
Craft Workers (Skilled)									2		2
Machine Operators, Assemblers and Inspectors											
Transportation and Material Moving											
Laborers (Unskilled)											
Totals For Each Column			1						12	1	14

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

JAMES M. DAY

NAME OF SIGNEE

PROD. EXEC.

TITLE

4/15/04

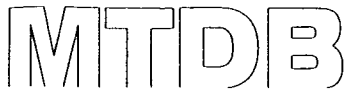
DATE

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

Todd McQuinn, 5157 College Ave S.D. 92115 - 619 - 286-5014

LTorio/WORKFORCE/5-02

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



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:

Stacy and Witbeck, Inc.

B. AKA/DBA:

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

7171 Alvarado Road, Suite 102, La Mesa, CA 91941

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

City _____ County _____ State _____ Zip _____

E. EMPLOYMENT DATA

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

Occupational Category	African American		Hispanic		Asian or Pacific Islander		Native American		Other		Overall Total
	M	F	M	F	M	F	M	F	M	F	
Executive/Managerial									1		1
Engineers/Architects/Surveyors			2						2		4
Professionals (N.E.C.)											
Technicians											
Sales											
Administrative Support										1	1
Protective Services											
Services (N.E.C.)											
Craft Workers (Skilled)	4		21	1					9	1	36
Machine Operators, Assemblers and Inspectors	1		1						8		10
Transportation and Material Moving											
Laborers (Unskilled)											
Totals For Each Column	5	0	24	1	0	0	0	0	20	2	52

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

Kathy Chin

Kathy Chin

Office Manager

2/18/2004

NAME OF SIGNEE

TITLE

DATE

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

Kathy Chin, 7171 Alvarado Road, Suite 102, La Mesa, CA 91941 Phone: 619-644-3500 - Fax: 619-64-3504

LTorio/WORKFORCE/5-02



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.

FIN 305 (PC 30100)

July 8, 2004

Subject:

MTDB: CONTROLLER'S REPORT FOR MARCH 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 March 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 \$7,394,669 during March 2004. The amount of cash on deposit at the end of the month was \$512,672. The balance of the funds has been invested as described in the Detail of Portfolio Balances (Attachment C).

Revenue

A total of \$3,562,781 in revenue was received during March, primarily comprised of Transportation Development Act (TDA) funds.

Expenditures

During March, MTDB had total expenditures of \$20,742,472, which are itemized as follows:

Transit Support Activities	\$967
Short-Range Transportation Planning	14,475
General Administration	754,073
Debt Service	-0-
Transportation Services	8,960,154
Capital Projects	<u>11,012,803</u>
Total	\$20,742,472

Based on nine months of activity, we should be at an expenditure level of approximately 75 percent of the annual budget amount for most General Administration Budget line items. The following is an explanation of items that exceed the budget significantly.

- Audit Services - 85 percent of the budget is expended due to the timing of the additional costs related to the Comprehensive Annual Financial Report (CAFR) preparation.
- Rent - 97 percent of the budget is expended as the FY 04 debt payment for the MTS Tower was made in July 2003.
- Personnel - 80 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 - 83 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 - 94 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 - 128 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.

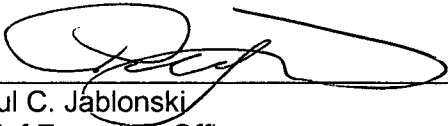
A detail of capital project expenditures is presented as part of the quarterly Capital Projects Status Report.

Investments

MTDB had a total of \$189,192,088 principal amount invested as of March 31, 2004. Of this total, \$26,902,808 is working capital, and \$162,289,280 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 March 31, 2004, and FY 05 Board-approved uses. The estimated uncommitted balance as of March 31, 2004 is approximately \$12.4 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

JGarde
JULY8-04.7.YMOORE
6/15/04

- 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 - MARCH 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	967	47,903	66.5%	15,871	8,226
Regional Transit Marketing	370,000	0	76,094	20.6%	37,538	256,367
TRANSIT SUPPORT SUBTOTAL:	532,000	967	194,533	36.6%	53,409	284,057
SHORT-RANGE TRANS. PLANNING						
Operations Planning	393,000	14,475	150,427	38.3%	5,117	237,456
TRANSP. PLANNING SUBTOTAL:	393,000	14,475	150,427	38.3%	5,117	237,456
GENERAL AND ADMINISTRATIVE						
Personnel	4,513,025	242,774	3,589,851	79.5%	-	923,174
Consultants	125,000	4,957	99,078	79.3%	15,888	10,034
Legal Services	75,000	10,063	22,498	30.0%	160,724	(108,222)
Board of Directors	141,000	4,716	76,023	53.9%	1,698	63,279
Travel/Conferences	28,400	1,098	13,967	49.2%	2,637	11,796
Training	7,000	-	3,018	43.1%	-	3,982
Insurance/Risk Management	848,000	366,759	593,511	70.0%	31,559	222,930
Audit Services	95,000	-	81,000	85.3%	70,037	(56,037)
Land Mgmt./Joint Development	207,000	8,583	23,310	11.3%	137,819	45,871
Bus Shelter Administration	150,000	27,902	105,878	70.6%	39,581	4,541
Bus Bench Administration	60,000	1,184	49,896	83.2%	16,194	(6,090)
OFFICE EXPENSES						
Rent	1,170,000	24,532	1,136,473	97.1%	31,120	2,407
Vehicle Maintenance	5,000	617	4,705	94.1%	-	295
Equipment Rental/Maintenance	22,000	-	13,828	62.9%	280	7,892
Management Information Systems	63,000	4,953	31,586	50.1%	-	31,414
Furniture/Equipment	12,000	-	1,629	13.6%	-	10,371
General Expenses	70,000	1,922	39,566	56.5%	665	29,769
Telecommunications	52,000	3,189	38,716	74.5%	-	13,284
Postage	9,000	-	11,512	127.9%	-	(2,512)
Local Meetings	3,000	737	1,898	63.3%	-	1,102
Dues/Subscriptions	32,000	12,480	33,042	103.3%	-	(1,042)
Public Notices	5,000	20	2,843	56.9%	-	2,157
G&A SUBTOTAL:	7,692,425	716,486	5,973,828	77.7%	508,202	1,210,395
LABOR/OVERHEAD REIMBURSEMENT	(2,350,000)	(162,644)	(2,043,697)	87.0%	-	(306,303)
TOTAL GENERAL FUND:	6,267,425	569,284	4,275,091	68.2%	566,728	1,425,605
INSURANCE RESERVE CONTRIBUTION	1,950,000	162,500	1,462,500	75.0%	-	487,500
CONTINGENCY RESERVE CONTRIBUTION	214,771	17,898	161,078	75.0%	-	53,693
LAND MGMT. RESERVE CONTRIBUTION	238,000	19,833	178,500	75.0%	-	59,500
TOTAL GEN FUND & CTGCY RSV CONTR.	8,670,196	769,515	6,077,170	70.1%	566,728	2,026,298

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
FY 2004 BUDGET SUMMARY
APPROPRIATIONS/EXPENDITURES/ENCUMBRANCES
JULY 1, 2003 - MARCH 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	4,311,352	39,047,759	82.2%	-	8,435,074
San Diego Trolley	18,395,571	1,207,500	14,471,250	78.7%	-	3,924,321
MTS 900 Series	20,572,000	1,605,841	14,500,318	70.5%	-	6,071,682
MTS 800 Series	13,279,380	1,089,250	9,407,420	70.8%	-	3,871,960
Chula Vista Transit	4,305,636	358,803	3,229,227	75.0%	-	1,076,409
National City Transit	1,437,213	119,768	1,077,912	75.0%	-	359,301
Coronado Ferry	127,308	10,609	95,481	75.0%	-	31,827
Administrative Pass-Through	344,180	-	344,180	100.0%	-	-
County Transit System - Rural	1,400,438	95,988	755,186	53.9%	521,831	123,421
OPERATING CONTRACTS SUBTOTAL:	107,344,559	8,799,111	82,928,733	77.3%	521,831	23,893,995
OTHER SERVICES:						
Taxicab Administration	735,536	78,736	457,565	62.2%	12,339	265,632
San Diego and Arizona Eastern (SD&AE)	180,000	82,307	179,010	99.5%	43,698	(42,708)
OTHER SERVICES SUBTOTAL:	915,536	161,043	636,575	69.5%	56,037	222,924
TOTAL TRANSPORTATION SERVICES:	108,260,095	8,960,154	83,565,308	77.2%	577,868	24,116,919
GEN. FUND/DEBT SERVICE/TRANSPORTATION:	129,897,042	9,729,669	96,123,709	74.0%	1,144,596	32,628,737
CAPITAL PROJECTS						
LRT EXTENSIONS	162,025,000	9,822,885	87,743,983	54.2%	22,944,792	51,336,225
MAJOR LRT/BUS						
CAPITAL IMPROVEMENTS	18,338,000	1,189,918	9,740,073	53.1%	1,547,248	7,050,679
TOTAL CAPITAL:	180,363,000	11,012,803	97,484,056	54.0%	24,492,040	58,386,904
GRAND TOTAL:	\$310,260,042	20,742,472	193,607,765	62.4%	25,636,636	91,015,641

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

FUND SOURCES	APPROVED FY 04	BUDGET CATEGORIES			% RECEIVED
		GENERAL FUND	TRANSPORTATION SERVICES	CAPITAL PROJECTS	
		RECEIPTS TO-DATE			
STATE					
STIP	2,171,000	-	-	44,582	2%
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	-	-	3,511,788	37%
FEDERAL					
Transportation Enhancement Activities	402,000	-	-	136,392	34%
FTA 5309 - Planning/Capital	68,936,000	-	-	3,188,773	5%
FTA 5307 - Planning/Capital	314,400	-	19,767	577,435	190%
FTA 5307 - Debt Service	5,362,145	5,364,582	-	-	100%
FTA 5307/5309 - Maintenance/Operations	23,784,262	-	235,998	-	1%
SUBTOTAL:	98,798,807	5,364,582	255,765	3,902,600	10%
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	-	14,348,800	65,314,335	859%
SANDAG - Inland Breeze	823,245	-	690,000	-	84%
City of San Diego	428,918	-	139,000	-	32%
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	15,177,800	65,314,335	723%

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
FY 2004 BUDGET SUMMARY
STATUS OF CASH RECEIPTS
JULY 1, 2003 - MARCH 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	-	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	354,000	-	-	113%
Land Management Rentals	295,000	235,397	-	-	80%
Developer Fees	100,000	-	-	-	0%
Taxicab Administration	692,314	-	901,416	-	130%
Bus Shelter Administration	150,000	-	-	-	0%
Bus Bench Administration	60,000	73,453	-	-	122%
SD&AE Revenue	100,000	-	21,559	-	22%
SUBTOTAL:	1,709,314	662,850	922,975	-	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 12,697,209 83,070,499 74,262,340 79%					

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

FUND SOURCES	APPROVED FY 04	BUDGET CATEGORIES			% RECEIVED
		GENERAL FUND	TRANSPORTATION SERVICES	CAPITAL PROJECTS	
		RECEIPTS TO DATE			
OTHER INCOME					
Insurance Reserve Contribution	\$ 1,950,000	1,462,500	-	-	75%
Land Management Reserve Contribution	238,000	178,500	-	-	75%
Contingency Reserve Contribution	214,771	-	-	-	0%
Private Sector - Billboards	75,000	-	54,217	-	72%
Grade Crossing Maint. - PUC	50,000	-	25,000	-	50%
TOTAL:	<u>\$ 2,527,771</u>	<u>1,641,000</u>	<u>79,217</u>	<u>-</u>	<u>68%</u>
REVENUE SUMMARY					
GENRL FUND/SPECIAL REV.	\$ 21,636,947	12,697,209	-	-	59%
TRANSPORTATION SERVICES	108,216,874	-	83,070,499	-	77%
CAPITAL PROJECTS TOTAL	180,363,000	-	-	74,262,340	41%
CARRYOVER	43,222	-	-	-	0%
SUBTOTAL:	<u>310,260,043</u>	<u>12,697,209</u>	<u>83,070,499</u>	<u>74,262,340</u>	<u>55%</u>
OTHER INCOME	2,527,771	1,641,000	79,217	-	68%
GRAND TOTAL:	<u>\$ 312,787,814</u>	<u>14,338,209</u>	<u>83,149,716</u>	<u>74,262,340</u>	<u>55%</u>

MTDB
DETAIL OF PORTFOLIO BALANCES
As of March 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:							
CIT Group Inc	7/24/2003	7/29/2005	1,300,000	1,300,000	1,305,902	1,300,000	1.55% (1)
American Int'l Group Inc	6/4/2003	5/15/2008	1,313,312	1,312,952	1,295,125	1,300,000	2.88% (1)
Sara Lee Corporation	6/2/2003	6/15/2008	1,295,515	1,295,636	1,285,609	1,300,000	2.75% (1)
Intl Business Machines	8/5/2003	11/1/2006	1,283,815	1,284,321	1,311,765	1,300,000	2.38% (1)
Money Market - Highmark Group	N/A	N/A	195,158		195,158	195,158	0.55% (1)
US Treasury Securities:							
US Treasury Note	5/30/2003	11/15/2006	2,538,187	2,531,607	2,501,256	2,400,000	3.50% (1)
US Government Agency Securities:							
Federal Home Loan Mortgage	6/3/2003	11/15/2004	2,471,558	2,461,336	2,431,512	2,400,000	3.25% (1)
Federal Home Loan Bank TAP Note	5/30/2003	12/15/2004	2,430,563	2,427,167	2,416,512	2,400,000	2.13% (1)
Federal National Mortgage Association Note	5/30/2003	4/15/2006	1,214,766	1,214,150	1,209,000	1,200,000	2.13% (1)
Federal National Mortgage Association Note	6/3/2003	4/15/2006	2,435,344	2,433,871	2,418,000	2,400,000	2.13% (1)
Federal National Mortgage Association Note	6/12/2003	6/16/2006	2,394,912	2,395,100	2,387,256	2,400,000	1.75% (1)
Cash in Bank:							
Bank of America	N/A	N/A	7,394,669		7,394,669	7,394,669	N/A

NOTES:

(1) Investments managed by LM Capital Management Inc.

(2) Maturity dates correspond to lease payment schedules

(3) Represents yield to 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	294,131		294,131	294,131	0.55% (1)
San Diego MTDB 1990 LRV Sale/Leaseback:							
REFCO Zero Coupon Bonds	8/20/1990	(2)	3,680,449	12,265,778	14,911,266	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	24,236,573	39,474,000	11.51%-12.04% (3)
San Diego MTDB 2004 RAN							
FNMA Discount Note	1/9/2004	N/A	8,572,528	8,586,264	8,572,432	8,600,000	N/A (1)
FNMA Discount Note	1/9/2004	N/A	8,665,200	8,676,800	8,665,151	8,700,000	N/A (1)
Cash	N/A	N/A	2,785,924		2,785,924	2,785,924	0.55% (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	3,313,860	3,300,000	2.50% (1)
Cash			12,382		12,382	12,382	0.55% (1)
CTFC San Diego COP 2002 A RTMS Proceeds:							
FHLB Discount Note	1/14/2004	N/A	1,021,860	1,022,765	1,022,005	1,030,000	N/A
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	2,108,531	2,100,000	3.00% (1)
Federal Home Loan Bank	12/16/2002	12/15/2004	2,001,016	2,000,846	2,013,760	2,000,000	2.13% (1)
Federal Home Loan Bank	1/13/2004	4/15/2005	1,004,146	1,003,827	1,004,375	1,000,000	1.63% (1)
Federal Home Loan Mortgage	1/13/2004	8/15/2005	999,102	999,155	1,000,630	1,000,000	1.50% (1)
Cash	N/A	N/A	4,881,192		4,881,192	4,881,192	0.55% (1)
CTFC San Diego COP 02 A Reserve Fund:							
Federal National Mortgage Association	9/3/2003	8/11/2006	1,686,719	1,687,177	1,707,973	1,700,000	2.75% (1)
Cash	N/A	N/A	84,499		84,499	84,499	0.55% (1)

NOTES:

(1) Investments managed by LM Capital Management Inc.

(2) Maturity dates correspond to lease payment schedules

(3) Represents yield to 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	1,707,913	1,707,438	1,700,000	1.88% (1)
US Treasury Note	8/26/2003	7/31/2005	495,977	496,213	501,720	500,000	1.50% (1)
US Treasury Note	9/5/2003	12/31/2004	1,005,039	1,004,479	1,005,000	1,000,000	1.75% (1)
US Treasury Note	9/17/2003	5/31/2005	997,500	997,667	1,000,625	1,000,000	1.25% (1)
Federal Home Loan Bank	8/26/2003	5/14/2004	3,077,700	3,038,850	3,013,125	3,000,000	4.88% (1)
Federal National Mortgage Association Note	8/26/2003	6/15/2004	3,040,920	3,027,280	3,012,188	3,000,000	3.00% (1)
Federal National Mortgage Association Note	8/21/2003	12/15/2004	2,810,281	2,809,253	2,814,000	2,800,000	1.88% (1)
Federal Home Loan Bank	8/21/2003	4/15/2005	498,262	498,386	502,188	500,000	1.63% (1)
Federal Home Loan Mortgage	9/17/2003	1/15/2005	1,509,785	1,508,807	1,507,969	1,500,000	1.88% (1)
Federal Home Loan Bank	9/5/2003	4/15/2005	1,000,234	1,000,217	1,004,375	1,000,000	1.63% (1)
Cash	N/A	N/A	2,485,542		2,485,542	2,485,542	0.55% (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 to market

MTDB

INVESTMENT TRANSACTION DETAIL

Month of **MARCH 2004**

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

**ESTIMATED BALANCE OF CONTINGENCY RESERVE
MARCH 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 3/31/04)	855,000
Estimated balance at March 31, 2004	<u>\$12,387,483</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.



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

Agenda

Item No. 8

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

OPS 920.5 (PC 30124)

July 8, 2004

Subject:

MTDB: AMENDMENT – INLAND BREEZE MOU AND FUND TRANSFER
AGREEMENT

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute the first amendment to the Memorandum of Understanding (MOU) and Fund Transfer Agreement between MTDB and the San Diego Association of Governments (SANDAG) for the Inland Breeze (Routes 980/990) Interstate 15 (I-15) FasTrak Value Pricing Project, for the period of July 1, 2004, through June 30, 2007, in substantially the same form as attached (Attachment A).

Budget Impact

Subsidy to offset all expenses associated with the service in the amount of \$2,960,000 will be paid by SANDAG.

DISCUSSION:

On January 24, 1997, the SANDAG Board of Directors adopted the transit service plan that calls for implementation of Inland Breeze I-15 Express service. SANDAG administers the I-15 FasTrak Value Pricing Project in which single-occupant vehicles pay a fee to use the high-occupancy vehicle (HOV) lanes. A portion of the fees collected is allocated for public transit services in the corridor including the Inland Breeze.



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.

MTDB awarded a contract to ATC/VANCOM through a competitive bid process to provide Inland Breeze bus service through June 30, 2007. The company has been providing the successful service using MTDB-owned vehicles.

On December 14, 2001, the SANDAG Board of Directors authorized the execution of a revised MOU and Fund Transfer Agreement with MTDB to continue Inland Breeze service through June 30, 2004, with the option to extend the funding period for three additional years through June 30, 2007. The attached amendment to the MOU and Fund Transfer Agreement extends the term for funding the Inland Breeze for the additional three years.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Roy Meenes, 619.595.3088, roy.meenes@sdmts.com

JGarde
JULY8-04.8.RMEENE
6/24/04

Attachment: A. Memorandum of Understanding and Fund Transfer Agreement (**Board Only**)

THE FIRST AMENDMENT TO THE
MEMORANDUM OF UNDERSTANDING
AND
FUND TRANSFER AGREEMENT
BETWEEN
THE SAN DIEGO ASSOCIATION OF GOVERNMENTS
AND THE METROPOLITAN TRANSIT DEVELOPMENT BOARD
FOR OPERATION OF TRANSIT SERVICES IN THE I-15 CORRIDOR
FUNDED BY THE I-15 FASTRAK VALUE PRICING PROJECT
2002-2007

WHEREAS, the San Diego Association of Governments (SANDAG) administers the Interstate 15 (I-15) FasTrak Value Pricing Project (Project) in which single-occupant vehicles are able to access the I-15 high occupancy vehicle (HOV) lanes for a fee; and

WHEREAS, a portion of the fee revenues generated by the Project can be allocated for the provision of public transit services in the I-15 corridor, and has been used to fund the operation of Routes 980/990 "Inland Breeze" express bus service since 1997; and

WHEREAS, the Inland Breeze service plan was approved by the Metropolitan Transit Development Board (MTDB) Board of Directors on November 18, 1999, to be funded by the Project at the request of SANDAG; and

WHEREAS, the SANDAG Board of Directors adopted the Inland Breeze service plan on December 17, 1999, that called for implementation of Routes 980/990 I-15 reverse-commute express bus service in the I-15 corridor and authorized the SANDAG Executive Director to negotiate a fund transfer agreement with MTDB for transfer of I-15 fee revenues to fund the Inland Breeze transit service plan; and

WHEREAS, on December 14, 2001, the SANDAG Board of Directors authorized the Executive Director to enter into a Memorandum of Understanding (MOU) and Fund Transfer Agreement from January 1, 2002, to June 30, 2004, with the option to extend the funding period for three additional years ending June 30, 2007; and

WHEREAS, MTDB has awarded a contract to ATC/VANCOM (Service Provider) through a competitive bid process to provide Inland Breeze service between January 1, 2002, and June 30, 2002, and a second contract for a five-year period from July 1, 2002, through June 30, 2007; and

WHEREAS, by way of this first amendment, SANDAG and MTDB wish to exercise the option to extend this MOU and Fund Transfer Agreement through June 30, 2007; and

WHEREAS, an amendment of the existing MOU and Fund Transfer Agreement is needed for SANDAG to continue to fund the Inland Breeze service;

NOW, THEREFORE BE IT RESOLVED that MTDB and SANDAG agree as follows:

1. An Inland Breeze budget totaling \$5,170,000 has been developed by MTDB for the five years and six months of the contract (see Attachment A).

2. SANDAG will pay MTDB an amount not to exceed \$955,000 for the period beginning July 1, 2004, through June 30, 2005, and \$985,000 for the period of July 1, 2005, through June 30, 2006, and \$1,020,000 for the period of July 1, 2006 through June 30, 2007, for a total amount not to exceed \$2,960,000, without the prior written authorization of SANDAG.

3. SANDAG and MTDB agree that MTDB will operate the Inland Breeze service (see Attachment B) provided all associated costs are fully reimbursed from the Project and farebox revenues. These costs shall include, but not be limited to, direct contractor costs, MTDB contract administration and monitoring, ongoing marketing and timetable production, and bus stop sign installation that is exclusive to bus routes 980/990. No existing Transportation Development Act (TDA) funding will be used to fund the Inland Breeze service, unless this agreement is otherwise modified.

4. SANDAG will make quarterly payments to MTDB for use on expenditures outlined in Attachment A and according to the schedule of payments below.

\$238,750	July 1, 2004
\$238,750	October 1, 2004
\$238,750	January 1, 2005
\$238,750	April 1, 2005
\$246,250	July 1, 2005
\$246,250	October 1, 2005
\$246,250	January 1, 2006
\$246,250	April 1, 2006
\$255,000	July 1, 2006
\$255,000	October 1, 2006
\$255,000	January 1, 2007
\$255,000	April 1, 2007

5. MTDB will be responsible for the day-to-day operation of the Inland Breeze service, including the authority to operate additional peak-period vehicles (as outlined in the service contract) to handle passenger demand and to make minor schedule adjustments as needed. Any major routing or service frequency changes to Inland Breeze service will require SANDAG approval.

6. Based upon the current MTDB fare structure, fares on the Inland Breeze will be set at \$2.50 one-way and \$64.00 for the monthly pass rate. For senior citizens and persons with disabilities, cash fares will be \$1.00 one-way and \$14.50 for monthly passes; youth monthly passes will be set at \$29.00. Day Tripper passes will also be honored on the Inland Breeze. The Inland Breeze will be fully integrated into the Metropolitan Transit System, but shall be branded uniquely to identify the service as the Inland Breeze, and the service is subject to the terms of the regional Uniform Fare Structure Agreement. However, all fares will be subject to the ongoing fare analysis and may be proposed for change in order to be consistent with other regional fares as determined by SANDAG. SANDAG, or its designated representatives, must adopt any changes to the fares for the Inland Breeze.

7. MTDB will provide SANDAG with a report on the ridership of the Inland Breeze at the end of each fiscal year. The report will analyze the ridership trends over time and compare the ridership to other peak-period express bus services in the I-15 corridor.

8. This agreement is subject to termination upon a minimum of a 90-day written notice by SANDAG and automatically upon termination of legislative or administrative authorization of the program by any government agency. SANDAG shall reimburse MTDB for all reasonable settlement costs with the Service Provider.

9. All other provisions of the MOU not amended herein shall remain in full force and effect.

SAN DIEGO METROPOLITAN TRANSIT
DEVELOPMENT BOARD

SAN DIEGO ASSOCIATION OF
GOVERNMENTS

Paul C. Jablonski
Chief Executive Officer

Gary L. Gallegos
Executive Director

Date: _____

Date: _____

Approved as to form:

Approved as to form:

Office of General Counsel

Office of General Counsel

JGarde
CL-BO153.4-97.MEENES
6/24/04

Attachments: A. Inland Breeze Budget
B. Inland Breeze Route Map

ROUTE 980/990 PROJECTIONS

PERIOD	OPERATING COSTS	FARE REVENUES	NET OPERATING SUBSIDY	CAPITAL CONTRIBUTION	TOTAL FASTRACK REVENUES
January 1, 2002-June 30,2002	\$460,000	\$60,000	\$400,000	\$0	\$400,000
July 1, 2002-June 30,2003	\$965,000	\$125,000	\$840,000	\$50,000	\$890,000
July 1, 2003-June 30,2004	\$1,000,000	\$130,000	\$870,000	\$50,000	\$920,000
OPTION PERIODS					
July 1, 2004-June 30,2005	\$1,037,000	\$132,000	\$905,000	\$50,000	\$955,000
July 1, 2005-June 30,2006	\$1,068,000	\$133,000	\$935,000	\$50,000	\$985,000
July 1, 2006-June 30,2007	\$1,104,000	\$134,000	\$970,000	\$50,000	\$1,020,000

Notes: Through June 30, 2002, capital is included in operating costs. After July 1, 2002 capital is not included in operating costs.

SANDAGMOU980-990CALCS.12.5.01

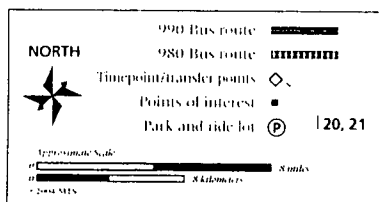
12/5/2001

Servicio al cliente
 • Route 980/990 customer service only. **(619) 427-6438**
 Únicamente para la Ruta 980/990 **(619) 427-6438**
 or **1 (800) 409-3310**

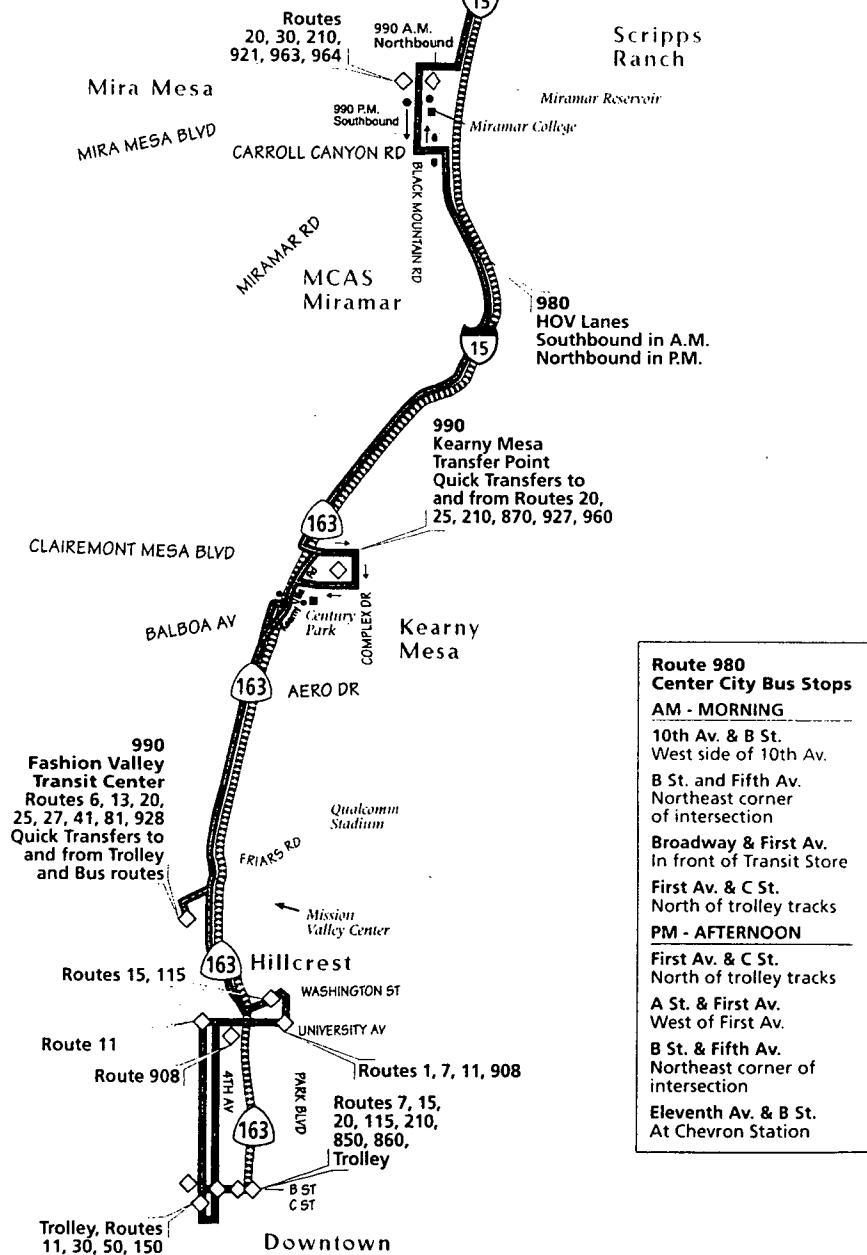
Information

- Regional Transit Information: **1(800) COMMUTE**
Otros medios de transporte: **1(800) COMMUTE**
- TTY/TDD: **(619) 234-5005**
Teletipo para sordos: **(619) 234-5005**
- InfoExpress (24 hour info via touch-tone phone):
información las 24 horas vía teléfono de teclado:
(619) 685-4900
- On-line trip planning: **www.sdcommute.com**

Estando a bordo, recuerde:



Boarding at Express Stops Only



AM - MORNING

10th Av. & B St.
West side of 10th Av.

B St. and Fifth Av.

Northeast corner

of intersection

Broadway & First Av.

In front of Transit Store

First Av. & C St.

North of trolley tracks

PM - AFTERNOON

First Av. & C St

North of trolley tracks

A St. & First Av.

West of First Av

P.O. Box 9, Fifth Ave.

B St. & Fifth Av.
Northeast corner of

Northeast corner of intersection

Flowerth Ave. 2 B 54

Eleventh Av. & B St.
At Chevron Station

At Chevron station



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

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.

ADM 122.2 (PC 30100)

July 8, 2004

Subject:

MTDB: LEGISLATIVE UPDATE

RECOMMENDATION:

That the Board of Directors receive this report for information.

Budget Impact

None.

DISCUSSION:

This report includes:

- the status of the multiyear federal transportation program known as the Transportation Equity Act for the 21st Century (TEA-21) and an update on federal bills relating to public transportation security;
- updates on state legislation for issues such as the Metropolitan Transit Development Board's (MTDB's) name change, value pricing, fiscal reform, and other legislative changes; and
- a summary of the most recent activities related to the state budget.

Summaries of bills pending that relate to transportation are included as Attachment A.



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.

FEDERAL UPDATE

Transportation Reauthorization

The House and Senate passed different versions of the six-year highway and transit bills earlier this year (as summarized below). These two bills must be reconciled in Conference Committee before enactment. Conference Committee members from the House and the Senate include (from California) Senator Boxer and Congress members Filner, Miller (Gary), Thomas, Miller (George), Waxman, Pombo, and Dreier.

A recap of the three versions of the bill is as follows:

VERSION	TITLE	AMOUNT	RETURN TO THE STATES	SCOPE OF RETURN
Senate	SAFETEA	\$318 million	95%	Does not include high-priority projects
House	TEA-LU	\$275 million	95% by 2009 (reopener to provide sufficient revenues to allow for equity return)	Includes high-priority projects
Administration	SAFETEA	\$256 million	90.5%	Does not include high-priority projects
<i>SAFETEA: Safe, Accountable, Flexible, Efficiency Transportation Equity Act of 2004 (S. 1072)</i> <i>TEA-LU: Transportation Equity Act: A Legacy for Users (H.R. 3550)</i>				

Staff received word on June 21, 2004, that Congress will look to pass a fourth extension of the current law to cover transit agencies until a new bill is passed. It is anticipated that this will be a 30-day extension of TEA-21, which would expire on July 30, 2004.

RAIL AND PUBLIC TRANSPORTATION SECURITY LEGISLATION

There are various federal bills related to rail and public transportation security that have been introduced recently. Senate Bill (SB) 2273 (introduced on April 1, 2004, by Senator McCain) would provide increased rail transportation security and authorize appropriations for:

- a rail security assessment;
- a pilot program for random security screening of passengers and baggage;
- various tunnels in New York, Baltimore, and the Potomac;
- systemwide Amtrak security upgrades;
- freight and passenger rail upgrades; and
- rail security research and development.

SB 2453 (introduced by Senator Shelby on May 20, 2004) would award grants to public transportation agencies to improve security. The bill includes authorization to appropriate for a capital security program, operational security assistance program, and research and development. House of Representatives (HR) Bill 4476 (introduced by Congressman Lynch on June 1, 2004) would provide for the security and safety of rail and rail transit transportation systems.

STATE UPDATES

MTDB to MTS

SB 1233 is a committee bill that makes technical and nonsubstantive changes to various transportation laws. Under SB 1233, Public Utilities Code Section 120050 will be amended to allow MTDB to also be known as the San Diego Metropolitan Transit System (MTS). The Senate passed the bill on May 10, 2004, by a vote of 36-0. The bill was then sent to the Assembly where it was read and re-referred to the Committee on Transportation on June 7, 2004. The Assembly set a hearing for June 14, 2004, but the author canceled the hearing. Staff anticipates the passage of SB 1233 later this year, with enactment on January 1, 2005.

Value Pricing

This San Diego Association of Governments (SANDAG)-sponsored bill, Assembly Bill (AB) 2032, passed the Assembly Floor on May 24, 2004, with a vote of 75-2. AB 2032 would provide state authority to implement value pricing on Interstate 805 (I-805) between State Route (SR) 905 and I-5; SR 52, east of I-15 to SR 125 in Santee; and I-5 from I-805 to Vandergrift Boulevard, consistent with MOBILITY 2030. The Sunol Smart Carpool Lane Joint Powers Authority, consisting of the Alameda County Congestion Management Agency, Alameda County Transportation Improvement Authority, and the Santa Clara Valley Transportation Authority, also sponsored the bill. The bill currently resides in the Senate Rules Committee pending assignment.

Fiscal Reform

SB 1212 (Ducheny) on fiscal reform repeals three subventions to cities and counties: (1) vehicle license fee (VLF) "backfill;" (2) replacement for the homeowners' property tax exemption; and (3) gas tax revenue. The bill transfers an equivalent amount from a percentage of the state's share of sales tax and the schools' share of property tax to cities and counties. This bill has passed the Senate Floor and is "held at desk" in the Assembly. ("Held at desk" means the bill is held at the clerk's desk pending an action, such as author's amendments; typically the next step is for the bill to go to Rules for assignment.)

Other fiscal reform bills include Senate Constitutional Amendment (SCA) 22 and its companion bill SB 1774, which were introduced by Senators Johnson and Torlakson. The California Constitution requires that certain revenues derived under the VLF law be allocated to cities and counties. SCA 22 would repeal this constitutional allocation requirement on July 1, 2005. SB 1774, which is an urgency measure, would implement the constitutional measure exchanging \$7 billion in local sales tax and VLF revenues for an equivalent amount of schools' share of the property tax. The measure would also give local governments that have planned new retail developments an additional share of schools' property tax and phase out "excess" property tax revenues to basic aid school districts. SB 1774 has passed the Senate Floor and is "held at desk" in the Assembly. SCA 22 has passed the Senate Local Government Committee and is set for hearing with the Senate Constitutional Amendment Committee on June 28.

OTHER LEGISLATIVE CHANGES BEING PURSUED

Design Build

SB 1793 (McPherson) authorizes four transportation authorities to use a design-build process for bidding on one highway construction project that has a total cost of not less than \$50 million within the jurisdiction of the applicable transportation authority SANDAG is one of the four transportation authorities. SB 1793 has passed the Senate Floor and is currently "held at desk" in the Assembly.

Queue Jumping

SANDAG is continuing to pursue legislation to allow for priority signalization for buses, known as queue jumping. Queue jumping includes a bypass lane and special bus-only traffic signal phase. The bus benefits from this priority by not having to stop at the back of the vehicle queue in the regular traffic lane when the traffic light is red. Instead, the bus bypasses the queue and moves to the front of the line by using a bus-only lane, or a right turn-only lane that exempts buses from turning. Because of the bypass, the bus has "jumped" the traffic queue and is the first vehicle in line at the limit line.

Budget

The revision to the state budget (known as the "May Revise") was announced on April 21. Conference Committee members from the Assembly and the Senate were selected and began meeting on June 2. Senator Alpert is the San Diego representative on the committee. Attachment B provides a brief summary of the current state budget status. In addition, MTDB was recently notified that it will receive \$10,000,000 in state TCRP funding for the purchase of new buses. Staff anticipates receiving an additional 6 million of funding in late July.

Highlights of the May Revise and corresponding first day's actions by the committee are as follows:

- The Administration's May Revise proposal, which included \$383 million for the Traffic Congestion Relief Program (\$163 million), the State Highway Account (\$184 million), and the Public Transportation Account (\$36 million), has been approved by both Houses and is not subject to the Conference Committee.
- The Administration's May Revise eliminated the \$800 million cap on Grant Anticipation Revenue Vehicles (GARVEE) bond expenditures that had been proposed in January. The Assembly adopted the Administration's position to delete the cap. However, the Senate supported the \$800 million cap and added a 60-day advance notification for any proposed allocation in excess of the \$800 million. This issue is not resolved.
- The January proposal to repeal the Traffic Congestion Relief Program and suspend the \$189 million from this program appropriated in the 2003-2004 Budget was withdrawn in the May Revise. This does not appear to be subject to conference.

SIGNIFICANT STATE SCHEDULE REMAINING

June 15	Budget must be passed
June 25	Last day for a legislative measure to qualify for the general election
July 2	Summer Recess begins at the end of this day's session <i>if</i> the budget bill has been enacted

SIGNIFICANT FEDERAL SCHEDULE REMAINING

June 28 - July 5	Senate not in session
July 6	Senate reconvenes
July 26 - September 6	Senate not in session
September 7	Senate reconvenes
October 1	Target adjournment



Paul C. Jablonski
Chief Executive Officer

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

JGarde
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6/22/04

Attachments:	A. Summary of Legislative Bills Pending	} Board Only
	B. Summary of First Day Actions in 2004	
	Budget Conference Committee	

METROPOLITAN TRANSIT DEVELOPMENT BOARD

SUMMARY OF LEGISLATIVE BILLS PENDING

Transportation Reauthorization

SAFETEA
S. 1072
H.R. 3550

Reauthorizes a transportation bill to include increased levels of funding for highway and transit programs, railroad and highway safety, goods, movement, and other programs. The Administration's Bill, SAFETEA, proposes \$256 million, the Senate bill (S. 1072) proposes \$318 million; the House bill (H.R. 3550) proposes \$275 million and includes a reopener to increase the guaranteed rate of funding returned to the states. The most current extension expires on June 30, 2004. The House and the Senate versions will be reconciled in the conference committee. Conferees for the Senate have been selected and Senator Boxer has been named as one of the conferees. The House conferees have also been named and Congressman Bob Filner was included on the list.

Appropriation Requests

H.R. 2673

FY 2004 Transportation Appropriations Bill rolled into an Omnibus Bill (H.R. 2673) and was signed into law (108-199) on January 23, 2004. The FY 2005 Appropriations process began in February. The House and Senate Appropriations Committees plan to mark up as many of the 13 individual appropriations bills as possible during the summer months.

Transit Village Plan

AB 1320

Transit Village Plan, relates to the Transit Village Development Planning Act and states that the plan must show 13 public benefits: traffic relief, infill and resource preservations, air quality, improvements, pedestrian safety, increased transit revenues, nearby retail, more affordable housing, job opportunities, neighborhood redevelopment, cost effective infrastructure, live-work options, increased local tax, and reduced energy consumption; the bill also defines transit to include rail stations, light rail stations, ferry terminals, a bus hub or a bus transfer station. The Governor approved the bill on 5/19/04.

Fiscal Reform

SB 1774
SCA 22

SB 1774 is the companion bill to SCA 22. The California Constitution requires that certain revenues derived under the Vehicle License Fee (VLF) law be allocated to cities and counties. SCA 22 would repeal this constitutional allocation requirement on

July 1, 2005. SB 1774, an urgency measure, implements a constitutional measure to exchange \$7 billion in local sales tax and VLF revenues for an equivalent amount of schools' share of the property tax. It also gives local governments that have planned new retail developments an additional share of schools' property tax and phases out "excess property tax revenues to basic aid school districts. This bill passed the Senate Floor on 5/25/04 and is currently being "held at desk" in the Assembly.

May Budget
Revise

The Governor's May Budget Revise is much more positive for transportation than the January proposal. Highlights: 1) the GARVEE cap of \$800 million has been eliminated 2) \$383 million is proposed to fund transportation programs in 2004-2005 (TCRP \$163 million, PTA \$36 million, SHA \$184 million) 3) the January proposal to repeal the TCRP program and suspend the \$189 million appropriated in the 2003-2004 Budget is withdrawn.

Efforts To Reduce Transportation Funding

S. 1637

S. 1637 is a current effort to eliminate a financing tool that transit agencies have used since 1990, known as Cross Border Leasing. The region has realized over \$20 million from this mechanism. This bill is part of a larger bill to amend the IRS Code of 1986 to simplify the international taxation rules. The bill passed the Senate on 5/11/04

ACA 21 and
SCA 21

These bills would provide a constitutional amendment that would change the vote requirement to 2/3 of membership of each house of the Legislature in order to enact a statute suspending in whole or in part the transfer of motor vehicle fuel sales tax revenue from the General Fund to the Transportation Investment Fund. The author of ACA 21 canceled the hearing. SCA 21 passed the Senate Local Government on 5/12/04 and there is a Senate Constitutional Amendment hearing on 6/9/04.

ACA 24

This measure would delete the provision authorizing the Governor and the Legislature to suspend the transfer of revenues from the General Fund to the Transportation Investment Fund for a fiscal year during a fiscal emergency. This measure passed Assembly Election, Redistricting, and Constitutional Amendment on 5/4/04 and is now in Assembly Appropriations.

Mobility 2030

AB 2032

The High-Occupancy-Vehicle (HOV) lane concept was introduced last year. AB 2032 would authorize single users to use HOV lanes for a fee. The bill passed the Assembly Floor on 5/24/04 and is now in Senate Rules for assignment.

Penalty increase

AB 2085 This bill was sponsored by the Southern California Regional Rail Authority's Metrolink Commuter Rail and increases the penalty for approaching or attempting to traverse a railroad grade crossing in an unsafe manner. The bill passed the Assembly Floor on 4/22/04 and is now set for a Senate Transportation hearing on 6/15/04

Transportation Security

S. 2216 In FY 2004, the COASTER commuter rail received \$800,000 for security improvements on the railroad. Federal Bill S. 2216 would create authorization for funding railroad security programs. This bill was referred to the Committee on Commerce, Science, and Transportation.

S. 2273 This federal bill provides increased rail transportation security and authorizes appropriations for the following: a rail security assessment, a pilot program for random security screening of passengers and baggage, tunnels in New York Baltimore and the Potomac, system-wide Amtrak security upgrades, freight and passenger rail upgrades, and rail security research and development.

S. 2453 This bill awards grants to public transportation agencies to improve security and includes authorization to appropriate for a capital security program, operational security assistance program, and research.

H.R. 4476 This bill would provide for the security and safety of rail and rail transit transportation systems.

Sources Of New Revenue

H.R. 3611 Metropolitan Congestion Relief Act to be funded at \$2 billion annually each year for six fiscal years.

SB 1614 Imposes a ten-cent fee on each gallon of gas - nine cents of the revenues are to be used to finance maintenance, operation, and construction of the state highway and local streets and road system while the remaining one cent is to be used for environmental programs to mitigate motor vehicles' impact on air. The author canceled the second hearing on this bill.

Cost Efficiency And Savings

AB 2737 Public Agency Tort Reform: This bill provides that a public entity or a public employee is not liable for an injury caused by the location or condition of public property not owned or controlled by that public entity. Neither are public entities or public employees liable for injuries that occur on a street, highway, road, sidewalk, or other access adjacent to, nor leading to or from public property not owned or controlled by that public entity. The measure is intended to overturn the recent decision in Bonanno v. Central Contra Costa Transit Authority in which the California Supreme Court held, based on well-established case law, that public entities may be subject to liability when their facilities are located in places that unnecessarily increase the danger to those who, exercising due care themselves, use the facilities in a reasonably foreseeable manner. This bill failed passage in the Assembly Judiciary on May 4, 2004.

Smith, Watts & Company

Consulting and Governmental Relations

MEMORANDUM

TO: Paul Jablonski, MTDB
Tiffany Lorenzen, MTDB
Caroline Reis, NCTD

FROM: Mark Watts and DJ Smith

DATE: June 17, 2004

SUBJECT: Governor's Office Briefing on Indian Gaming Revenues for Transportation

Yesterday we attended a briefing organized by the Governor's staff. The session was presided over by the Governor's Legal Counsel, Peter Siggins, the chief negotiator involved in the renegotiation of the Indian Gaming Compacts. Summarized below are some of the key points that were made.

Midway in the presentation, the Governor joined the session and declared his strong support to ensure that the revenues he has proposed be generated from the renegotiated compacts be dedicated to fund transportation programs. This is consistent with his proposal contained in the May Revision to the proposed 2004-05 budget. He estimated that \$1 billion would be allocated in 2004-05 for these purposes.

Recap of the May Revise Proposal

The May Revise proposes to provide \$383 million from General Fund resources to the TCRP, State Highway Account and PTA in the budget year, as a partial payment toward the amount the General Fund owes transportation programs in 2005-06. After making this repayment, the General Fund obligation under statute to transportation programs would still amount to \$1 billion in 2005-06.

To address this remaining obligation, the Governor proposed in the May Revision to dedicate the proceeds from the renegotiation of Indian gaming compacts to fund transportation programs. This is accomplished through a budget control section in which he proposed that any potential one-time revenue from the renegotiation of tribal gaming compacts be allocated to repay this loan by funding transportation programs in 2004-05. In the event that the tribal gaming funds do not materialize, existing law would require repayment of this amount from the General Fund by the end of 2005-06.

Both houses adopted both the General Fund appropriation and Budget Control Section 16.00. The budget conference committee has also taken this action, and for now, the funds are dedicated to transportation purposes.

Indian Gaming Revenues

There has been a spate of press articles discussing the Indian gaming compacts, some of which have confused the amounts that will be divided between the General Fund and transportation programs.

The proposed state budget assumes \$500 million in ongoing General Fund revenues from new compacts with tribes that had not previously entered into Indian gaming revenue sharing agreements. These funds are not part of the funds that will be provided to transportation programs.

However, as was explained to us, the negotiations with tribes that had pre-existing compacts will be the source of the new transportation funding. This one-time source of funding will be achieved by the securitization of a portion of an ongoing series of annual payments to be made by tribes under the revised gaming compacts. As of yesterday, tentative agreement on revised compacts had been reached with five tribes, with the potential that others could seek renegotiation on their compacts. The Governor indicated that the current agreements would provide sufficient revenue to provide \$1 billion for transportation programs; if others agreements are reached, this amount could increase.

In addition to the financial commitment related to the modest expansion of the number of slot machines under the compacts, other issues of interest to the state are also addressed in the revised agreements, including provisions related to labor relations, mitigation of casino impacts on local governments, consumer redress for casino patrons, etc.

The Governor and Peter Siggins further explained that there remain two hurdles to achieving this new one-time infusion of funds. First, the compacts must be approved by the Legislature. To this end, the Governor met with legislative leadership this week and encouraged them to take steps to approve the revised compacts.

The other issue is related to the competing initiatives scheduled on the November ballot. One is sponsored by a major tribal government and the other by card clubs organized from throughout the state. The Governor has decided to strongly oppose both of these measures on the ballot. However, the issue for transportation agencies is that the underwriters for the securitization of the tribal payments will not provide the necessary funding if these measures are successfully approved by the voters. This means that the new funds will not be immediately available, but will come on-line at the earliest later in 2004.



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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.

OPS 970.2 (PC 30102)

July 8, 2004

Subject:

SDTI: 2004 SUZUKI ROCK 'N' ROLL MARATHON SUMMARY REVIEW

RECOMMENDATION:

That the Board of Directors receive this report for information and reaffirm its position with respect to the 2005 Suzuki Rock 'N' Roll Marathon course as follows:

1. For the safety of its patrons and those participating in the Rock 'N' Roll Marathon, the crossing at Friars Road/Napa Street cannot be closed to LRT through movement for any duration of time for the 2005 Rock 'N' Roll Marathon;
2. Declare that MTDB has the exclusive jurisdiction under Public Utilities Code section 120105(e) to determine the rules and regulations for the use and operation of its property and facilities, including its transit systems and related transportation facilities, and to determine whether a race course may be established over its property and facilities; and
3. Direct staff to transmit this formal position to Elite Racing.

Budget Impact

None.

Executive Committee Recommendation

At its meeting on July 1, 2004, the Executive Committee recommended the Board reaffirm its position with respect to the 2005 Suzuki Rock 'N' Roll Marathon course.



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 April 15, 2004, the Board of Directors received a report outlining the impact on trolley operations created by the upcoming Suzuki Rock 'N' Roll Marathon scheduled for June 6, 2004. The course routing requires track closures on C Street between Tenth and Eleventh Avenues and at the Napa Street/Friars Road grade crossing. On the same date, the San Diego Padres were scheduled to play at PETCO Park, placing an additional commitment on trolley operations. The Padres confirmed that the game time would be moved back one hour to 2:05 p.m. to accommodate the marathon. Staff originally requested direction to notify Elite Racing, the event promoter, that through-trolley service at the Napa Street/Friars Road crossing would need to resume four hours before the game (at 10:00 a.m.) to facilitate game ridership. On May 13, 2004, the Board of Directors received a follow-up report regarding the marathon.

Staff provided a tentative plan that would allow the crossing to remain closed until 11:00 a.m. To facilitate this, staff received direction to:

1. provide supplemental direct bus service from Qualcomm Stadium to PETCO Park to accommodate the earliest baseball game passengers until light rail transit (LRT) through service could be reestablished at the Napa Street/Friars Road crossing at 11:00 a.m.;
2. notify Elite Racing that it would be financially responsible for all extraordinary operating expenses incurred by San Diego Trolley, Inc. (SDTI) on behalf of the marathon as a condition of maintaining the track closure at Napa Street/Friars Road until 11:00 a.m.; and
3. require Elite Racing to comply with Policy No. 52 regarding right of entry permit applications as a part of the operating arrangement.

In response to this direction and in anticipation of the early arrival of PETCO Park fans and employees, eight San Diego Transit Corporation (SDTC) buses were staged at Qualcomm Stadium as part of the contingency plan. To further increase throughput capacity, single-car shuttles operating between Friars Road and the Mission San Diego Station maintained a modified ten-minute headway increasing capacity by 50 percent. This increased headway and the reopening of the grade crossing at 11:00 a.m. rendered the buses unnecessary, and they were released once the tracks reopened.

An invoice has been provided to Elite Racing for all incremental costs incurred by SDTI as a result of the impact to operations. This includes personnel hours as well as the contingency bus service. Additionally, Elite Racing did sign a right of entry permit that included an indemnity provision.


Highlights of the 2004 Suzuki Rock 'N' Roll Marathon include:

- The event began with 17,420 runners, and 99 percent (17,217) completed the race. This is an increase over the 16,978 who finished the 2003 race.
- Track closures on C Street between Tenth and Eleventh Avenues were in effect from 6:35 a.m. until 8:20 a.m., as scheduled.

- Connecting trolley shuttle service was provided on each side of the downtown blockage. Blue Line trains were routed via the Convention Center to continue their trips.
- The track closure at the Napa Street/Friars Road crossing was in effect from 7:00 a.m. until 11:00 a.m., as scheduled.
- Three trains were dispatched to the stadium pocket tracks before the track closure in preparation for pregame service to PETCO Park.
- Eight buses were queued at Qualcomm Stadium from 9:30 a. m. until 11:00 a.m., but were not used.
- As in recent years, only single-car consists could be used east of the Napa Street/Friars Road crossing due to boarding restrictions as a result of limited space.
- A modified ten-minute headway was operated through Mission Valley to mitigate the throughput limitations of the single-car trains.

OVERALL SUMMARY

The design of the downtown area allows for adequate alternative service to be offered. The track arrangement permits rail service to be altered in such a way that passengers can be ferried around the blockage using shuttle trains and alternate routing capabilities. Additionally, the downtown segment is able to return to normal operations in a relatively short amount of time. Still, confused and irritated passengers are not uncommon despite extensive efforts to publicize the event and its effect on traffic. Based on observations, staff believes the conditions at the Napa Street/ Friars Road crossing, as previously presented, are becoming untenable. The conflict between transferring passengers and thousands of runners creates a potentially hazardous situation. Many passengers are carrying bicycles or strollers. There are also parents with young children, senior citizens, and mobility-impaired passengers having to maneuver through the racecourse and travel more than 500 feet between connecting service trains. Additional concerns exist even after through LRT service has been reestablished. Although a wall of security officers and Marines were used to hold runners each time a train passed through, staff observed one runner duck around the officers and run directly into the path of an approaching train.




Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Peter D. Tereschuck, 619.595.4902, peter.tereschuck@sdmts.com

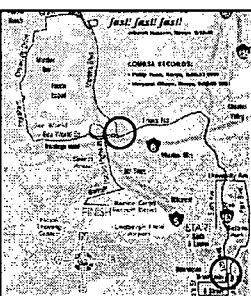
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2004 Suzuki Rock 'N' Roll Marathon Summary Review



July 8, 2004
San Diego Trolley, Inc.
 An Operator in the Metropolitan Transit System

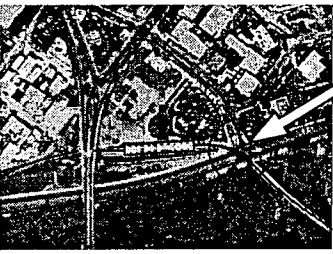
Current route crosses SDTI tracks four times



Two passes at
 Napa/Friars Rd.
 Track closure effective
 7:00 – 11:00am

C St. between
 10th & 11th Avenues
 Track closure effective
 6:35 – 8:20am

At Napa/Friars Rd., course crosses at Mile 12
 and again at Mile 22 after circling Mission Bay
 Passengers must walk over 500' to connecting train



Napa/Friars Rd.
 Grade Crossing



Security and Marines escort
passengers across course



Security and Marines escort
passengers across course



Passengers with mobility limitations
are among those affected most

METROPOLITAN TRANSIT SYSTEM BOARD
ROLL CALL

MEETING OF (DATE): July 8, 04

CALL TO ORDER (TIME): _____

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

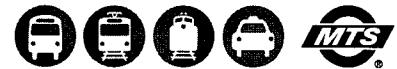
ADJOURN: _____

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
✓ ATKINS	<input type="checkbox"/> (Vacant) <input type="checkbox"/>	NO	
CLABBY	<input type="checkbox"/> (Jones) <input type="checkbox"/>	yes	
EMERY	<input type="checkbox"/> (Cafagna) <input type="checkbox"/>	yes	
INZUNZA	<input type="checkbox"/> (Ungab) <input type="checkbox"/>	yes	
✓ KALTENBORN	<input type="checkbox"/> (N/A) <input type="checkbox"/>	NO	
✓ LEWIS, Charles	<input type="checkbox"/> (Vacant) <input type="checkbox"/>	yes	
✓ LEWIS, Mark	<input type="checkbox"/> (Santos) <input type="checkbox"/>	yes	
✓ MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	NO	
MATHIS	<input type="checkbox"/> (N/A) <input type="checkbox"/>	yes	
MONROE	<input type="checkbox"/> (Tierney) <input type="checkbox"/>	yes	
RINDONE	<input type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>	yes	
ROSE	<input type="checkbox"/> (Janney) <input type="checkbox"/>	yes	
RYAN	<input type="checkbox"/> (Dale) <input type="checkbox"/>		
STERLING	<input type="checkbox"/> (Ewin) <input type="checkbox"/>	yes	
WILLIAMS	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		
ZUCCHET	<input type="checkbox"/> (Vacant) <input type="checkbox"/>	yes	

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD _____

CONFIRMED BY _____

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



Memorandum

DATE: July 1, 2004

ADM 122.2 (PC 30100)

TO: Board of Directors

FROM: Office of the General Counsel

SUBJECT: ISSUANCE OF TRANSIT PASSES TO BOARD MEMBERS

Under the California Government Code, elected officials cannot receive a gift of more than \$10 per month (Section 83117.5), or \$250 within a calendar year from any single source (Section 89503 (a)). However, gifts of travel can be an exception to the rule if certain criteria are met; mainly, that payments for travel be reasonably related to a legislative or governmental purpose or that the payments be made by a government agency (89506 (a)(2)). These exceptions mostly refer to business-related travel, such as speaking or fundraising, not to transit passes issued by a transit board.

Under California Constitution, Article XII, Section 7, "... a transportation company may not grant free passes or discounts to anyone holding an office in the state; and the acceptance of a pass or discount by a public officer ... shall work a forfeiture of that office." This section was adopted to prevent railroad companies from issuing free train tickets to legislators in return for a favorable vote (Op. No. 83-309¹). Thus, the question to answer when giving board members of transit agencies free transit passes is not whether such passes are gifts, but whether giving the passes creates a potential for corruptive influence by issuing the pass on the express or implied condition that the elected official returns the favor (Op. No. 01-802).

The Attorney General has stated there is no potential for corruptive influence when a transit agency gives its board members free bus passes, provided that the bus pass is given to better enable the board members to monitor the agency's transportation services (Op. No. 01-802). When a board member of a transit agency receives a free transit pass, the pass is not given to obtain political favor; rather, the pass is given to enable the board member to better monitor transportation facilities. Thus, the type of conduct the legislature intended to avoid by Section 7 does not exist in this case. Where the purpose of preventing corruptive influence is not served, the constitutional prohibition on transportation companies giving free passes to elected officials does not apply (Op. No. 01-802).

Additionally, a free transit pass to elected officials may also be permissible if it can be considered a condition of employment. In response to the question of whether a legislator and a retired employee of the Southern Pacific Railroad could accept a free rail pass from the railroad as a condition of his retirement, the Fair Political Practices Commission (FPPC) stated there was no conflict of interest. The FPPC found that the transportation pass was part of his deferred salary paid to him and a benefit of his

¹ All opinions are California Attorney General opinions unless otherwise stated.

retirement and, as such, could not be considered a gift (FPPC File No. A-92-047). MTDB also gives free transit passes to its retired Board members in consideration of their years of service to the Board. Those passes are not a gift subject to the FPPC's gift limitations for elected officials.

CONCLUSION

According to California Attorney General Op. No. 01-802, it is permissible for MTDB to give its Board members (including those who are elected officials) free transit passes to enable them to perform their duties of monitoring the agency's transportation services. Additionally, according to FPPC File No. A-92-047, free passes given to retired board members are considered benefits of retirement and not gifts subject to FPPC limitations. Thus, it is permissible for MTDB to issue free transit passes to both its active and retired Board members.

JGarde
M-BDPASSES.CSMITH
7/7/04