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Agenda

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

October 28, 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 - October 7, 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. Closed Session Items

Possible Action

- a. MTDB: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Subdivision (a) of Section 54956.9; Bishop v. MTDB et al. San Diego Superior Court Case No. GIC817636

Oral Report of Final Actions Taken in Closed Session

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

- | | | |
|-------|---|---------|
| * 6. | <u>MTS: Adoption of 2005 MTS Executive Committee and Board of Directors Meeting Schedule</u>
Action would approve the 2005 MTS Executive Committee and Board of Directors Meeting Schedule. | Approve |
| * 7. | <u>MTDB: Mission Valley East Light Rail Transit Project: Line Segment Design Budget Transfer and Contract Amendment</u>
Action would authorize the Chief Executive Officer to transfer funds between project line items and execute a contract amendment with Mission Valley Designers for the continuation of construction-phase services. | Approve |
| * 8. | <u>MTDB: Finalized Audit Report on Multimodal Operations Contract</u>
Action would receive this report for information. | Receive |
| * 9. | <u>MTDB: Helix Water District Request for Easements</u>
Action would authorize the Chief Executive Officer to execute easements to Helix Water District to install water facilities and allow access to water facilities onto MTDB-owned property on Baltimore Drive in La Mesa. | Approve |
| * 10. | <u>MTDB: Finalized Audit Report on San Diego Trolley, Inc., Warranty Management</u>
Action would receive this report for information. | Receive |
| * 11. | <u>MTDB: An Ordinance Amending Ordinance No. 5 Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II; and an Ordinance Amending Ordinance No. 13, an Ordinance to Repeal and Adopt Document No. 164, Codified Rules and Regulations, as Ordinance No. 13</u>
Action would read the title of Ordinance No. 5, "An Ordinance Relating to Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II" and read the title of Ordinance No. 13, "An Ordinance to Repeal and Adopt Document No. 164, Codified Rules and Regulations, as Ordinance No. 13," waive further readings of the ordinances, introduce the ordinances for further consideration at the next Board meeting, and direct publication of ordinance summaries. | Approve |

NOTICED PUBLIC HEARINGS

25. None.

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

DISCUSSION ITEMS

- | | | |
|-----|---|-----------------|
| 30. | <u>MTS: Consultant Selection for the Comprehensive Operational Analysis</u>
Action would authorize the Chief Executive Officer to enter into negotiations with Transportation Management and Design, Inc., to conduct a Comprehensive Operational Analysis of MTS services. | Approve |
| 31. | <u>MTDB: FY 03 Financial Audit Report</u>
Action would: (1) receive the Comprehensive Annual Financial Report (CAFR) for the fiscal year (FY) ended June 30, 2003, and (2) approve the transfer of \$162,822 from the Contingency Reserve to balance the FY 03 budget. | Approve |
| 32. | <u>MTS: Operators Budget Status Report for FY 04</u>
Action would receive this report for information. | Receive |
| 33. | <u>MTS: Operators Budget Status Report for July 2004</u>
Action would receive this report for information. | Receive |
| 34. | <u>MTDB: Capital Improvement Program Budget Adjustment</u>
Action would approve forwarding a recommendation to the San Diego Association of Governments' Transportation Committee to approve the reprogramming of existing Federal Transit Administration grants to apply them toward indicated priority projects. | Approve |
| 35. | <u>MTS: Operations Status Reports for August 2004</u>
Action would receive this report for information. | Receive |
| 36. | <u>MTDB: Planning Department Reorganization Status Update</u>
Action would receive this report for information. | Receive |
| 37. | <u>MTDB: San Ysidro Intermodal Transportation Center Project: Construction Status Update and Construction Contingency Increase</u>
Action would authorize the Chief Executive Officer to increase the Construction Contingency for the San Ysidro Intermodal Transportation Center Construction Project. | Approve |
| 38. | <u>MTS: Liability Claims Analysis</u>
Action would receive this report for information. | Receive |
| 44. | <u>Chairman's Report</u> | Possible Action |

45. Chief Executive Officer's Report

Information

46. Board Member Communications

47. Additional Public Comments Not on the Agenda

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

50. Next Meeting Date: November 18, 2004

60. Adjournment

JGarde/AGENDAS EC 10-21-04 BD 10-28-04
10/22/2004

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 10/28/04

CALL TO ORDER (TIME): 9:05 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:31 a.m.

RECONVENE: 9:53 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 11:37 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
CLABBY	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>	9:10 a.m. after approval of minutes	
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
LEWIS, Mark	<input checked="" type="checkbox"/> (Santos) <input type="checkbox"/>		10:48 a.m. after approval of AI 34
MAIENSCHIEIN	<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"/>		
MORRISON	<input checked="" type="checkbox"/> (Ungab) <input type="checkbox"/>	10:44 a.m. during discussion of AI 34	
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:20 a.m. after approval of minutes	
ROSE	<input type="checkbox"/> (Janney) <input checked="" type="checkbox"/>		
RYAN	<input checked="" type="checkbox"/> (Dale) <input type="checkbox"/>	10:11 a.m. during discussion of AI 30	
STERLING	<input checked="" type="checkbox"/> (Ewin) <input type="checkbox"/>		
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
ZUCCHET	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		10:25 a.m. after approval of AI 31

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

D. J. J. J. J.

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

October 7, 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 9:12 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Clabby moved to approve the minutes of the September 23, 2004, Board of Directors meeting. Mr. Emery seconded the motion and the vote was 8 to 0 in favor.

3. Public Comment

There were no Public Comments.

4. Presentation of Employee Awards

Steve St. Pierre, Manager of Compensation and Benefits, presented the following awards to San Diego Transit Corporation (SDTC) employees who have a combined service of 275 years: 20 years of service: Linda Proctor (Operator). 25 years of service: Myers Lesane (Operator), Myles Mitchell (Mechanic), and Craig Tinson (Field Supervisor). 30 years of service: Catarino Silva (Operator), Hassan Ahamed (Storeroom Supervisor), Joe O'Sullivan (Operator), and John Reed (Operator). 35 years of service: Chuck Buehler (Operator).

5. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:24 a.m. for SDTI Conference with Legal Counsel – Anticipated Litigation Initiation of Litigation Pursuant to Subdivision (c) Section 54956.9: One Potential Case.

The Board reconvened to Open Session at 9:33 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTDB General Counsel, reported that the Board received a report and gave direction to staff.

CONSENT ITEMS

6. MTDB: March 2004 and June 2004 Quarterly Investment Reports
(FIN 310, PC 30100)

That the Board of Directors receive the quarterly investment reports for information.

7. MTDB: Transportation Development Act Claim Amendment (FIN 340.3, PC 30100)

That the MTD Board of Directors adopt Resolution No. 04-12 (Attachment A of the agenda item), amending FY 2003 Transportation Development Act Article 4.0, Claim No. 253, for the City of El Cajon.

8. MTDB: Receive SD&IV, PSRMA, and CZRY Quarterly Reports, and Ratify Actions Taken by the SD&AE Railway Company Board of Directors (SDAE 710, PC 40099)

That the Board of Directors (1) receive the San Diego & Imperial Valley (SD&IV) Railroad, Pacific Southwest Railway Museum Association (PSRMA), and Carrizo Gorge Railway (CZRY) Quarterly Reports; and (2) ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on July 27, 2004.

9. MTDB: Transportation Development Act/State Transit Assistance Claims
(FIN 340.2, PC 20201)

That the Board of Directors adopt Resolution Nos. 04-7, 04-8, 04-9, and 04-10 (Attachments A through D of the agenda item) approving Fiscal Year 05 Transportation Development Act and State Transit Assistance claims.

10. MTDB: Increased Authorization for Legal Services (LEG 491, PC 30100))

That the Board of Directors authorize the Chief Executive Officer (CEO) to enter into contract amendment with Robert Heft of the law firm Daley & Heft, LLP (MTDB Doc. No. G0726.5-02, Attachment A of the agenda item), and Richard Castillo of the law firm Morris, Polich & Purdy, LLP (MTDB Doc. No. G0838.5-03, Attachment B of the agenda item) for general liability services, in substantially the same form as attached, and ratify prior amendments entered into under the CEO's and/or previous General Manager's authority(ies).

11. SDTI: Parts Procurement for Accident Damage Repair on Light Rail Vehicles
(OPS 970.6, PC 30102)

That the MTD Board of Directors authorize the President-General Manager to issue Work Order No. 04-03 (Attachment A of the agenda item), under Contract No. C.O.007.0-04, to Siemens Transportation Systems, Inc. for a cost not to exceed \$64,442.80, including freight and sales tax, for parts necessary to repair light rail vehicle Nos. 1010, 1026, and 1040.

12. MTDB/SDTC: State of California Treasurer's Office Local Agency Investment Fund
(FIN 360, PC 30100)

That the Board of Directors adopt Resolution Nos. 04-13 and 04-14 (Attachments A and B of the agenda item) approving the authorization of MTDB and San Diego Transit Corporation Finance staff to make deposits or withdrawals from the Local Agency Investment Fund.

Motion on Recommended Consent Items

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

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. SDTI: 2004 Street Scene Summary Report (OPS 970.2, PC 30102)

Mr. Tereshuck, SDTI President-General Manager, advised the Board that San Diego Trolley, Inc. (SDTI) has interacted with the Street Scene event for 20 years, but there were significant challenges this year because of the change in the location. Mr. Tom Doogan, SDTI Event Coordinator, provided the Board with a post-event summary, which included information about the service that was provided, a summary of the ticket sales, attendance and ridership statistics, and follow-up actions that will be taken. Mr. Doogan reported that difficulties were encountered on Saturday night when Street Scene participants starting tearing down and climbing over fencing erected to control the flow of people across the trolley tracks. He stated that mounted police had to be called in to restore order. He also reported that staff members who were providing services ancillary to the event were abused by the crowds, and there were several reports of vandalism on the trains. Mr. Doogan then provided the Board with details of the revenue received by SDTI as well as SDTI's incremental operating costs. He added that SDTI will aggressively support efforts to change the venue or secure assurances of substantial improvements in the venue access as it relates to the 12th Avenue corridor. He also advised the Board that a representative of the San Diego Police Department has assured him that they will not approve future venues for this event without approval by the MTD Board.

In response to a question from Mr. Ryan, Mr. Doogan stated that the number of people needed to ensure effective crowd control at next year's event will depend on where the event is held and how the event is set up. He added that the event promoter needs to provide actual police coverage as the contracted security they had on-site was not equipped to handle the situation that developed. Mr. Monroe complimented trolley operators who were attentive to safety issues during this event. In response to a question from Mr. Monroe about sweeper trains, Mr. Doogan stated that SDTI provides these operators with advance notice, and they are able to adjust their schedules accordingly. He stated that the impact of special events on these operators is minimal

and only occurs five to six days per year. In response to a question from Mr. Mathis, Mr. Doogan stated that the city will be encouraging the promoter to move the event to a new venue for 2005. Mr. Tereschuck stated that the city has already contacting the promoter to discuss the possibility of staging this event at Qualcomm Stadium in future years. Mr. Williams stated that these types of issues should be discussed as part of a permit process. Mr. Monroe suggested that staff give its presentation to the San Diego city council. Mr. Zucchet stated that there are many people now aware that the venue for this event must be changed, and the police and SDTI have formed a partnership that will help this event in the future. Mr. Roberts suggested that some version of the presentation be given to the SANDAG Transportation Committee, and that special events need to be closely overseen and directed in positive directions. He suggested that Mr. Monroe take these comments back to SANDAG. Mr. Clabby observed that the most substantial part of SDTI's cost related to providing security and stated that the promoter should bear the expense for these services. Mr. Tereschuck stated that he agreed that the promoter should be required to cover the expense of sworn officers placed at critical locations. Mr. Jablonski stated that employees who worked during this event worked under very stressful conditions, and some fairly serious things happened to some of these employees.

Action Taken

Mr. Monroe moved to receive this report for information. Mr. Emery seconded the motion and the vote was 12 to 0 in favor.

31. MTS: Operations Status Reports (OPS 920.1, 960.5, 970.5/PC 30103, 30101, 30102)

Claire Spielberg, Chief Operating Officer – Bus, reviewed the SDTC portion of this report. She reviewed performance of the system with regard to schedule adherence, customer service, safety, ridership, and miles between road calls. In response to a question from Ms. Kaltenborn, Ms. Spielberg stated that SDTC is in the process of looking into why Routes 23 and 29, routes that serve downtown, are showing declining ridership and will present that information in the next report. She added that the Comprehensive Operations Analysis (COA) will also be investigating these types of issues.

Mr. Roberts asked questions regarding the impact to passengers when a bus experiences a mechanical failure while in service. He was concerned that failures that require the use of a replacement bus are happening at a rate of about 60 buses per month. Ms. Spielberg stated that one of the factors that contributes to the rate of mechanical failure is the age of the bus and the number of miles each bus is driven every day. She stated that buses typically operate 15 hours each day and, given that level of use, it is not unusual for mechanical defects to occur. Mr. Roberts suggested that a more aggressive policy on bus replacements may be needed. In response to a suggestion by Mr. Roberts, Ms. Spielberg stated that staff is in the process of analyzing mileage and age factors of SDTC's fleet with Mr. Monroe's assistance. Mr. Monroe stated that Ms. Spielberg has demonstrated wonderful leadership in this area. He provided the Board with information on activities that are currently underway at SDTC to improve maintenance of its fleet. He stated that the work currently underway will result in customized inspection procedures by bus type, bus age, etc. Mr. Rindone suggested

that staff also analyze the impact of mechanical failures on customers – length of service delay, what can be done to mitigate delays, etc. Ms. Spielberg stated that the next operations status report to the Board will address these issues.

Mr. Wayne Terry, SDTI Vice President of Operations, reviewed performance of the trolley system in terms of ridership, special-event service, safety, lift service, and maintenance of trolley cars and waysides. He reported that the “buffing” process that is being used to refurbish the exterior paint on the trolley cars (52 SD-100 cars) should be completed by the end of the year.

Ms. Susan Hafner, Director of Multimodal, reviewed performance of Contract Services in terms of ridership, on-time performance, miles between mechanical failures, safety, customer service/complaints, and completed trips.

Action Taken

Mr. Emery moved to receive the July 2004 operations status reports for San Diego Transit Corporation (Attachment A of the agenda item), San Diego Trolley, Inc. (Attachment B of the agenda item), and Metropolitan Transit System Contract Services (Attachment C of the agenda item). Mr. Rindone seconded the motion and the vote was 13 to 0 in favor.

32. SDTI: Semiannual MTS Security Report (January through June 2004)
(OPS 970.11, PC 30102)

Mr. Bill Burke, SDTI Director of Transit Security, provided the Board with details regarding security events and activities from January to June 2004. He provided the Board with details regarding the recent multiagency emergency preparedness drill and showed a film clip of this event. He stated that the Federal Transit Administration was very complimentary of this exercise. He added that the media was invited to participate, which gave them an appreciation of emergency services. He reviewed details of inspection efforts at the Civic Center Station and 5th Avenue Station and reviewed activities of the Special Enforcement Unit. He also reviewed Transportation Security Administration directives and how they impact SDTI and the system. He stated that extra security is added during heightened alerts. He also reviewed statistics for passenger inspections and explained to the Board the factors used to rank stations in terms of need for closed-circuit television (CCTV) surveillance equipment.

Mr. Monroe stated that subway patrons in New York during the terrorist attack on the World Trade Center all exited the subway safely, and the success of this effort was attributed by authorities to real-life drills. Mr. Rindone stated that MTS is not getting the message out to trolley patrons about the safety of parking their cars at trolley stations given the fact that only about one car per month is being stolen from trolley parking lots. He also suggested that trolley inspectors begin more intensive checking of the dates on trolley tickets. Mr. Burke stated that he will report back on Mr. Rindone’s suggestion about checking dates more closely. Mr. Rindone requested that this information be included in the next security report. Mr. Zucchet expressed his thanks for security efforts being made in the C Street corridor. Mr. Williams made a comment regarding

reporters who make negative editorial comments during their newscasts. He suggested that MTS start emphasizing the safety of the system in order to defeat these negative comments. Ms. Sterling stated that La Mesa would be willing to share the cost for the installation of CCTV at the trolley stations in their community. She also stated that the windows in many trolley cars are exceedingly dirty and make a bad impression.

Action Taken

Mr. Monroe moved to receive this report for information. Mr. Lewis seconded the motion and the vote was 12 to 0 in favor.

33. MTDB: Mission Valley East Light Rail Transit Project Interim Community Outreach and Marketing Plan (CIP 10426.13)

Mr. Gonzalo Lopez, Director of Marketing & Community Relations, advised the Board that the marketing plan presented in this agenda item is designed to make the community aware of the opening of MVE and place the opening in the best possible marketing position. Ms. Judy Leitner, SANDAG Business Development Manager, reviewed elements of the plan as outlined in the agenda item. She reviewed the tentative timetable and the elements of the proposed plan. She reviewed the plan objectives, identified key markets, and discussed community outreach, public information, and media outreach.

Mr. Clive Richard, who signed a Speaker Slip to make public comment on this agenda item, declined to speak.

Mr. Jablonski advised the Board that this is a preliminary partial plan to present information on marketing activities that are scheduled to occur this fall. He added that the entire plan is almost complete and should be presented within the next month or two. He added that the \$400,000 budget for marketing is part of the budget for the entire project. Mr. Emery stated that the safety education portion of the plan is important.

Action Taken

Mr. Monroe moved to approve the Interim Community Outreach and Marketing Plan for Mission Valley East start-up communications and marketing activities. Mr. Emery seconded the motion and the vote was 11 to 0 in favor.

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

There were no comments from the Chairman.

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

There were no comments from the Chief Executive Officer.

46. Board Member Communications

The Alliance: Mr. Monroe advised Board members that he, Ms. Atkins, and staff members attended The Alliance's October 3 event at the Town & Country Resort and Convention Center. He explained the nature of the event and thanked staff members

who attended for their time. He added that MTDB's speakers did a great job. Mr. Jablonski thanked the Board for its support in this matter.

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, October 7, 2004, at 9:00 a.m. in the same location.

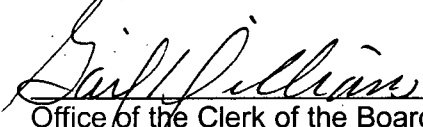
60. Adjournment

Chairman Williams adjourned the meeting at 11:06 a.m.



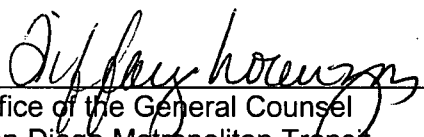
Chairman
San Diego Metropolitan Transit
Development Board

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

Attachments: A. Roll Call Sheet

[gail.williams/minutes](#)

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 10/07/04

CALL TO ORDER (TIME): 9:12 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:24 a.m.

RECONVENE: 9:33 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 11:06 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:20 a.m. during employee awards	
CLABBY	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
LEWIS, Mark	<input checked="" type="checkbox"/> (Santos) <input type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		11:05 a.m. just prior to adjournment
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>	9:19 a.m. during employee awards	
MORRISON	<input type="checkbox"/> (Ungab) <input type="checkbox"/>		<input checked="" type="checkbox"/>
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>	9:15 a.m. during employee awards	
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		10:45 a.m. during AI 32
ROSE	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>	10:03 a.m. during AI 31	
RYAN	<input checked="" type="checkbox"/> (Dale) <input type="checkbox"/>	9:19 a.m. during employee awards	
STERLING	<input checked="" type="checkbox"/> (Ewin) <input type="checkbox"/>		
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
ZUCCHET	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		10:50 a.m. after vote on AI 32

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

D. J. [Signature]

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****

@ 8:58

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 10/28/04Name (PLEASE PRINT) THERESA EDUROSAddress 4719 BAILY PLSAN DIEGO CA 92105Telephone (619) 263-3487Organization Represented (if any) /Subject of your remarks: BUS SHELTERSAgenda Item Number on which you request to speak PUBLIC COMMENT

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.****

APT COMPLEX

- BUS STATION ^{Hwy 5} & FAIRMONT

- COPY TO TONI

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****

@ 9:00

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 10-28-2004Name (PLEASE PRINT) DON STILLWELLAddress 6308 RANCHO MESA RD #173SAN DIEGO, CA 92108Telephone (619) 282-7760Organization Represented (if any) NONE

Subject of your remarks: BAD TIMING FOR CONNECTIONS BETWEEN TROLLEY AND BUS AT MISSION SAN DIEGO TROLLEY STOP

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

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

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

3

ORDER REQUEST RECEIVED

3

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

@ 9:00

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 Chuck Lungehausen

Name (PLEASE PRINT) _____

Address _____

Telephone _____

Organization Represented (if any) _____

Subject of your remarks: _____

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

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

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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

2.

Now a little extra, yesterday was down here inspecting the new low floor Trolley car with fellow Transit Access Advisory Committee member Sharlene Ornelas and SANDAG staff Loise Torio and Pete DaBlain. More members planned to be here but as you know the weather made things difficult. What a beautiful design and very functional, but still see a possible conflict between persons like myself in a mobility vehicle and able bodied sitting in the three position flip down seats. Three lean seats at the wheelchair locations would be less inviting, people would more than likely use them as a last resort rather than a first choice.

After seeing the outside of the car in comparison with older Trolley cars would not change the paint but use those allocated funds to paint existing trolleys that need a new paint job. Any Orange peel problems on the new design should still be corrected by Seimens. Know the board is going to do what it wants, but thought I would give you my opinion.

Thank you for listening and the opportunity to speak.



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

Agenda

Item No. 6

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

ADM 110.1
(PC 30100)

October 28, 2004

Subject:

MTS, SDTI, AND SDTC: ADOPTION OF 2005 EXECUTIVE COMMITTEE AND
BOARD OF DIRECTORS MEETING SCHEDULE

RECOMMENDATION:

That the Board of Directors adopt the 2005 Executive Committee and Board of Directors Meeting Schedule (Attachment A).

Budget Impact

None.

DISCUSSION:

The MTD Board of Directors annually adopts its meeting schedule for the next year. Beginning January 2, 2005, we will legally become the Metropolitan Transit System (MTS). Attached is the proposed 2005 Executive Committee and Board of Directors meeting schedule for MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC). Because we will continue to function as three separate legal entities, the meetings will be joint MTS, SDTI, and SDTC meetings. The Executive Committee meetings are generally scheduled for the first and third Thursdays of the month at 9:00 a.m. Board of Directors meetings are generally scheduled for the second and fourth Thursdays of the month at 9:00 a.m.



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.

For 2005, one meeting is recommended for the months of July and August in anticipation of summer vacations and avoidance of conflicts with city councils' legislative recesses. One meeting is also recommended for each of the months of November and December to avoid conflicts with the Thanksgiving and Christmas holidays.

The American Public Transportation Association (APTA) Annual Meeting is scheduled for the week of September 25, which presents no conflict with meetings for the month of September.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Gail Williams, 619.557.4515, gail.williams@sdmts.com

GWilliams/OCT28-04.6.GWILLI
10/5/04

Attachment: A. 2005 MTS Executive Committee and Board of Directors Meeting Schedule **(Board Only)**

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

**2005 JOINT BOARD OF DIRECTORS AND
 EXECUTIVE COMMITTEE MEETING SCHEDULE
 FOR MTS, SDTI, AND SDTC
 JAMES R. MILLS BUILDING, BOARD MEETING ROOM, 10TH FLOOR
 1255 IMPERIAL AVENUE, SAN DIEGO**

**Executive Committee
Thursday, 9:00 a.m.**

January 6
 20

February 3
 17

March 3
 17

April 7
 21

May 5
 19

June 2
 16

July 7

August 4

September 1
 15

October 6
 20

November 3

December 1

8 a.m. Finance Workshop

8 a.m. Finance Workshop

8 a.m. Finance Workshop

**Budget Workshop, Sat.
 (Refreshments at 8:30 a.m./Meeting at 9:00 a.m.)**

**Board Meeting
Thursday, 9:00 a.m.**

January 13
 27

February 10
 24

March 10
 24

April 14
 28

May 7

May 12
 26

June 9
 23

July 14

August 11

September 8
 22

October 13
 27




November 10

December 8

Member Agencies:

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

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

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

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

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

Agenda

Item No. 7

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

CIP 10426.9

October 28, 2004

Subject:

**MTDB: MISSION VALLEY EAST LIGHT RAIL TRANSIT PROJECT: LINE SEGMENT
DESIGN BUDGET TRANSFER AND CONTRACT AMENDMENT**

RECOMMENDATION:

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

1. transfer \$200,000 from the Mission Valley East (MVE) Light Rail Transit (LRT) Project Contingency line item (WBS #10426-3800) to the MVE LRT Project Line Segment Design line item (WBS #10426-0618), as shown in Attachment A; and
2. execute Contract Amendment No. 23 (MTDB Doc. No. L6229.23-99) with Mission Valley Designers (MVD), in substantially the same form as shown in Attachment B, in an amount not to exceed \$200,000, for the continuation of construction-phase services.

Budget Impact

Transferring \$200,000 from the MVE LRT Project Contingency line item (WBS #10426-3800) would leave a balance of \$610,650. The \$200,000 for the contract amendment would come from the MVE LRT Project Line Segment Design line item (WBS #10426-0618), leaving a balance of \$0.



DISCUSSION:

MVD, a joint venture of Parsons Brinckerhoff Quade & Douglas, Inc., and Parsons Transportation Group, Inc., is the designer for the Grantville, La Mesa, and Trackwork/Systems contracts. On June 24, 2004, the MTD Board approved a contract amendment to MVD that included continued construction-phase support services for the three-month period between August 2004 and October 2004. If no action is taken, MVD's contract will expire on October 31, 2004.

At this time we recommend extending MVD's contract through February 28, 2005, at an assumed expenditure rate of \$50,000 per month (an addition of \$200,000). The Track and Systems contract is scheduled to complete testing activities in late February 2005. The Grantville and La Mesa contractors still have not concluded their work. As long as we have contractors working, and while we are preparing for the start of operation, there will continue to be a need for construction support services, including review of submittals, preparation of responses to requests for information, assistance in resolving design and construction issues, and design of any requested project enhancements.

As construction activities wrap up, we have been successful in reducing MVD's monthly expenditure rate from more than \$200,000 down to \$70,000. We anticipate being able to handle the remaining construction support items within a budget of \$50,000 per month, and our hope would be to complete any remaining design activities by the end of February 2005. However, if design tasks beyond routine construction support arise, or tasks arise which cannot be completed by the end of February, an additional amendment may be required.

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



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Jim Hecht, 619.699.1935, jhe@sandag.org

LTorio
7-04OCT28.JHECHT
10/11/04

Attachments:	A. Budget Change Summary	}	Board Only
	B. Contract Amendment No. 23		
	C. Contract Amendment History		
	D. Workforce Reports		

**Mission Valley East LRT Project
Budget Change Summary
October 28, 2004**

WBS	Line Item	Current	Revised	Change
10426-3800	Project Contingency	\$810,650	\$610,650	(\$200,000)
10426-0618	Line Segment Design	\$27,450,000	\$27,650,000	\$200,000
	Unchanged Items	\$462,847,202	\$462,847,202	\$0
	Total Project Budget	\$491,107,852	\$491,107,852	\$0



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
(619) 231-1466 • FAX (619) 234-3407
October 28, 2004

DRAFT

MTDB Doc. No. L6229.23-99
CIP 10426.9

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

Dear Mr. Sergeant:

**Subject: AMENDMENT NO. 23 TO THE MISSION VALLEY EAST LIGHT RAIL TRANSIT PROJECT
GRANTVILLE AND LA MESA LINE SEGMENTS FINAL DESIGN CONTRACT**

This letter will serve as Amendment No. 23 to our original agreement (MTDB Doc. No. L6229.0-99) for final design of the Grantville and La Mesa Line Segments of the Mission Valley East (MVE) Light Rail Transit (LRT) Project for the continuation of construction phase services.

SCOPE OF WORK

Continue to provide construction support on an as-needed basis, including review of submittals, preparation of responses to requests for information, assistance in resolving design and construction issues, and other design tasks as requested by MTDB.

SCHEDULE

This amendment continues construction phase services from November 1, 2004, to February 28, 2005, at an assumed expenditure rate of \$50,000 per month.

PAYMENT

Payment shall be in an amount not to exceed \$200,000 without prior written approval of MTDB. This amendment brings the total contract to a not-to-exceed cost of \$27,393,493. All other conditions of MTDB Doc. No. L6229.0-99 shall remain unchanged.

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

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Bob Sergeant
Mission Valley Designers

LTorio/CL-MVDL6229-23.JHECHT

Date: _____



B-1

**MISSION VALLEY DESIGNERS
CONTRACT AMENDMENT HISTORY**

Att. C, AI 7, 10/28/04,
CIP 10426.9

Amendment Number	Purpose	Amendment Amount	Contract Total	Approval Date
Original Contract	Final design services for the Mission Valley East LRT Project, Grantville and La Mesa Line Segments.		\$9,700,000	11/19/98
1	Incorporate public art into the station designs.	\$100,000	\$9,800,000	12/10/98
2	Investigate the feasibility of adding a wye track and storage track at the Orange Line Junction.	\$50,000	\$9,850,000	2/25/99
3	Evaluate Value Engineering proposals.	\$25,000	\$9,875,000	7/30/99*
4	Reestablish Final LRT alignment.	\$114,000	\$9,989,000	9/23/99
5	Utility potholing.	\$119,200	\$10,108,200	10/7/99
6	Incorporate changes to the project since the beginning of final design.	\$2,946,300	\$13,054,500	11/18/99
7	Additional utility potholing and relocation design.	\$280,500	\$13,335,000	3/23/00
8	Added geotechnical, hydraulic, utility, retaining wall, traffic, and traction power design.	\$1,229,300	\$14,564,300	5/11/00
9	Additional 70th Street bridge design and redesign of drainage culvert to avoid Alvarado Hospital impacts.	\$186,468	\$14,750,768	7/13/00
10	Begin investigation of existing retaining wall footings and production of Structure Foundation Reports for non-standard structures.	\$25,000	\$14,775,768	11/15/00*
11	Outside agency requirements, internally generated design changes, and recently discovered design issues.	\$546,000	\$15,321,768	12/14/00
12	Minor extra design services, as authorized by Extra Design Work Orders.	\$90,000	\$15,411,768	3/19/01*
13	Added utility, drainage, station, structural, civil, and systems design.	\$714,725	\$16,126,493	4/19/01
14	Added track, street, station, traffic handling, retaining wall, traction power, landscaping, and storm drain plans, and added project management and Extra Design Work Orders.	\$2,520,000	\$18,646,493	6/28/01
15	Construction and bid phase services, and additional costs to complete the plans and specifications.	\$1,429,300	\$20,075,793	11/15/01
16	Additional geotechnical design services.	\$117,700	\$20,193,493	1/24/02
17	Continuation of construction phase services, completion of Caltrans and City requirements, and added costs to complete the track and systems plans and specifications.	\$1,153,000	\$21,346,493	5/9/02
18	Continuation of construction phase services, modifications to the 70 th Street Station design, and completion of safety certification forms	\$1,227,000	\$22,573,493	9/12/02
19	Continuation of construction phase services.	\$1,105,000	\$23,678,493	2/13/03
20	Continuation of construction phase services.	\$1,867,000	\$25,545,493	6/26/03
21	Continuation of construction phase services.	\$948,000	\$26,493,493	1/29/03
22	Continuation of construction phase services.	\$700,000	\$27,193,493	6/24/04
23	Continuation of construction phase services	\$200,000	\$27,393,493	10/28/04

* Indicates Approval Under General Manager's Authority



**EQUAL EMPLOYMENT OPPORTUNITY PROGRAM
WORKFORCE REPORT**

**Att. D, AI 7, 10/28/04,
CIP 10426.9**

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

PLEASE COMPLETE ALL SECTIONS OF THIS FORM.

A. NAME OF COMPANY:

PARSONS BRINCKERHOFF, INC.

B. AKA/DBA:

PARSONS BRINCKERHOFF QUADE & Douglas, Inc.

C. ADDRESS OF ESTABLISHMENT LOCATED IN SAN DIEGO COUNTY:

707 Broadway,

Suite 1600

San Diego, CA 92101

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

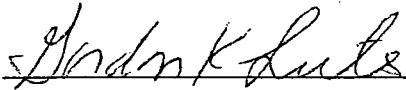
City _____ County _____ State _____ Zip _____

E. Employment Data

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

Occupational Category	African American		Hispanic		Asian or Pacific Islander		Native American		Other		Overall Total
	M	F	M	F	M	F	M	F	M	F	
Executive/Managerial									2	1	3
Engineers/Architects/Surveyors				1	2		1		6	3	13
Professionals (N.E.C.)										1	1
Technicians					2						2
Sales											
Administrative Support		1				1				2	4
Protective Services											
Services (N.E.C.)											
Craft Workers (Skilled)											
Machine Operators, Assemblers & Inspectors											
Transportation and Material Moving											
Laborers (Unskilled)											
Totals For Each Column		1		1	4	1	1		8	7	23
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.


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

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

Gordon Lutes 619-338-9376

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



EQUAL EMPLOYMENT OPPORTUNITY PROGRAM WORKFORCE REPORT

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

PLEASE COMPLETE ALL SECTIONS OF THIS FORM.

A. NAME OF COMPANY:

PARSONS TRANSPORTATION GROUP

B. AKA/DBA:

C. ADDRESS OF ESTABLISHMENT LOCATED IN SAN DIEGO COUNTY:

9404 GENESEE AVENUE, SUITE 140

SAN DIEGO, CA 92037

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

120 HOWARD STREET, SUITE 850

City SAN FRANCISCO County _____ State CA Zip 94105

E. Employment Data

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

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

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


 AUTHORIZED SIGNATURE

Robert M. Sergent
 NAME OF SIGNEE

Vice President
 TITLE

10/06/99
 DATE

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

Francy Alders, Parsons Transportation Group

120 Howard Street, Suite 850

San Francisco, CA 94105



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

Agenda

Item No. 8

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

LEG 492 (PC 30100)

October 28, 2004

Subject:

MTDB: FINALIZED AUDIT REPORT ON MULTIMODAL OPERATIONS CONTRACT
MANAGEMENT

RECOMMENDATION:

That the Board of Directors receive the Multimodal Operations Contract Management
Audit Report (Attachment A).

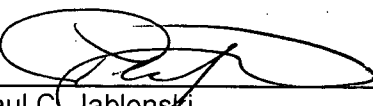
Budget Impact

None.

DISCUSSION:

During June and July 2004, the MTDB Internal Auditor performed a review of the
Multimodal Operations Contract Management process. The objectives of the audit were
to assess the adequacy of controls over the Multimodal Operations contract
management process.

Overall, the audit determined that management of the major contracts is controlled
effectively by the Multimodal Operations group. To further improve the process, the
Internal Auditor offered several recommendations for management's consideration.
Management has accepted these recommendations, and action is underway to
implement the recommendations.



Paul C. Jablonski
Chief Executive Officer

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

JGarde/OCT28-04.8.MABBEY

Attachment: A. Multimodal Operations Audit Report (**Board Only**)



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

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San Diego, CA 92101-7490
619.231.1466, FAX: 619.234.3407



Att. A, AI 8, 10/28/04, LEG 492

Memorandum

DATE: October 5, 2004

LEG 492 (PC 30100)

TO: Susan Hafner

FROM: Mark Abbey

SUBJECT: AUDIT REPORT: MULTIMODAL OPERATIONS CONTRACTS MANAGEMENT

EXECUTIVE SUMMARY

I have completed a review of the Multimodal Operations contracts management process. The audit was performed in accordance with the approved audit plan.

Audit Objectives and Scope

The objective of the audit was to review the adequacy of the contracts management process at MTDB.

During my audit, I reviewed the contracts management process for the following major contracts:

- Series 800 fixed-route bus service (Laidlaw Transit Services [Laidlaw])
- Series 900 fixed-route service (ATC/Vancom, Inc. [ATC])
- MTS Access Americans with Disabilities Act (ADA) Paratransit (Laidlaw)
- ADA Suburban (Laidlaw)

Observations and Recommendations

Overall, the management of the major contracts is controlled effectively by Multimodal Operations. To further improve the contract management processes, the following recommendations are offered for management's consideration.

- Develop standard operating procedures and standard checklists for contract managers.
- Consider use of GFI reports for balancing revenues.
- Ensure insurance coverage is adjusted to contractual specifications for Series 800 fixed-route bus service (Laidlaw) and Series 900 fixed-route service (ATC).



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.

- Consider installation of security cameras at Series 800 fixed-route facility.
- Ensure contractual terms are consistent for ADA Suburban and MTS Access ADA Paratransit contracts during next bidding process.

A detailed explanation of these recommendations is provided in the attached Detailed Observations. I wish to thank Multimodal Operations personnel for their cooperation and assistance during the course of this review.

BACKGROUND

The following is a summary of the four largest contracts administered by the Multimodal Operations contract managers.

CONTRACT COMPANY	SUBJECT	FY 05 BUDGET	NUMBER OF VEHICLES
Laidlaw Transit Services	Series 800 Fixed-Route Bus Service	\$10,724,000	61
ATC/Vancom, Inc.	Series 900 Fixed-Route Service	\$25,063,000	126
Laidlaw Transit Services	MTS Access ADA Paratransit	\$5,598,000	74
Laidlaw Transit Services	ADA Suburban	\$3,259,000	53

It is obvious from the above statistics that these are major operations. There are more public transit vehicles contracted out by Multimodal Operations than the total number of buses operated by San Diego Transit Corporation (SDTC). Each of the above contracts is for five-year terms and is administered by a contract manager. Contract managers work closely with contractor management. A number of benchmarks are established within the contracts to ensure contractor performance is effectively monitored. Several contracts were transferred from the County of San Diego in 2002. As a result, contractual terms are not consistent with terms negotiated in the MTS contracts. For example, the MTS Access ADA Paratransit contract requires preventive maintenance at 3,000-mile intervals, while the ADA Suburban contract only requires preventive maintenance at 6,000-mile intervals.

Contractors invoice MTS on a monthly basis for their management fees and other expenses. A credit is given on the invoice for cash fares collected during the month. Invoices are thoroughly reviewed by contract managers to ensure compliance with contractual terms.

DETAILED OBSERVATIONS

1.0 Standard Operating Procedures and Checklists

Contract managers do not have written standard operating procedures to guide them in administering contracts. Most managers are quite experienced and each follows their own individual processes to monitor compliance to contractual terms.

In order to ensure consistent monitoring of contracts and to provide a training tool for new contract managers, it would be beneficial to develop standard operating procedures and uniform checklists for contract managers. This would reduce the risk of inconsistent tracking of contract and regulatory compliance.

Recommendation

Develop standard operating procedures and standard checklists for contract managers.

Management Response

Agreed. This is currently in progress and is expected to be completed by March 2005.

1.1 Revenue Controls

Cash fares received each month are credited to MTS on monthly contractor statements. Contract managers check the accuracy of these revenues by reconciliation of the manual "daily trip records" on a test-check basis. Although both ATC and Laidlaw have GFI fare boxes on the Series 800 and 900 fixed-route buses, fare revenues collected are not reconciled back to GFI reports. Concerns were expressed over the accuracy of the reports, as there may be a need to upgrade the existing technology.

Cash receipts are quite significant for the major contracts. For example, ATC collects over \$4 million in cash fares annually on the Series 900 fixed-route service. Due to the significance of the cash receipts, consideration should be given to utilization of GFI reports to enhance existing controls over MTS revenues.

Recommendation

Consider use of GFI reports for balancing revenues.

Management Response

Agreed. Contract managers for the Series 800 and 900 route contracts are conducting a review of this issue and will report to the Director of Multimodal Operations. The report will be forwarded to the Audit Department for review.

1.2 Insurance Coverage

I compared the current insurance coverage on the major contracts with the contractual requirements and noted the following discrepancies:

CONTRACT COMPANY	SUBJECT	CONTRACT NUMBER	CONTRACTUAL REQUIREMENT	ACTUAL COVERAGE (7/6/04)
Laidlaw Transit Services	Series 800 Fixed-Route Bus Service	B0337.0-02	General Liability coverage of \$15 million	General Liability coverage of \$8 million
ATC/Vancom, Inc.	Series 900 Fixed-Route Bus Service	B0316.0-02	Automobile coverage of \$15 million	Automobile coverage of \$10 million

Recommendation

Ensure insurance coverage is adjusted to contractual specifications for Series 800 fixed-route bus service (Laidlaw) and Series 900 fixed-route service (ATC/Vancom, Inc.).

Management Response

This has been reviewed and adjustments have been made. Additionally, we will be making periodic reviews of these files to ensure contract compliance.

1.3 Security Cameras

During my site visit to the Series 800 fixed-route facility in El Cajon, I noted that the facility does not have a security camera system. Since this contract is a major operation with 61 buses and over \$1 million in cash-fare receipts annually, it would be advisable to consider installation of a security camera system.

A security camera system would provide better control over fare collections and improved security for equipment and contractor employees.

Recommendation

Consider installation of security cameras at the Series 800 fixed-route facility.

Management Response

This will be pursued as part of our Capital Improvement Projects process and will be implemented as funds become available.

1.4 Paratransit Contract Terms

The ADA Suburban contract was transferred to MTDB from the County of San Diego. The contractual terms are quite different from the terms of the MTS Access ADA Paratransit contract. The preventive maintenance requirement is for 6,000-mile intervals for the ADA Suburban contract and 3,000 miles for the MTS agreement. The fare structure is also different, with a \$4.50 fare for the MTS contract and \$3.50 for the ADA Suburban contract. Dispatch requirements are different as are fuel pass-through costs.

Although both services are conducted from the same Fesler Street location in El Cajon, the operations must be handled separately due to the different contract requirements. It would be highly beneficial that the contract terms be consistent for both operations during the next bidding process.

Recommendation

Ensure contractual terms are consistent for ADA Suburban and MTS Access ADA Paratransit contracts during the next bidding process.

Management Response

This will be completed with the new contract's initiation on June 30, 2005.

JGarde
M-DRAFT-MMOAUDIT.MABBEY
7/14/04

cc: Paul Jablonski, MTS
Tiffany Lorenzen, MTS



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

Agenda

Item No. 9

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

CIP 10426.6

October 28, 2004

Subject:

MTDB: HELIX WATER DISTRICT REQUEST FOR EASEMENTS

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer to execute easements to Helix Water District to install water facilities and allow access to said water facilities within MTDB-owned property on Baltimore Drive in La Mesa, located on Assessor Parcel No. 470-050-16, in substantially the same form as shown in Attachments A and B.

Budget Impact

None.

DISCUSSION:

Helix Water District is installing a water meter on the Baltimore Yard property owned by MTDB for the irrigation systems called for in the Mission Valley East Light Rail Transit (LRT) landscaping plan. These facilities are necessary for the irrigation of the slopes on the east side of Baltimore Drive, the slope between the LRT and the strip mall/ministorage, and some landscaping on the east side of the LRT tracks in the Baltimore Yard. Helix Water District will need an easement for access to its facilities from Baltimore Drive and an easement for the water meter. These proposed easements



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.

will not interfere with MTDB's existing improvements. The proposed access easement is written in such a way as to allow relocation of the access easement if development of the property occurs in the future.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tim Allison, 619.699.6908, tal@sandag.org

LTorio

OCT28-04.9.TALLIS

10/6/04

Attachments: A. Water Line Easement, MTDB Doc. No. M6553.0-05
B. Access Easement, MTDB Doc. No. M6556.0-05

} **Board Only**

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

**Helix Water District
7811 University Avenue
La Mesa, CA 91941-4927**

DOCUMENTARY TRANSFER TAX: _____
INITIALS _____
THIS DOCUMENT BEING RECORDED
FOR THE BENEFIT OF A PUBLIC AGENCY
(PER GOV=T CODE SEC. 6109)

APN: 470-050-16

MTDB DOC. NO. M6553.0-05
CIP 10426.6

GRANT OF EASEMENT

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD, Grantor(s), for good and valuable consideration, hereby grant(s) to the **HELIX WATER DISTRICT**, Grantee, an irrigation district organized and operating under the California Irrigation District Law, Water Code Section 20500 et seq., situated wholly in the County of San Diego, State of California, an easement for purpose of laying underground water pipeline(s) from time to time, installing meters, valves and other above or underground appurtenant structures, and paving the surface, together with the right to construct, operate, maintain, repair, and replace said pipeline(s), appurtenant structures, and pavement, and the right of ingress and egress for such purposes.

Said easement being situate wholly within the County of San Diego, State of California, and more particularly described as follows:

SEE EXHIBIT "A" & "B" ATTACHED

Reserving unto the Grantor(s) the right to use said land, at their own risk, for purposes not conflicting with the rights granted herein, except that Grantor(s) shall not use any paved area for storage or parking of abandoned or disabled vehicles, machinery, equipment, or supplies. No fence, tree, or other obstruction and no building or improvements shall be erected upon said easement by Grantor(s) except as noted below. Should Grantor(s) install a gate or gates over District easement, Grantor(s) shall at Grantor's(s') expense, install a District approved locking system, which will allow unrestricted access by District-to-District facilities. Grantor(s) shall not permit the existing ground elevations of said easement to be increased or decreased. Grantor(s) may use said easement as a driveway and, if not paved by Grantee, may surface or pave the area, subject only to the said restrictions concerning changes in existing ground elevations. Grantor(s) waives any right under Civil Code Section 845, and any other right to compel District to repair, grade, surface, or otherwise improve or maintain said easement as a roadway or private right-of-way.

EXHIBIT "A"

Metropolitan Transit Development Board
APN 470-050-16
Water Easement

A portion of Lot 85 of La Mesa Industrial Center, in the City of La Mesa, County of San Diego, State of California, according to Map thereof No. 2503, filed in the office of the County Recorder of San Diego County, August 31, 1948, more particularly described as follows:

Commencing at a brass disk stamped MVE 26 shown as Point #47 according to Record of Survey Map No. 15888 filed in the Office of the County Recorder on August 14, 1998 which bears North 51°19'40" East 1650.24 feet from a brass disk stamped MVE 25 shown as Point #46 according to said Record of Survey Map; thence South 29°24'11" West 898.32 feet to the northeast corner of Parcel B described in Certificate of Compliance, recorded April 23, 1996 as Document No. 1996-0199971 of Official Records, said point also being the beginning of a 507.68-foot radius curve concave southeasterly, a radial line to said point bears North 57°48'31" West; thence southwesterly along the easterly boundary of said Parcel B and the arc of said curve through a central angle of 30°47'55", a distance of 272.90 feet to the **TRUE POINT OF BEGINNING**;

1. thence southerly continuing along said easterly boundary and the arc of said curve through a central angle of 01°09'10", a distance of 10.21 feet;
2. thence leaving said easterly boundary South 79°07'22" West 35.86 feet;
3. thence North 10°52'38" West 10.00 feet;
4. thence North 79°07'22" East 10.46 feet;
5. thence North 10°52'25" West 1.97 feet;
6. thence North 79°07'22" East 5.00 feet;
7. thence South 10°52'32" East 1.97 feet;
8. thence North 79°07'22" East 22.48 feet to the **TRUE POINT OF BEGINNING**.

Area: 379 square feet

The bearings and distances used in the above description are on the California Coordinate System of 1983, Zone 6

This legal description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

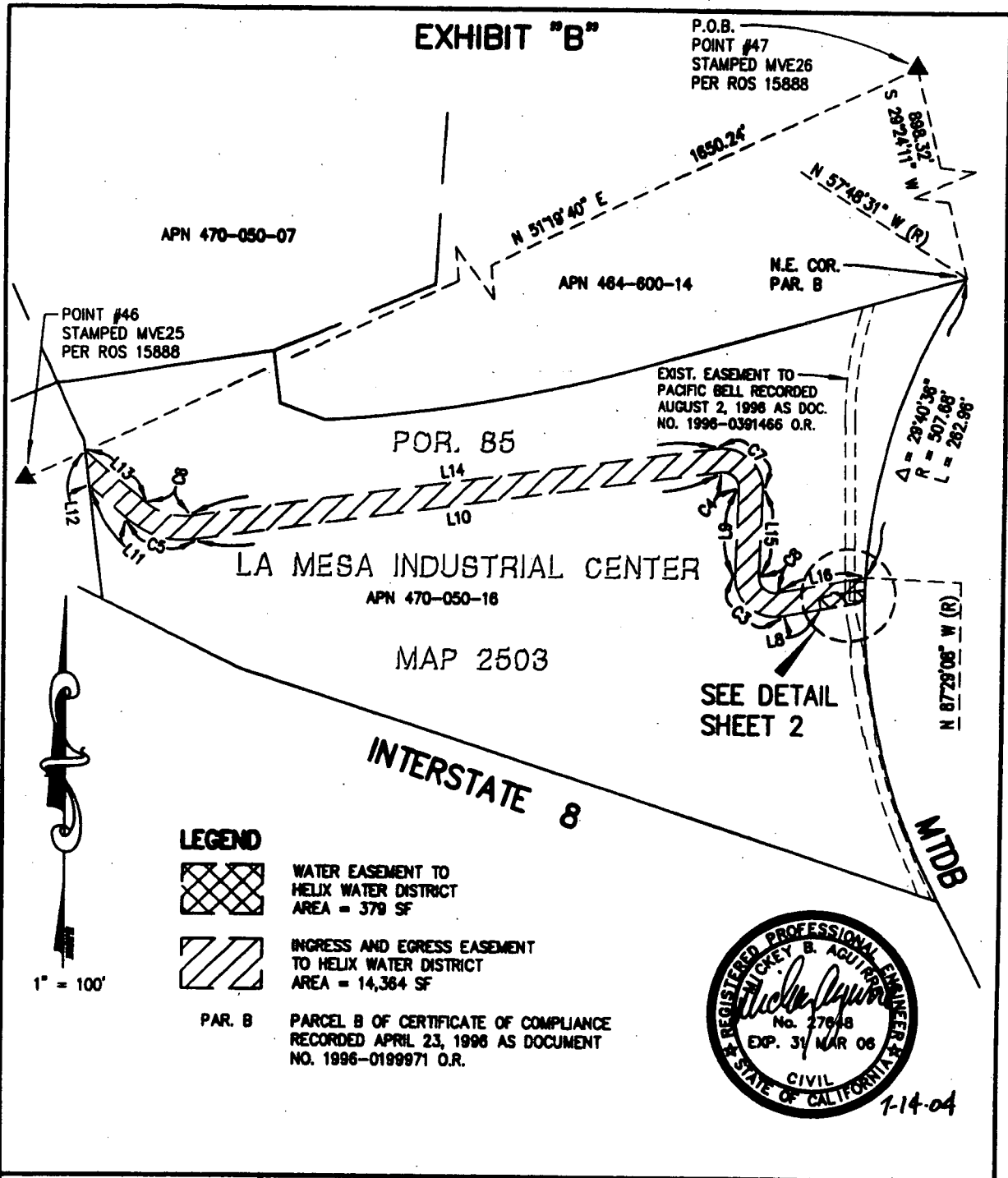
Signature

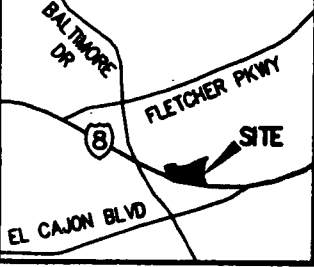


Mickey B. Aguirre, R.C.E. 27648
License Expires March 31, 2006

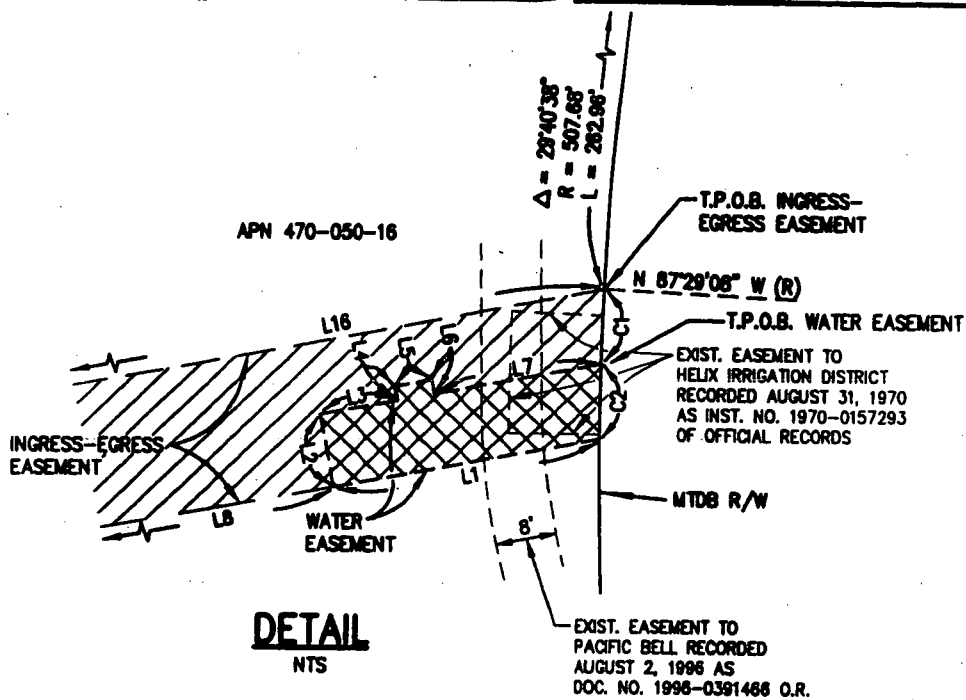
Date:

7-14-04





VICINITY MAP	HELIX WATER DISTRICT		
	EASEMENT OVER A PORTION OF LOT 85 OF LA MESA INDUSTRIAL CENTER MAP NO. 2503		
	DRAWN BY: KA	SCALE: 1" = 100'	APPROVED:
	CHECKED BY: MA	DATE: 7-14-04	
	H.W.D. MAP: I-1-18-C	APN: 470-050-16 SHEET 1 OF 2	



TABULATED LINE DATA		
LINE	BEARING	LENGTH
L1	S79°07'22\"W	35.86'
L2	N10°52'38\"W	10.00'
L3	N79°07'22\"E	10.46'
L4	N10°52'25\"W	1.97'
L5	N79°07'22\"E	5.00'
L6	S10°52'32\"E	1.97'
L7	N79°07'22\"E	22.48'
L8	S79°07'22\"W	31.22'
L9	N01°40'03\"E	71.55'
L10	S82°00'03\"W	425.29'
L11	N48°37'17\"W	42.78'
L12	N07°00'51\"W	29.65'
L13	S48°37'17\"E	64.85'
L14	N82°00'03\"E	425.29'
L15	S01°40'03\"W	71.56'
L16	N79°07'22\"E	71.38'

TABULATED CURVE DATA			
CURVE	DELTA	RADIUS	LENGTH
C1	01°07'17\"	507.68'	9.94'
C2	01°09'10\"	507.68'	10.21'
C3	102°32'41\"	32.81'	58.72'
C4	99°40'00\"	13.12'	22.82'
C5	49°22'40\"	65.61'	56.54'
C6	49°22'40\"	45.92'	39.57'
C7	99°40'00\"	32.81'	57.07'
C8	102°32'41\"	13.12'	23.48'

LEGEND



WATER EASEMENT TO
HELIX WATER DISTRICT
AREA = 379 SF



INGRESS AND EGRESS EASEMENT
TO HELIX WATER DISTRICT
AREA = 14,384 SF

HELIX WATER DISTRICT EASEMENT OVER A PORTION OF LOT 85 OF LA MESA INDUSTRIAL CENTER MAP NO. 2503

DRAWN BY: KA

SCALE: 1" = 100'

CHECKED BY: MA

DATE: 7-14-04

H.W.D. MAP: I-1-18-C

APN: 470-050-16

SHEET 2 OF 2

APPROVED:

C. Agrella

W.O. 4084

APN: 470-050-16

IN WITNESS WHEREOF, said, **San Diego Metropolitan Transit Development Board**, has caused this Grant of Easement to be signed hereto this _____ day of _____, 2004.

San Diego Metropolitan Development Board

BY _____
Paul C. Jablonski
Chief Executive Officer

ACCEPTANCE

This is to certify that the interest in real property conveyed by the **GRANT OF EASEMENT** dated _____, from **San Diego Metropolitan Transit Development Board**, is hereby accepted by order of the Board of Directors, or by the undersigned officer or agent on behalf of the Board of Directors pursuant to authority conferred by Board Resolution No. 01-55, adopted on August 15, 2001, and the grantee consents to recordation thereof by its duly authorized officer.

Dated this _____ day of _____, 2004.

Mark S. Weston
General Manager

Carlos V. Lugo
Director of Engineering

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

State of _____

County of _____

On _____ before me, _____
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"personally appeared _____
NAME(S) OF SIGNER(S)

☐ personally known to me - **OR** - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY**OPTIONAL**

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

DESCRIPTION OF ATTACHED DOCUMENT_____
TITLE OR TYPE OF DOCUMENT_____
NUMBER OF PAGES_____
DATE OF DOCUMENT_____
SIGNER(S) OTHER THAN NAMED ABOVE

A-6

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

**Helix Water District
7811 University Avenue
La Mesa, CA 91941-4927**

DOCUMENTARY TRANSFER TAX: _____

INITIALS _____

THIS DOCUMENT BEING RECORDED
FOR THE BENEFIT OF A PUBLIC AGENCY
(PER GOV'T CODE SEC. 6109)

APN: 470-050-16

MTDB DOC. NO. M6556.0-05
CIP 10426.6

GRANT OF EASEMENT

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD, Grantor(s), for good and valuable consideration, hereby grant(s) to the **HELIX WATER DISTRICT**, Grantee, an irrigation district organized and operating under the California Irrigation District Law, Water Code Section 20500 et seq., situated wholly in the County of San Diego, State of California, an easement for purpose of the right of ingress and egress to Grantees facilities.

Said easement being situate wholly within the County of San Diego, State of California, and more particularly described as follows:

SEE EXHIBIT "A" & "B" ATTACHED

Reserving unto the Grantor(s) the right to use said land, at their own risk, for purposes not conflicting with the rights granted herein. Grantor may provide an alternate ingress and egress easement to Grantees facilities to enable development of the site. Grantee agrees to accept a replacement ingress and egress easement and quitclaim the attached ingress and egress easement if requested by Grantor.

EXHIBIT "A"

Metropolitan Transit Development Board
APN 470-050-16
Ingress and Egress Easement

A portion of Lot 85 of La Mesa Industrial Center, in the City of La Mesa, County of San Diego, State of California, according to Map thereof No. 2503, filed in the office of the County Recorder of San Diego County, August 31, 1948, more particularly described as follows:

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1. thence southerly continuing along said easterly boundary and the arc of said curve through a central angle of 1°07'17", a distance of 9.94 feet;
2. thence leaving said easterly boundary South 79°07'22" West 22.48 feet;
3. thence North 10°52'32" West 1.97 feet;
4. thence South 79°07'22" West 5.00 feet;
5. thence South 10°52'25" East 1.97 feet;
6. thence South 79°07'22" West 10.46 feet;
7. thence South 10°52'38" East 10.00 feet;
8. thence South 79°07'22" West 31.22 to the beginning of a tangent 32.81-foot radius curve, concave northeasterly;
9. thence along the arc of said curve, through a central angle of 102°32'41", a distance of 58.72 feet
10. thence North 01°40'03" East 71.55 feet to the beginning of a tangent 13.12-foot radius curve concave southwesterly;
11. thence along the arc of said curve through a central angle of 99°40'00", a distance of 22.82 feet;
12. thence South 82°00'03" West 425.29 feet to the beginning of a tangent 65.61-foot radius curve concave northeasterly;
13. thence along the arc of said curve through a central angle of 49°22'40", a distance of 56.54 feet;
14. thence North 48°37'17" 42.78 feet to the westerly boundary of said Parcel B;
15. thence along said westerly boundary North 07°00'51" West 29.65 feet;
16. thence leaving said westerly boundary South 48°37'17" East 64.95 feet to the beginning of a tangent 45.92-foot radius curve concave northeasterly;
17. thence along the arc of said curve through a central angle 49°22'40", a distance of 39.57 feet;
18. thence North 82°00'03" East 425.29 feet to the beginning of a tangent 32.81-foot radius curve concave southwesterly;
19. thence along the arc of said curve through a central angle of 99°40'00", a distance of 57.07 feet;

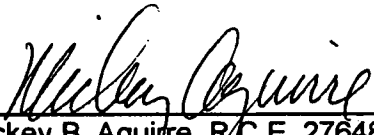
20. thence South $01^{\circ}40'03''$ West 71.56 feet to the beginning of a tangent 13.12-foot radius curve concave northeasterly;
21. thence along the arc of said curve through a central angle of $102^{\circ}32'41''$, a distance of 23.48 feet;
22. thence North $79^{\circ}07'22''$ East 71.36 feet to the TRUE POINT OF BEGINNING.

Area: 14,364 square feet

The bearings and distances used in the above description are on the California Coordinate System of 1983, Zone 6

This legal description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

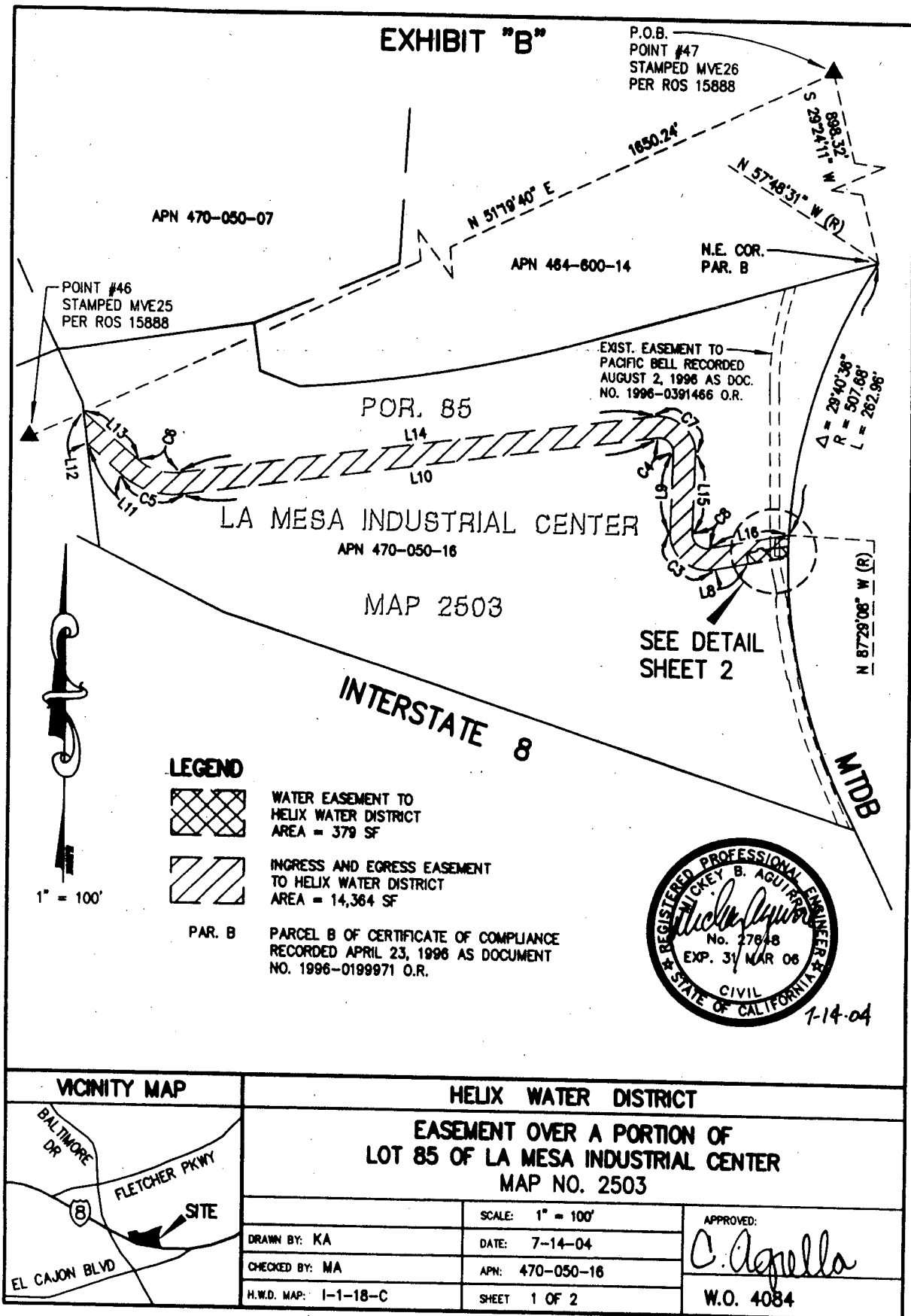
Signature

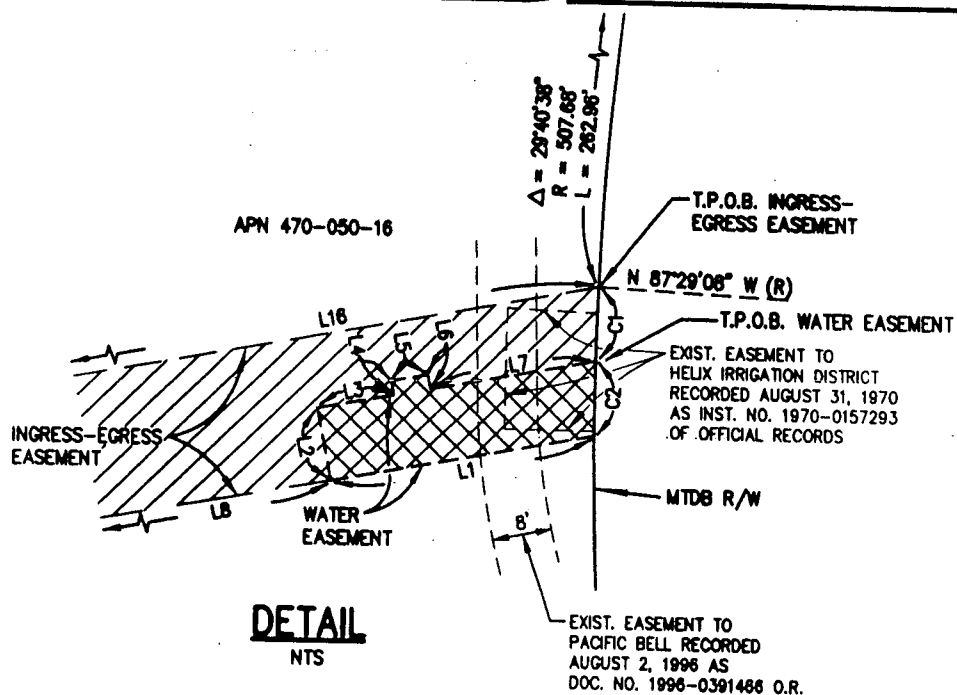

Mickey B. Aguirre, R.C.E. 27648
License Expires March 31, 2006

Date:

7-14-04







TABULATED LINE DATA		
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L3	N79°07'22\"E	10.46'
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L6	S10°52'32\"E	1.97'
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L9	N01°40'03\"E	71.55'
L10	S82°00'03\"W	425.29'
L11	N48°37'17\"W	42.78'
L12	N07°00'51\"W	29.65'
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L15	S01°40'03\"W	71.56'
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TABULATED CURVE DATA			
CURVE	DELTA	RADIUS	LENGTH
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C6	49°22'40\"	45.92'	39.57'
C7	99°40'00\"	32.81'	57.07'
C8	102°32'41\"	13.12'	23.48'

LEGEND



WATER EASEMENT TO
HELIX WATER DISTRICT
AREA = 379 SF



INGRESS AND EGRESS EASEMENT
TO HELIX WATER DISTRICT
AREA = 14,364 SF

HELIX WATER DISTRICT EASEMENT OVER A PORTION OF LOT 85 OF LA MESA INDUSTRIAL CENTER MAP NO. 2503

DRAWN BY: KA

CHECKED BY: MA

H.W.D. MAP: 1-1-18-C

SCALE: 1" = 100'

DATE: 7-14-04

APN: 470-050-16

SHEET 2 OF 2

APPROVED:

C. Agrella

W.O. 4084

APN: 470-050-16

IN WITNESS WHEREOF, said, **San Diego Metropolitan Transit Development Board**,
has caused this Grant of Easement to be signed hereto this _____ day of
_____, 2004.

San Diego Metropolitan Development Board

BY _____
Paul C. Jablonski
Chief Executive Officer

ACCEPTANCE

This is to certify that the interest in real property conveyed by the **GRANT OF EASEMENT**
dated _____, from **San Diego Metropolitan Transit Development Board**, is hereby
accepted by order of the Board of Directors, or by the undersigned officer or agent on behalf
of the Board of Directors pursuant to authority conferred by Board Resolution No. 01-55,
adopted on August 15, 2001, and the grantee consents to recordation thereof by its duly
authorized officer.

Dated this _____ day of
_____, 2004.

Mark S. Weston
General Manager

Carlos V. Lugo
Director of Engineering

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

No. 5907

State of _____

County of _____

On _____ before me, _____
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"

personally appeared _____
NAME(S) OF SIGNER(S)

☐ personally known to me - **OR** - ☐ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER(S) OTHER THAN NAMED ABOVE

B-7



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

Agenda

Item No. 10

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

LEG 492 (PC 30100)

October 28, 2004

Subject:

MTDB: FINALIZED AUDIT REPORT ON SDTI WARRANTY MANAGEMENT

RECOMMENDATION:

That the Board of Directors receive the San Diego Trolley, Inc. (SDTI), Warranty Management Audit Report (Attachment A).

Budget Impact

None.

DISCUSSION:

During June 2004, the MTDB Internal Auditor performed a review of the SDTI Warranty Management process. The objective of the audit was to assess the adequacy of the warranty management process at SDTI.

As a result of the review, four recommendations were offered for improving the process. SDTI has accepted these recommendations, and action is underway to implement the recommendations.

Paul C. Jablonski
Chief Executive Officer

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

JGarde/OCT28-04.10.MABBEY

Attachment: A. SDTI Warranty Management Audit Report (**Board Only**)



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



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

Memorandum

DATE: October 5, 2004

LEG 492 (PC 30100)

TO: Sandra Mann
Wayne Terry

FROM: Mark Abbey

SUBJECT: AUDIT REPORT: SDTI WARRANTY MANAGEMENT

EXECUTIVE SUMMARY

I have completed a review of the warranty management process at San Diego Trolley, Inc. (SDTI). The audit was performed in accordance with the approved audit plan.

Audit Objectives and Scope

The objective of the audit was to review the adequacy of warranty management processes at SDTI.

During this audit, I reviewed the warranty management process over the following:

- Light rail vehicles (LRVs)
- Ticket vending machines (TVMs) and other equipment
- Nonrevenue vehicles

Observations and Recommendations

The SDTI warranty management process is decentralized. Each department is responsible for tracking warranties on their own equipment. As a result, different methods are used by each group to track warranty recoveries. In view of the high dollar value of LRV and TVM equipment, it is critical that warranty recoveries be properly tracked on a consistent basis.

To further improve the warranty management processes, the following recommendations are offered for management's consideration.

- Develop a company-wide standard operating procedure for tracking warranty recoveries.
- Implement a tracking process for recovery of warranty repairs performed by Central Automotive.

Member Agencies:

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

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

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

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

- Utilize the Ellipse system, when fully functional, to automate the warranty tracking process.
- Develop a report within the warranty tracking process to flag equipment with expiring warranty periods for mandatory inspection.

A detailed explanation of these recommendations is provided in the following "Detailed Observations." I wish to thank SDTI personnel for their cooperation and assistance during the course of this review.

BACKGROUND

The major equipment subject to warranty management at SDTI includes the following:

- LRVs and related equipment
- TVM equipment
- Nonrevenue vehicles

There are 123 LRVs and the original equipment warranties have all expired; however, 11 new LRVs with three-year warranties are being acquired during 2004. The Maintenance Department is responsible for the warranty administration of LRV equipment. It has used spreadsheets to track warranty periods and maintained files of warranty repairs. Plans are to use the Ellipse system to track warranty information in the future.

The warranties on the existing TVMs have also expired. One hundred ten new TVMs will be arriving by the end of the year and will be covered by a one-year warranty. TVM warranty repairs are tracked by the Revenue Department.

There are 69 nonrevenue vehicles at SDTI. The majority of those vehicles have expired warranties. Warranty is tracked by individual departments on spreadsheets. Central Automotive (a local repair shop) has been utilized to perform warranty repairs on vehicles. Repair costs are paid to Central Automotive by SDTI and then recovered from the manufacturer. These recoveries are tracked by the purchasing agent.

DETAILED OBSERVATIONS

1.0 Standard Operating Procedures

Each SDTI department is responsible for tracking warranty recoveries, and each department uses a different procedure. There are no company-wide standard operating procedures in place to ensure that warranty recoveries are tracked on a consistent basis. There is the risk that warranty repairs may not be recovered if procedures are not followed on a consistent basis. Implementation of company-wide standard operating procedures would ensure standardized procedures and assist the agency in compliance with Federal Transit Administration (FTA) requirements.

Recommendation

Develop a company-wide standard operating procedure for tracking warranty recoveries.

Management Response

Agree. A development team, which will include the purchasing agent, stores manager, and revenue, LRV, and wayside and facilities supervisors, will draft procedures with completion by September 30, 2004.

1.1 Recovery of Vehicle Repair Costs

Nonrevenue vehicles warranty repairs are performed by Central Automotive. Repair costs are paid to Central Automotive and then recovered from General Motors Corporation (GMC). The purchasing agent is responsible for ensuring that all warranty repair costs are re-billed and recovered from GMC. I performed a review of five recent warranty repairs and noted that one repair for \$654.93, which was performed by Central Automotive in September 2003, was never recovered from GMC. Apparently, this was due to the costs not being logged, and a temporary employee was working at the time. SDTI should utilize a spreadsheet or other tool to ensure all warranty recoveries are made.

Recommendation

Implement a tracking process for recovery of warranty repairs performed by Central Automotive.

Management Response

Agree. This will be included in the Standard Operating Procedures discussed in 1.0 above.

1.2 Automation of Warranty Tracking

In July 2003, the Ellipse system went live for maintenance, storeroom, and other SDTI applications. One of the key benefits that Ellipse was supposed to provide was a good tracking tool for warranty recoveries; unfortunately, this tool is still not functioning as planned.

As a result, SDTI is still using a variety of tools for tracking warranty recoveries. Nonrevenue vehicle warranties are tracked on Excel spreadsheets. One hundred ten new TVMs with warranty coverage will be arriving by the end of 2004. Eleven new LRVs with warranty coverage will be arriving in 2004. It is critical that an adequate tracking tool be in place to track warranty repairs and to ensure recoveries are made. The Ellipse system should be used for this purpose.

It is critical that priority be placed on correcting deficiencies in Ellipse to ensure adequate tools are in place for warranty tracking and for providing a source for evaluating equipment repair history and reliability.

Recommendation

Utilize the Ellipse system, once fully functional, to automate the warranty tracking process.

Management Response

Agree. However, the date by which Ellipse can handle this process is yet to be determined and not under SDTI's direct control.

1.3 Tracking Equipment with Expiring Warranties

SDTI has a variety of equipment warranties with varying warranty periods. Each department tracks these warranty periods. LRV cars, TVMs, nonrevenue vehicles, and other equipment have warranty periods expiring at different times. There is no existing plan for performing inspections on equipment with expiring warranties. If such a process were implemented, SDTI could ensure that warranty recoveries occurred on defective equipment prior to warranty expiry. The Ellipse system should provide a monthly report that flags equipment with expiring warranties. This report could be used as a tool for tracking expiring warranties and inspecting equipment where deemed necessary.

Recommendation

Develop a report within the warranty tracking process to flag equipment with expiring warranty periods for mandatory inspection.

Management Response

Agree. This report will be developed once the Ellipse functionality is in place as discussed in 1.2 above.

JGarde
M-FINALSDTIWARRANTY.MABBIEY
8/30/04

cc: Paul Jablonski, Tiffany Lorenzen - MTDB
Peter Tereschuck - SDTI



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Agenda

Item No. 11

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

ADM 122.2 (PC 30100)

October 28, 2004

Subject:

MTDB: AN ORDINANCE AMENDING ORDINANCE NO. 5 RELATING TO THE ENFORCEMENT AUTHORITIES OF CODE COMPLIANCE INSPECTORS, ASSISTANT CODE COMPLIANCE SUPERVISORS, THE CODE COMPLIANCE INSPECTION SUPERVISOR, AND TAXICAB INSPECTORS I & II; AND AN ORDINANCE AMENDING ORDINANCE NO. 13, AN ORDINANCE TO REPEAL AND ADOPT DOCUMENT NO. 164, CODIFIED RULES AND REGULATIONS, AS ORDINANCE NO. 13

RECOMMENDATION:

That the MTD Board of Directors read the title of Ordinance No. 5, "An Ordinance Relating to Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II" and read the title of Ordinance No. 13, "An Ordinance to Repeal and Adopt Document No. 164, Codified Rules and Regulations, as Ordinance No. 13," waive further readings of the ordinances, introduce the ordinances for further consideration at the next Board meeting, and direct publication of ordinance summaries.

Budget Impact

None.

DISCUSSION:

Ordinance No. 5 vests MTDB with the authority to make all rules and regulations necessary to regulate the use, operation, and maintenance of its property and facilities, including our public transit systems and related transportation facilities, and sets forth the citation authority for our Code Compliance inspectors. Ordinance No. 13 outlines the rules and regulations for the use of MTDB facilities.



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.

Due to recent problems with loitering for drug-related activity on the C Street Corridor, staff recommends amending our ordinances to incorporate a provision of the California Health and Safety (H&S) Code to provide San Diego Trolley, Inc. (SDTI), Code Compliance officers with the authority to issue citations for drug related loitering. Public Utilities Code § 120451 provides that the violation of any ordinance enacted by the Board prohibiting loitering in or about a transit facility is punishable by a fine.

Loitering in and around the transit stations in the C Street Corridor has been a growing concern. Some people loitering in and around transit facilities create a nuisance for the regular riding public by panhandling or soliciting. Most importantly, however, many persons who loiter in transit facilities consider trolley and bus stations perfect avenues for engaging in drug-related and other criminal activities. These loiterers have been known to sell or use illegal drugs and alcohol or otherwise victimize legitimate transit riders.

An ordinance that would prohibit loitering in and around transit facilities would be a valuable tool to prevent loitering for illegal or harmful purposes. By enforcing such an ordinance, MTDB could make the transit system a safer and more enjoyable environment for our riding public.

Codified Ordinance No. 5

Codified Ordinance No. 5 would be amended to add Penal Code § 555.2 and H&S Code § 11532 to Section 5.3 - Duties and Authorizations of Compliance Inspectors. Under the current Section 5.3, Code Compliance officers are vested with the authority to enforce MTDB ordinances and various sections of the Business and Professions Code, H&S Code, Public Utilities Code, Vehicle Code, and San Diego City Municipal Code. This amendment would add H&S Code § 11532 to that list and thereby vest the officers with the authority to enforce these sections, as well as those already listed in Section 5.3.

H&S Code § 11532 states, "It is unlawful for any person to loiter in any public place in a manner and under circumstances manifesting the purpose and with the intent to commit [drug-related activity]." This section further describes what "circumstances may be considered in determining whether a person has the requisite intent to engage in drug-related activity."

The proposed amendment to Codified Ordinance No. 5 is included as Attachment A with the additions made in bold.

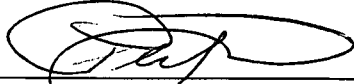
Codified Ordinance No. 13

Codified Ordinance No. 13 would be amended to add Section 13.5(T), which would include loitering as one of the prohibited activities on or about the transit facility. Section 13.5(T) would incorporate the language of Penal Code § 555.2 and would read as follows: "No person shall loiter in the immediate vicinity of any posted property."

The proposed amendment to Codified Ordinance No. 13 is included as Attachment B with the additions made in bold.

MTDB Authority to Prohibit Loitering

In MTDB's enabling legislation under Public Utilities Code § 120451, MTDB is vested with the authority to issue citations for loitering in or about transit facilities. Public Utilities Code § 120451 states, "[The] violation of any ordinance . . . enacted by the board prohibiting . . . loitering in or about transit facilities owned or controlled by the board, is an infraction punishable by a fine not exceeding fifty dollars (\$50)."



Paul C. Jablonski
Chief Executive Officer

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

JGarde

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10/11/04

Attachments: A. Proposed Amended Codified Ordinance No. 5
B. Proposed Amended Codified Ordinance No. 13

} **Board Only**

PROPOSE REVISED TEXT VERSION OF AMENDING ORDINANCE

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

AMENDMENT TO ORDINANCE NO. 5

An Ordinance Amending Ordinance No. 5

Relating to the Enforcement

Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors,
the Code Compliance Inspection Supervisor,
and Taxicab Inspectors I & II

The Board of Directors of the San Diego Metropolitan Transit Development Board (MTDB) do ordain as follows:

Section 5.1 Statutory Authorities

A. The Metropolitan Transit Development Board has been created by State law (Public Utilities Code Section 120000 through 12054) as a public agency with the authority and duty to plan and construct exclusive public mass transit guideways (Section 120260) and to acquire, construct, maintain, and operate or let a contract to operate public transit systems and related transportation facilities and services (Section 120264).

B. Additionally, the Board is vested with the duty to adopt all ordinances and make all rules and regulations proper and necessary to regulate the use, operation, and maintenance of its property and facilities, including its public transit systems and related transportation facilities and services (Section 120105). The violation of any ordinance, rule or regulation enacted by the Board relating to evasion of fares in any transit facility owned or controlled by the Board is an infraction and upon a violation after the second conviction is a misdemeanor (Section 120450).

C. The provision of information known to be false to a Code Compliance Inspector, Assistant Code Compliance Supervisor, the Code Compliance Inspection Supervisor, or the Transit Security Administrator (hereinafter cumulatively referred to as Inspectors) is similarly an infraction or misdemeanor (Section 120450.5).

D. The violation of any ordinance, rule, or regulation prohibiting unauthorized operation or manipulation of transit facilities or prohibiting unauthorized tampering or interference with transit facilities is similarly an infraction or misdemeanor (Section 120451).

E. The violation of any ordinance, rule, or regulation prohibiting the unauthorized entering into, climbing upon, holding onto, or in any manner attaching oneself to vehicles operated upon exclusive public mass transit guideways is an infraction or misdemeanor (Section 120452).

F. In implementation of those provisions of State law, the Board has adopted Ordinance No. 13, prohibiting specified conduct onboard transit vehicles and prohibiting specified actions on or about the transit facilities. The Board has further adopted Ordinance No. 2 requiring proof of fare payment by passengers using the San Diego Trolley and Ordinance No. 3, regulating parking in the San Diego Trolley parking lots and other transit facilities.

G. The Board is authorized to contract with cities and the County to license or regulate by ordinance any transportation services within such cities or the unincorporated area (Section 120266) and has done so by adoption of Ordinance No. 11, the enforcement of which will be done by Taxicab Inspectors I & II, and other Taxicab Administration staff designated in Section 5.3.

H. Pursuant to Penal Code Section 836.5, the Board may authorize public officers and employees to arrest a person without warrant, including officers and employers of a nonprofit transit corporation wholly owned by a local agency and formed to carry out the purposes of the local agency and San Diego Trolley, Inc., is such a corporation.

(Section 5.1 amended 7/12/01)

(Section 5.1 amended 9/26/96)

(Section 5.1 amended 1/11/96)

(Section 5.1 amended 11/10/94)

(Section 5.1 amended 8/12/93)

Section 5.2 Purposes

In view of the multitude of regulations applicable to the facilities and vehicles of the San Diego Metropolitan Transit Development Board, it is desirable to clarify and specify the authority of the Inspectors, relative to various acts committed on or about the property.

Section 5.3 Duties and Authorizations

A. Inspectors employed by the San Diego Metropolitan Transit Development Board (MTDB) and Inspectors employed by San Diego Trolley, Inc., are hereby vested with the duty to enforce MTDB Ordinances No. 2, No. 3, No. 4, No. 11, and No. 13. Business and Professions Code Sections 4140 and 25662, Health and Safety Code Sections 11364, 11357(b), **and 11532**, Public Utilities Code Sections 5411.5, 120450, 120450.5, 120451, and 120452, Penal Code Sections 148, 219.2, 308(b), 369g, 470(a), 481.1, 555.1, 555.2, 594, 594.1, 594.2, 594.4, 602(f), 602(n), 602(p), 640, 640(a), 640.5, and 647(c), Vehicle Code Sections 21456, 21955, 22507, 22521, and 22526, and San Diego City Municipal Code Section 56.54 (at transit facilities owned, controlled, or used by the Board, including but not limited to transit centers, rail stations, bus shelters, and bus stops on public and private property), and in accordance with Penal Code Section 836.5 are authorized to arrest a person without a warrant whenever an Inspector has reasonable cause to believe that the person to be arrested has committed an infraction or misdemeanor in the Inspector's presence which is a violation of the statutes and ordinances which he or she has the duty to enforce.

B. Regulatory Specialists and the Taxicab Administrator, employed by MTDB, are hereby vested with the duty to enforce MTDB Ordinance No. 11 and, in accordance with Penal Code Section 836.5, are authorized to arrest a person without a warrant whenever a Taxicab Inspector has reasonable cause to believe that the person to be arrested has committed an infraction or misdemeanor in the Inspector's presence which is a violation of the statutes and ordinances which he or she has the duty to enforce.

C. Right-of-Way Agents, designated by the General Manager and employed by MTDB are hereby vested with the duty to enforce MTDB Ordinance No. 3 and, in accordance with Penal Code Section 836.5, are authorized to arrest a person without a warrant whenever an agent has reasonable cause to believe that the person to be arrested has committed an infraction or misdemeanor in the Agent's presence which is a violation of the statutes and ordinances which he or she has the duty to enforce.

(Section 5.3 amended 10/3/02)

(Section 5.3 amended 7/12/01)

(Section 5.3 amended 3/23/00)

(Section 5.3 amended 9/26/96)

(Section 5.3 amended 1/11/96)

(Section 5.3 amended 11/10/94)

(Section 5.3 amended 8/12/93)

Section 5.4 Severability

The provisions of this Ordinance are severable, and if any of the provisions, clauses, sentences, subsections, sections, words, or parts thereof is held illegal, invalid, or unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, subsections, sections, words or parts of this Ordinance or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Ordinance would have been adopted if such illegal, invalid or unconstitutional provision, clause, sentence, subsection, section, word or part had not been included therein or such person or circumstance to which the Ordinance or part thereof is held inapplicable has been specifically exempted therefrom.

Amended: 10/3/02

Amended: 8/9/01

Amended: 3/23/00

Amended: 9/26/96

Amended: 1/11/96

Amended: 11/10/94

Amended: 8/12/93

Repealed & Readopted: 12/12/91

Amended: 2/8/90

Amended: 10/13/88

Amended: 10/4/84

Amended: 2/27/84

Adopted: 7/25/83

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10/9/02

PROPOSE *REVISED TEXT* VERSION OF AMENDING ORDINANCE

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

AMENDMENT TO ORDINANCE NO. 13

An Ordinance Amending Ordinance No. 13

An Ordinance to Repeal and Adopt

Document No. 164, Codified Rules and Regulations, as Ordinance No. 13

The Board of Directors of the San Diego Metropolitan Transit Development Board (MTDB) do ordain as follows:

Section 13.1: General

The use of the San Diego Metropolitan Transit Development Board (MTDB) facilities shall be conditioned upon the observance of this ordinance or any rules and regulations hereafter promulgated by MTDB or pursuant to its authority; all rights, privileges, licenses and permits, express or implied, for the use of MTDB facilities are revocable; and each such right, privilege, license or permit shall at the option of MTDB or its duly authorized representative be revoked and canceled by and upon the breach of this ordinance or of the violation while in or upon MTDB facilities or any applicable laws or ordinances.

Nothing herein contained or omitted from this ordinance shall be construed to relieve any person whatsoever from exercising all reasonable care to avoid or prevent injury or damage to persons or property.

Any requirement or provision of these rules relating to any prohibited act shall respectively extend to and include the causing, procuring, aiding or abetting, directly or indirectly, of such act; or the permitting or the allowing of any minor in the custody of any person, doing any act prohibited by a provision hereof.

Any act otherwise prohibited by these rules shall be lawful if performed under, by virtue of, and strictly in compliance with the provisions of an agreement, permit, or license issued or approved by MTDB and/or San Diego Trolley, Inc. (SDTI), and to the extent authorized thereby.

These rules are in addition to and supplement all applicable laws or ordinances.

Section 13.2: Definitions

The following terms, as used in this ordinance shall, unless otherwise expressly stated or unless the context clearly requires a different interpretation, have the following meaning.

A. Bicycle - A "bicycle" is a device upon which any person may ride, propelled exclusively by human power through a belt, chain, or gears, and having two wheels.

B. Bus - A "bus" is any motor vehicle, other than a motortruck or truck tractor, designed for carrying more than 10 persons including the driver, and used or maintained for the transportation of passengers, except that any motor vehicle, other than a motortruck or truck tractor, designed for

carrying not more than 12 persons, including the driver, which is maintained and used in the nonprofit transportation of adults to and from a work location as part of a carpool program or when transporting only members of the household of the owner thereof, shall not be considered to be a bus for the purposes of this section.

C. Facility or Transit Facility – A "facility" or "transit facility," includes, but is not limited to, transit centers, rail stations, bus shelters, and bus stops on public or private property.

D. Pedestrian – A "pedestrian" is any person who is afoot or who is using a means of conveyance propelled by human power other than a bicycle.

E. Trolley – A "trolley" is a vehicle which is propelled by electric power obtained from overhead trolley wires and is operated upon rails.

Section 13.3: Fares

Passengers shall be permitted on a transit vehicle or in a transit station owned, controlled, or used by MTDB or its subsidiaries only upon payment of such fares and under such circumstances as may from time to time be ordained by MTDB. It is unlawful for any person to refuse to pay, or to evade or attempt to evade the payment of such fares.

Section 13.4: Prohibited Conduct Onboard Trolleys

It shall be unlawful for passengers or occupants while aboard a trolley while said vehicle is transporting passengers in regular route service, contract, special, or community type service, within the MTDB jurisdictional area to:

- A. Consume any food or beverage while on any trolley.
- B. Smoke or carry alighted or smoldering pipe, cigar, cigarette, or tobacco in any form in or upon any trolley.
- C. Operate any radio, phonograph, tape player, or other such instrument on a trolley that is audible to any other person on the vehicle.
- D. Expectorate in or upon any trolley.
- E. Discard litter in or upon any trolley.
- F. Extend his/her head, hand, arm, foot, leg, or other portion of the body through any window of a trolley.
- G. Interfere in any manner whatsoever with the operator or operation of the trolley.
- H. Possess an open alcoholic beverage container while onboard a trolley.
- I. No person shall ride any bike, skateboard, or scooter while onboard the trolley.

Section 13.5: Prohibited Actions on or About the Transit Facility

A. No person (except MTDB/SDTI/SDTC employees, agents, or authorized visitors) shall enter upon the roadbed, tracks, structures, or other parts of the transit facility which are not open to passengers or to the public.

- B. No person shall drink any alcoholic beverage or possess an open alcoholic beverage container on the transit facility except on premises licensed therefor.
- C. No person shall sit, lie, or stand with any portion of his/her body extending within 8 feet 6 inches of the centerline of the outside rail on straight track or within 9 feet 6 inches of the centerline of the outside rail on curved track except while entering or alighting from a trolley stopped at that station.
- D. No person shall ride upon the outside or roof of any trolley.
- E. No person shall injure, deface, destroy, loosen, remove, or tamper with the transit facility.
- F. No person shall injure, mutilate, deface, alter, change, displace, remove, or destroy any sign, notice, signal, or advertisement on the transit facility.
- G. No person shall interfere with any lamp, electric light, electric fixture or density on the transit facility.
- H. No person shall write, paint, or draw any inscription or figure on or deface any transit facility.
- I. No person shall disobey or disregard the notices, prohibitions, instructions, or directions on any sign posted on the transit facility.
- J. No person shall interfere with, encumber, obstruct, or render dangerous any transit facility.
- K. No person shall throw or project a stone or other missile at any trolley, bus or at any person or thing on the transit facility.
- L. No person shall throw or project a stone or other missile from any transit facility or vehicle.
- M. No person shall fail or refuse to comply with any lawful order or direction of any MTDB inspector, security officer, or any peace officer.
- N. No person shall do, aid, abet, or assist in doing any act which may be dangerous, harmful, or injurious to any person or property within the transit facility, said act being not specifically prohibited herein.
- O. No person shall put his foot on any seat provided for any passengers of the transit facility or place any article on such seat which would leave grease, oil, paint, dirt, or any other substance on such seat.
- P. No person shall urinate or defecate in or upon unauthorized locations on the transit facility.
- Q. No person shall post, distribute, or display commercial signs, advertisements, circulars, handbills, or written material of a commercial nature on or within the transit facility, nor shall any person engage in any verbal solicitations of a commercial nature on or within said facility.
- R. No person shall climb upon or jump the trolley couplers.
- S. No person shall discard litter in any transit facility or vehicle.

T. No person shall loiter in the immediate vicinity of any posted property.

Section 13.6: Animals

No person shall bring, carry unto or convey upon the transit facility, a dog or other animal unless it is completely enclosed in a carrying case which can be accommodated in the lap of a passenger with no danger or annoyance to other passengers. This rule shall not apply to a "service" or "assistance" animal. A "service" or "assistance" animal is trained to assist persons with disabilities. Such animals shall be properly harnessed when possible. MTDB reserves the right to inquire about the status of such animals.

Section 13.7: Meetings

No person shall hold any meeting, perform any ceremony, make any speech, address or oration, exhibit, or distribute any sign, placard, notice, declaration, or appeal of any kind or description within any transit facility or upon any transit vehicle or platform without written permit from an MTDB official.

Section 13.8: Selling, Peddling, Leasing, Etc.

No person shall exhibit, sell, or offer for sale, hire, lease, or let out in or about the transit facility or a transit vehicle any object or merchandise, whether corporeal or incorporeal, except concessions under contract to MTDB.

Section 13.9: Bicycles

Bicycles are permitted on trolleys under the following conditions:

- A. Bicyclists must be at least 16 years of age and have a valid proof of payment of fare.
- B. Only one bicycle is allowed onboard a trolley during the hours of 6:00 a.m. to 9:00 a.m. and 3:00 p.m. to 6:00 p.m. weekdays.
- C. Bicycles will be permitted to board vehicles at the rear doors only and must be placed against the rear driver's cab. No more than two bicycles per car will be allowed and no bicycles will be permitted in the aiseways at any time.
- D. Bicyclists must remain with their bicycles at all times.
- E. When part of a group charter, more than two bicycles per car will be permitted at any time.

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8/16/01

Adopted: 8/9/01



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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.

ADM 121.10 (PC 20484)

October 28, 2004

SUBJECT:

MTDB: CONSULTANT SELECTION FOR THE COMPREHENSIVE OPERATIONAL
ANALYSIS.

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer to enter into negotiations with Transportation Management and Design, Inc. (TMD) to conduct a Comprehensive Operational Analysis (COA) of MTS services.

Budget Impact

This contract shall not exceed \$600,000. The Metropolitan Transit System (MTS) has budgeted \$185,000 in FY 05. We are working with the San Diego Association of Governments (SANDAG) to secure the balance of funding through federal and/or California Department Transportation grants.

DISCUSSION:

On August 30, 2004, a Request for Qualifications (RFQ) was issued for consultant services to conduct a COA of MTS services. The goal of this effort is to evaluate and restructure MTS services and operations to more efficiently and effectively serve the region's transit needs and meet regional transportation goals within the constraints of the current financial and operating environment.



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.

The RFQ for this project was advertised in *The San Diego Union-Tribune*, *San Diego Daily Transcript*, *Passenger Transport*, *El Latino*, and *Voice and Viewpoint*. In addition, notices were sent to SANDAG's current list of transportation planning consultants. As a result of this solicitation, we received Statements of Qualifications (SOQ) from the following four consultants: Daniel Boyle & Associates, IBI Group, Perteet, Inc., and TMD.

The SOQs were evaluated (see Attachment A) by a consultant evaluation committee (Committee) comprised of MTS, transit operators, and SANDAG staff, using the following criteria as outlined in the RFQ:

- Format and Content of SOQ (10 percent). The SOQs were rated with regard to organization, presentation, understanding of the project requirements, and ability to meet the project schedule.
- Qualifications of Project Manager (35 percent). Project managers were evaluated based on their knowledge in transit service planning, scheduling, and service provision; understanding of the local fiscal and operating environment and consolidated agency structure; success in completing similar projects; and ability to work on site or in close proximity throughout the project.
- Qualifications of Project Team (35 percent). Project teams were evaluated based on their experience in conducting comprehensive operational analysis; knowledge in bus and light rail transit service evaluation, development, and restructuring; knowledge and experience in market research and data collection; knowledge of applicable labor laws and other service provision guidelines; experience in developing and implementing successful public participation processes; and experience with HASTUS scheduling software.
- Cost Proposal (20 percent). Finally, the consultants were evaluated according to proposed hourly rates and best overall value considering project cost, staffing, and technical approaches.

Based on the SOQ evaluations, Daniel Boyle and Associates, IBI Group, and TMD were invited for oral interviews. Perteet, Inc., a Washington-based firm, was not interviewed due to its lack of local knowledge and inexperience.

Recommendation

Based on our assessment of the SOQs and subsequent interviews, the committee recommends that the COA contract be awarded to TMD. The TMD team's exceptional qualifications were demonstrated through their RFQ and interview. The project manager, Russell Chisholm, has over 25 years of experience and is an industry expert in transit service restructuring and operations optimization. He has successfully completed over 35 similar projects throughout North America and internationally. Two other key

team members include Katz & Associates and Cambridge Systematics, Inc. Lewis Michaelson of Katz & Associates has over 19 years of experience in developing and implementing successful public participation processes and served as past President for the International Association for Public Participation. Christopher Wornum, from Cambridge Systematics, Inc., was the project manager for the MTDB TransitWorks strategic plan development and a key staff member in developing the segmentation analysis of transit markets in San Diego.

In addition to the key staff listed above, the TMD team consists of professionals with extensive experience in data collection and analysis, scheduling using HASTUS scheduling software, financial analysis, and marketing. All team members are local to San Diego and/or have conducted applicable transit studies in the San Diego area. In summary, the TMD team demonstrates the qualifications and experience necessary to successfully complete all objectives of the COA within the budget and schedule allotted.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Conan Cheung, 619.515.0933, conan.cheung@sdmts.com

JGarde
OCT28-04.30.CCHEUNG
10/15/04

Attachment: A. Scoring Analysis **(Board Only)**

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

30

ORDER REQUEST RECEIVED

1

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

@ 9:42

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 10/28/04
Name (PLEASE PRINT) TERESA QUIROZ
Address 4719 BAILY PL
SAN DIEGO CA 92106
Telephone (619) 263-3457
Organization Represented (if any) _____

Subject of your remarks: _____

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

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

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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



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

Agenda

Item No. 31

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

FIN 310 (PC 30100)

October 28, 2004

Subject:

MTDB: FY 2003 FINANCIAL AUDIT REPORT

RECOMMENDATION:

That the Board of Directors

1. receive the Comprehensive Annual Financial Report (CAFR) for the fiscal year (FY) ended June 30, 2003 (Attachment A); and
2. recommend that the Board of Directors approve the transfer of \$162,822 from the Contingency Reserve to balance the FY 03 budget.

Budget Impact

\$162,822 will be pulled from the Contingency Reserve. The estimated June 30, 2004, balance in the MTDB Contingency Reserve (inclusive of the SDTC and SDTI Capital Replacement Reserves that were rolled into the Contingency Reserve) was \$16,530,098. This includes commitments of \$6,815,853 for FY 04 operations, \$4,335,426 for FY 05 operations, and \$2,544,245 for capital projects.

Executive Committee Recommendation

At its meeting on October 21, 2004, the Executive Committee recommended forwarding this item to the Board for approval.



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:

Comprehensive Annual Financial Report

MTDB's legislation and Public Utilities Code Section 120105(d) require that an independent auditor conduct an annual financial audit. KPMG has concluded the audit of MTDB's financial statements for the fiscal year ended June 30, 2003. The CAFR, which includes the financial statements of MTDB, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC), is attached. The CAFR will be submitted to the Government Finance Officer's Association (GFOA) for its consideration of an award of a Certificate of Achievement of Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In the ten prior years, MTDB was awarded the Certificate of Achievement.

As a result of the annual audit, KPMG is required to inform the Board and management of certain matters, including any weaknesses or deficiencies in the accounting for financial transactions. No "material" weaknesses in MTDB, SDTI, or SDTC accounting systems were found. The financial statements present the combined activities of MTDB, SDTI, and SDTC.

FY 2003 Results

Budget to Actual. On a combined basis, we ended the year with a budget subsidy carryover of (\$162,822) to the Contingency Reserve. The difference between the (\$42,106) on the Attachment B-1 and the above (\$162,822) is due to specific funding for various routes on the 800 and 900 Series contract services. These were carried over as a part of the FY 05 budget process. The following is a discussion of FY 03 results for each operator.

Fare Revenue Summary. Fare revenue for FY 03 was \$64,375,000 compared to the amended budget of \$66,046,000. This was \$1,671,000 (2.5 percent) under budget. Ridership declines at SDTC (9.3 percent) and at SDTI (1.0 percent) vs. FY 02 were fueled by economic issues and deployment of military personnel.

Operating Expense Summary. Operating expenses (inclusive of vehicle lease) for FY 03 were \$165,301,000 compared to the amended budget of \$166,926,000. This was \$1,625,000 (1.0 percent) under budget. The largest positive variances were in personnel (\$1,204,000) and services (\$991,000), while risk management (\$951,000) had the largest negative variance.

SDTC

- Overall. \$1,543,000 more was required in operating subsidy (details of how this is composed are below).
- Fare Revenue. Fare revenue for FY 03 was \$23,758,000 compared to the amended budget of \$24,812,000. This is \$1,054,000 (4.2 percent) under budget. Ridership declined by 9.3 percent vs. FY 02. The economy, the transfer of Route 55, on-time performance issues, and deployment of military personnel all played a role.

- Personnel Costs. Personnel costs for FY 03 were \$53,557,000 compared to the amended budget of \$54,409,000. This is \$852,000 (1.6 percent) under budget. This was largely the result of changing the actuarial assumption for the pension contribution (\$1,818,000) from 14 percent to 9 percent as the intended changes assumed in the budget were not able to be executed. Operator wages were over budget by \$1,268,960. Unfilled positions and less paid absences made up the balance.
- Outside Services. Engines and transmissions were \$276,000 under budget as these were delayed to offset overages. Other outside services were over \$375,000, primarily due to legal costs.
- Maintenance Supplies. Other materials and supplies were over by \$400,000 as the cost to maintain older buses grew faster than anticipated. Tires expense was under budget by \$127,000, as old contract disputes were favorably settled.
- Energy. Higher diesel and CNG prices helped to push this area over budget by \$422,000.
- Risk Management. Higher legal bills and renewal of insurance policies at higher-than-estimated rates contributed to bringing this area over \$681,000 over budget.

SDTI

- Overall. \$562,000 less was required in operating subsidy. The significant line details are below.
- Fare Revenue. Fare revenue for FY 03 was \$22,071,000 compared to the amended budget of \$22,700,000. This is \$629,000 (2.8 percent) under budget. Ridership declined by 1.0 percent vs. FY 02.
- Personnel Costs. Personnel costs for FY 03 were \$20,772,000 compared to the amended budget of \$20,896,000. This is \$124,000 (.6 percent) under budget.
- Outside Services. Security was \$279,000 below, and outside repair costs were \$180,000 under budget.
- Maintenance Supplies. Other materials and supplies are under by \$662,000 as cost controls helped minimize the effect of anticipated cost issues.
- Energy. Lower-than-anticipated electricity costs brought this item under budget by \$287,000.
- Risk Management. Higher claims pushed this area over budget by \$402,000.

MCS 900 Series

- Overall. Net subsidy was under budget by \$185,000. The significant line details are below.

- Fare Revenue. Fare revenue for FY 03 was \$10,585,000 compared to the amended budget of \$10,660,000. This is \$74,000 (.7 percent) under budget.
- Outside Services. Engines and transmissions, other outside services, and purchased transportation were all under budget by \$111,000, \$124,000, and \$23,000, respectively.

MCS 800 Series

- Overall. Net subsidy was under budget by \$284,000. The significant line details are below.
- Fare Revenue. Fare revenue for FY 03 was \$4,424,000 compared to the amended budget of \$4,446,000. This is \$22,000 (.5 percent) over budget.
- Outside Services. Engines and transmissions, other outside services, and purchased transportation were all under budget by \$5,000, \$94,000, and \$131,000, respectively.

La Mesa Dial-A-Ride

- Overall. Net subsidy was under budget by \$28,000 primarily due to less purchased transportation costs.

Chula Vista Transit

- Overall. Net subsidy was under budget by \$396,000. The significant line details are below.
- Fare Revenue. Fare revenue for FY 03 was \$2,310,000 compared to the amended budget of \$2,255,000. This is \$55,000 (.4 percent) over budget.
- Outside Services. This was under budget by \$140,000, primarily due to less engines and transmissions being completed.
- Risk Management. This area was under budget by \$51,000.

National City Transit

- Overall. Net subsidy was under budget by \$47,000. The significant line details are below.
- Fare Revenue. Fare revenue for FY 03 was \$1,181,000 compared to the amended budget of \$1,165,000. This is \$16,000 (1.4 percent) over budget.

- Operating Expenses. Overall operating expenses were \$30,000 under budget. A number of the lines varied. The most significant were personnel (under \$76,000), other outside services (over \$82,000), and risk management (\$81,000 over).



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tom Lynch, 619.557.4538, Tom.Lynch@sdmts.com

JGarde/OCT28-04.31.TLYNCH
9/27/04

Attachments: A. Comprehensive Annual Financial Report
B. Combined MTS Operations } For Board Only

COMBINED MTS OPERATIONS FY03 BUDGET TO ACTUAL COMPARISON

	FY03 AMENDED BUDGET	FY03 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$66,046,200	\$64,375,179	(\$1,671,021)	-2.5%
Advertising	783,000	717,876	(65,124)	-8.3%
Contracted Service Revenue	65,000	93,054	28,054	43.2%
Other	513,275	553,642	40,367	7.9%
TOTAL REVENUE	\$67,407,475	\$65,739,751	(\$1,667,724)	-2.5%
EXPENSES:				
<u>Personnel</u>	\$77,999,523	\$76,795,220	(1,204,303)	-1.5%
<u>Outside Services:</u>				
Marketing	\$574,000	\$594,920	\$20,920	3.6%
Security	4,733,010	4,430,718	(302,292)	-6.4%
Repair/Maintenance Services	2,973,599	2,774,110	(199,489)	-6.7%
Engines and Transmissions	1,386,121	949,679	(436,442)	-31.5%
Other Outside Services	4,119,457	4,256,283	136,826	3.3%
Purchased Transportation	44,878,579	44,667,936	(210,643)	-0.5%
Other Contracted Bus Services	0	0	0	-
Total Outside Services:	\$58,664,766	\$57,673,646	(\$991,120)	-1.7%
<u>Materials & Supplies:</u>				
Lubricants	\$187,900	\$178,303	(\$9,597)	-5.1%
Tires/Tubes	629,551	494,701	(134,850)	-21.4%
Other Materials & Supplies	6,702,650	6,438,987	(263,663)	-3.9%
Total Maint. Parts & Supplies:	\$7,520,101	\$7,111,991	(\$408,110)	-5.4%
<u>Energy:</u>				
Diesel Fuel	\$3,986,865	\$4,198,409	\$211,544	5.3%
CNG	4,986,430	5,299,598	313,168	6.3%
Electricity	7,609,637	7,296,816	(312,821)	-4.1%
Total Energy:	\$16,582,932	\$16,794,823	\$211,891	1.3%
<u>Risk Management</u>	4,700,225	5,650,827	\$950,602	20.2%
<u>General & Administrative</u>	997,829	806,509	(\$191,320)	-19.2%
TOTAL OPERATING EXPENSES	\$166,465,376	\$164,833,016	(\$1,632,360)	-1.0%
NET OPERATING COST	(\$99,057,901)	(\$99,093,265)	(\$35,364)	0.0%
Vehicle Lease	(460,757)	(467,499)	(6,742)	1.5%
NET ADJUSTED COST	(\$99,518,658)	(\$99,560,764)	(\$42,106)	0.0%
Farebox Recovery Ratio-Combined	40.0%	39.9%		

**COMBINED MTS OPERATIONS
FY03 BUDGET TO ACTUAL COMPARISON
SUMMARY BY OPERATOR**

	FY04 AMENDED BUDGET	FY04 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
OPERATING REVENUE:				
San Diego Transit	\$25,824,000	\$24,672,573	(\$1,151,427)	-4.5%
San Diego Trolley	23,049,275	22,426,665	(622,610)	-2.7%
MCS 900 Series	10,660,000	10,585,732	(74,268)	-0.7%
MCS 800 Series	4,424,000	4,446,364	22,364	0.5%
La mesa Dial A Ride	30,200	26,145	(4,055)	-13.4%
Chula Vista Transit	2,255,000	2,401,152	146,152	6.5%
National City Transit	1,165,000	1,181,120	16,120	1.4%
Coronado Ferry	0	0	0	-
TOTAL REVENUE	\$67,407,475	\$65,739,751	(\$1,667,724)	-2.5%
EXPENSES:				
San Diego Transit	\$70,894,000	\$71,285,536	\$391,536	0.6%
San Diego Trolley	40,170,325	38,985,869	(1,184,456)	-2.9%
MCS 900 Series	28,666,200	28,406,841	(259,359)	-0.9%
MCS 800 Series	17,509,145	17,247,294	(261,851)	-1.5%
La mesa Dial A Ride	468,105	436,520	(31,585)	-6.7%
Chula Vista Transit	6,279,467	6,030,108	(249,359)	-4.0%
National City Transit	2,474,213	2,443,669	(30,544)	-1.2%
Coronado Ferry	123,600	123,600	0	0.0%
Pass Thru	341,078	341,078	0	0.0%
TOTAL EXPENSES	\$166,926,133	\$165,300,515	(\$1,625,618)	-1.0%
NET SUBSIDY				
San Diego Transit	(\$45,070,000)	(\$46,612,963)	(\$1,542,963)	3.4%
San Diego Trolley	(17,121,050)	(16,559,204)	561,846	-3.3%
MCS 900 Series	(18,006,200)	(17,821,109)	185,091	-1.0%
MCS 800 Series	(13,085,145)	(12,800,930)	284,215	-2.2%
La mesa Dial A Ride	(437,905)	(410,375)	27,530	-6.3%
Chula Vista Transit	(4,024,467)	(3,628,956)	395,511	-9.8%
National City Transit	(1,309,213)	(1,262,549)	46,664	-3.6%
Coronado Ferry	(123,600)	(123,600)	0	0.0%
Pass Thru	(341,078)	(341,078)	0	0.0%
TOTAL NET SUBSIDY	(\$99,518,658)	(\$99,560,764)	(\$42,106)	0.0%

SAN DIEGO TRANSIT CORPORATION

FY03 BUDGET TO ACTUAL COMPARISON

	FY 04 AMENDED BUDGET	FY03 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$24,812,000	\$23,758,457	(\$1,053,543)	-4.2%
Advertising	783,000	\$717,876	(65,124)	-8.3%
Contracted Service Revenue	65,000	93,054	28,054	43.2%
Other	164,000	103,186	(60,814)	-37.1%
TOTAL REVENUE	\$25,824,000	\$24,672,573	(\$1,151,427)	-4.5%
EXPENSES:				
<u>Personnel</u>	\$54,409,000	\$53,557,062	(\$851,938)	-1.6%
<u>Outside Services:</u>				
Marketing	\$222,000	\$229,760	\$7,760	3.5%
Security	1,090,000	1,063,172	(26,828)	-2.5%
Repair/Maintenance Services	552,000	528,051	(23,949)	-4.3%
Engines and Transmissions *	877,000	601,087	(275,913)	-31.5%
Other Outside Services	1,335,000	1,709,620	374,620	28.1%
Purchased Transportation	0	0	0	-
Other Contracted Bus Services	0	0	0	-
Total Outside Services:	\$4,076,000	\$4,131,690	\$55,690	1.4%
<u>Materials & Supplies:</u>				
Lubricants	\$145,000	\$129,509	(\$15,491)	-10.7%
Tires/Tubes	613,000	485,915	(127,085)	-20.7%
Other Materials & Supplies	3,365,000	3,764,981	399,981	11.9%
Total Maint. Parts & Supplies:	\$4,123,000	\$4,380,405	\$257,405	6.2%
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$1,818,000	\$1,951,115	\$133,115	7.3%
CNG	2,533,000	2,812,517	279,517	11.0%
Facilities Utilities/Electricity	535,000	544,746	9,746	1.8%
Total Energy:	\$4,886,000	\$5,308,378	\$422,378	8.6%
<u>Risk Management</u>	\$2,767,000	\$3,447,518	\$680,518	24.6%
<u>General & Administrative</u>	\$633,000	\$460,483	(\$172,517)	-27.3%
TOTAL OPERATING EXPENSES	\$70,894,000	\$71,285,536	\$391,536	0.6%
NET OPERATING COST	(\$45,070,000)	(\$46,612,963)	(\$1,542,963)	3.4%
Vehicle Lease	0	0	0	-
NET ADJUSTED COST	(\$45,070,000)	(\$46,612,963)	(\$1,542,963)	3.4%
Farebox Recovery Ratio	35.0%	33.3%		

SAN DIEGO TROLLEY, INC.

FY03 BUDGET TO ACTUAL COMPARISON

	FY 03 AMENDED BUDGET	FY03 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$22,700,000	\$22,071,207	(\$628,793)	-2.8%
Advertising	0		0	-
Contracted Service Revenue	0		0	-
Other	349,275	355,458	6,183	1.8%
TOTAL REVENUE	\$23,049,275	\$22,426,665	(\$622,610)	-2.7%
EXPENSES:				
<u>Personnel</u>	\$20,896,300	\$20,772,475	(\$123,825)	-0.6%
<u>Outside Services:</u>				
Marketing	\$255,000	\$268,181	\$13,181	5.2%
Security	3,607,175	3,328,620	(278,555)	-7.7%
Repair/Maintenance Services	2,265,000	2,085,148	(179,852)	-7.9%
Engines and Transmissions	0		0	-
Other Outside Services	1,053,850	983,446	(70,404)	-6.7%
Purchased Transportation	0		0	-
Other Contracted Bus Services	0		0	-
Total Outside Services:	\$7,181,025	\$6,665,395	(\$515,630)	-7.2%
<u>Materials & Supplies:</u>				
Lubricants	\$36,400	\$40,253	\$3,853	10.6%
Tires/Tubes	0		0	-
Other Materials & Supplies	3,221,150	2,555,272	(665,878)	-20.7%
Total Maint. Parts & Supplies:	\$3,257,550	\$2,595,525	(\$662,025)	-20.3%
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$220,100	\$235,529	\$15,429	7.0%
CNG	0		0	-
Facilities Utilities/Electricity	6,865,800	6,562,830	(302,970)	-4.4%
Total Energy:	\$7,085,900	\$6,798,359	(\$287,541)	-4.1%
<u>Risk Management</u>	\$1,475,725	\$1,878,221	\$402,496	27.3%
<u>General & Administrative</u>	\$273,825	\$275,894	\$2,069	0.8%
TOTAL OPERATING EXPENSES	\$40,170,325	\$38,985,869	(\$1,184,456)	-2.9%
NET OPERATING COST	(\$17,121,050)	(\$16,559,204)	\$561,846	-3.3%
Vehicle Lease	0	0	0	-
NET ADJUSTED COST	(\$17,121,050)	(\$16,559,204)	\$561,846	-3.3%
Farebox Recovery Ratio	56.5%	56.6%		

MCS - 900 SERIES

FY03 BUDGET TO ACTUAL COMPARISON

	FY03 AMENDED BUDGET	FY03 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$10,660,000	\$10,585,732	(\$74,268)	-0.7%
Advertising	0		0	-
Contracted Service Revenue	0		0	-
Other	0		0	-
TOTAL REVENUE	\$10,660,000	\$10,585,732	(\$74,268)	-0.7%
EXPENSES:				
<u>Personnel</u>	\$197,972	\$199,630	\$1,658	0.8%
<u>Outside Services:</u>				
Marketing	\$77,000	\$76,587	(\$413)	-0.5%
Security	30,000	38,926	8,926	29.8%
Repair/Maintenance Services	0		0	-
Engines and Transmissions	298,000	186,802	(111,198)	-37.3%
Other Outside Services	643,900	519,597	(124,303)	-19.3%
Purchased Transportation	24,642,993	24,619,128	(23,865)	-0.1%
Other Contracted Bus Services	0		0	-
Total Outside Services:	\$25,691,893	\$25,441,040	(\$250,853)	-1.0%
<u>Materials & Supplies:</u>				
Lubricants	\$0		\$0	-
Tires/Tubes	0		0	-
Other Materials & Supplies			0	-
Total Maint. Parts & Supplies:	\$0	\$0	\$0	-
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$637,017	\$602,837	(\$34,180)	-5.4%
CNG	\$2,130,050	2,156,873	26,823	1.3%
Facilities Utilities/Electricity	0		0	-
Total Energy: ##	\$2,767,067	\$2,759,710	(\$7,357)	-0.3%
<u>Risk Management</u>	\$0		\$0	-
<u>General & Administrative</u>	\$9,268	\$6,461	(\$2,807)	-30.3%
TOTAL OPERATING EXPENSES	\$28,666,200	\$28,406,841	(\$259,359)	-0.9%
NET OPERATING COST	(\$18,006,200)	(\$17,821,109)	\$185,091	-1.0%
Vehicle Lease			0	-
NET ADJUSTED COST	(\$18,006,200)	(\$17,821,109)	\$185,091	-1.0%
Farebox Recovery Ratio	37.2%	37.3%		

MCS - 800 SERIES

FY03 BUDGET TO ACTUAL COMPARISON

	FY03 AMENDED BUDGET	FY03 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$4,424,000	\$4,446,364	\$22,364	0.5%
Advertising	0		0	-
Contracted Service Revenue	0		0	-
Other	0		0	-
TOTAL REVENUE	\$4,424,000	\$4,446,364	\$22,364	0.5%
EXPENSES:				
<u>Personnel</u>	\$431,921	\$311,620	(\$120,301)	-27.9%
<u>Outside Services:</u>				
Marketing			\$0	-
Security	5,835		(5,835)	-
Repair/Maintenance Services	0		0	-
Engines and Transmissions	118,221	112,882	(5,339)	-4.5%
Other Outside Services	337,935	243,482	(94,453)	-28.0%
Purchased Transportation	15,128,954	14,997,995	(130,959)	-0.9%
Other Contracted Bus Services	0		0	-
Total Outside Services:	\$15,590,945	\$15,354,359	(\$236,586)	-1.5%
<u>Materials & Supplies:</u>				
Lubricants	\$0		\$0	-
Tires/Tubes	0		0	-
Other Materials & Supplies			0	-
Total Maint. Parts & Supplies:	\$0	\$0	\$0	-
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$1,012,375	\$1,101,671	\$89,296	8.8%
CNG			0	-
Facilities Utilities/Electricity	0		0	-
Total Energy: ##	\$1,012,375	\$1,101,671	\$89,296	8.8%
<u>Risk Management</u>	\$0		\$0	-
<u>General & Administrative</u>	\$13,188	\$12,161	(\$1,027)	-7.8%
TOTAL OPERATING EXPENSES	\$17,048,429	\$16,779,811	(\$268,618)	-1.6%
NET OPERATING COST	(\$12,624,429)	(\$12,333,447)	\$290,982	-2.3%
Vehicle Lease	(460,716)	-467483	(6,767)	1.5%
NET ADJUSTED COST	(\$13,085,145)	(\$12,800,930)	\$284,215	-2.2%
Farebox Recovery Ratio	25.9%	26.5%		

LA MESA DIAL A RIDE

FY03 BUDGET TO ACTUAL COMPARISON

	FY03 AMENDED BUDGET	FY03 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$30,200	\$22,361	(\$7,839)	-26.0%
Advertising	0		0	-
Contracted Service Revenue	0		0	-
Other	0	3,784	3,784	-
TOTAL REVENUE	\$30,200	\$26,145	(\$4,055)	-13.4%
EXPENSES:				
<u>Personnel</u>	\$45,145	\$41,812	(\$3,333)	-7.4%
<u>Outside Services:</u>				
Marketing			\$0	-
Security			0	-
Repair/Maintenance Services			0	-
Engines and Transmissions			0	-
Other Outside Services			0	-
Purchased Transportation	414,300	391,718	(22,582)	-5.5%
Other Contracted Bus Services	0		0	-
Total Outside Services:	\$414,300	\$391,718	(\$22,582)	-5.5%
<u>Materials & Supplies:</u>				
Lubricants	\$0		\$0	-
Tires/Tubes	0		0	-
Other Materials & Supplies			0	-
Total Maint. Parts & Supplies:	\$0	\$0	\$0	-
<u>Energy:</u>				
Diesel/Gasoline Fuel			\$0	-
CNG			0	-
Facilities Utilities/Electricity	0		0	-
Total Energy: ##	\$0	\$0	\$0	-
<u>Risk Management</u>	\$0		\$0	-
<u>General & Administrative</u>	\$8,660	\$2,990	(\$5,670)	-65.5%
TOTAL OPERATING EXPENSES	\$468,105	\$436,520	(\$31,585)	-6.7%
NET OPERATING COST	(\$437,905)	(\$410,375)	\$27,530	-6.3%
Vehicle Lease			0	-
NET ADJUSTED COST	(\$437,905)	(\$410,375)	\$27,530	-6.3%
Farebox Recovery Ratio	6.5%	5.1%		

CHULA VISTA TRANSIT FY03 BUDGET TO ACTUAL COMPARISON

	FY03 AMENDED BUDGET	FY03 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$2,255,000	\$2,309,938	\$54,938	2.4%
Advertising	0		0	-
Contracted Service Revenue	0		0	-
Other	0	91,214	91,214	-
TOTAL REVENUE	\$2,255,000	\$2,401,152	\$146,152	6.5%
EXPENSES:				
<u>Personnel</u>	\$589,158	\$558,915	(\$30,243)	-5.1%
<u>Outside Services:</u>				
Marketing	\$0		\$0	-
Security	0		0	-
Repair/Maintenance Services	103,099	71,570	(31,529)	-30.6%
Engines and Transmissions	92,900	48,908	(43,992)	-47.4%
Other Outside Services	222,125	191,394	(30,731)	-13.8%
Purchased Transportation	4,568,732	4,535,495	(33,237)	-0.7%
Other Contracted Bus Services	0		0	-
Total Outside Services:	\$4,986,856	\$4,847,367	(\$139,489)	-2.8%
<u>Materials & Supplies:</u>				
Lubricants	\$0		\$0	-
Tires/Tubes	0		0	-
Other Materials & Supplies	0		0	-
Total Maint. Parts & Supplies:	\$0	\$0	\$0	-
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$98,023	\$90,834	(\$7,189)	-7.3%
CNG	323,380	330,208	6,828	2.1%
Facilities Utilities/Electricity	187,837	168,753	(19,084)	-10.2%
Total Energy:	\$609,240	\$589,795	(\$19,445)	-3.2%
<u>Risk Management</u>	\$60,000	\$8,872	(\$51,128)	-85.2%
<u>General & Administrative</u>	\$34,188	\$25,159	(\$9,029)	-26.4%
TOTAL OPERATING EXPENSES	\$6,279,442	\$6,030,108	(\$249,334)	-4.0%
NET OPERATING COST	(\$4,024,442)	(\$3,628,956)	\$395,486	-9.8%
Vehicle Lease	(25)		25	-
NET ADJUSTED COST	(\$4,024,467)	(\$3,628,956)	\$395,511	-9.8%
Farebox Recovery Ratio	36.7%	39.2%		

NATIONAL CITY TRANSIT FY03 BUDGET TO ACTUAL COMPARISON

	FY03 AMENDED BUDGET	FY03 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$1,165,000	\$1,181,120	\$16,120	1.4%
Advertising	0		0	-
Contracted Service Revenue	0		0	-
Other	0		0	-
TOTAL REVENUE	\$1,165,000	\$1,181,120	\$16,120	1.4%
EXPENSES:				
<u>Personnel</u>	\$1,244,449	\$1,168,128	(\$76,321)	-6.1%
<u>Outside Services:</u>				
Marketing	\$20,000	\$20,392	\$392	2.0%
Security	0		0	-
Repair/Maintenance Services	53,500	89,341	35,841	67.0%
Engines and Transmissions	0		0	-
Other Outside Services	371,147	453,244	82,097	22.1%
Purchased Transportation	0		0	-
Other Contracted Bus Services	0		0	-
Total Outside Services:	\$444,647	\$562,977	\$118,330	26.6%
<u>Materials & Supplies:</u>				
Lubricants	\$6,500	\$8,541	\$2,041	31.4%
Tires/Tubes	16,551	8,786	(7,765)	-46.9%
Other Materials & Supplies	116,500	118,734	2,234	1.9%
Total Maint. Parts & Supplies:	\$139,551	\$136,061	(\$3,490)	-2.5%
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$201,350	\$216,423	\$15,073	7.5%
CNG	0		0	-
Facilities Utilities/Electricity	21,000	20,487	(513)	-2.4%
Total Energy:	\$222,350	\$236,910	\$14,560	6.5%
<u>Risk Management</u>	\$397,500	\$316,216	(\$81,284)	-20.4%
<u>General & Administrative</u>	\$25,700	\$23,361	(\$2,339)	-9.1%
TOTAL OPERATING EXPENSES	\$2,474,197	\$2,443,653	(\$30,544)	-1.2%
NET OPERATING COST	(\$1,309,197)	(\$1,262,533)	\$46,664	-3.6%
Vehicle Lease	(16)	(\$16)	0	0.0%
NET ADJUSTED COST	(\$1,309,213)	(\$1,262,549)	\$46,664	-3.6%
Farebox Recovery Ratio	47.1%	48.33%		

CORONADO FERRY

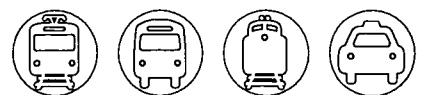
FY03 BUDGET TO ACTUAL COMPARISON

	FY 03 AMENDED BUDGET	FY03 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$0	\$0	-	-
Advertising	0	0	-	-
Contracted Service Revenue	0	0	-	-
Other	0	0	-	-
TOTAL REVENUE	\$0	\$0	-	-
EXPENSES:				
<u>Personnel</u>	\$0	\$0	-	-
<u>Outside Services:</u>				
Marketing	\$0	\$0	-	-
Security	0	0	-	-
Repair/Maintenance Services	0	0	-	-
Engines and Transmissions	0	0	-	-
Other Outside Services	0	0	-	-
Purchased Transportation	123,600	123,600	0	0.0%
Other Contracted Bus Services	0	0	-	-
Total Outside Services:	\$123,600	\$123,600	\$0	0.0%
<u>Materials & Supplies:</u>				
Lubricants	\$0	\$0	-	-
Tires/Tubes	0	0	-	-
Other Materials & Supplies	0	0	-	-
Total Maint. Parts & Supplies:	\$0	\$0	-	-
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$0	\$0	-	-
CNG	0	0	-	-
Facilities Utilities/Electricity	0	0	-	-
Total Energy:	\$0	\$0	-	-
<u>Risk Management</u>	\$0	\$0	-	-
<u>General & Administrative</u>	\$0	\$0	-	-
TOTAL OPERATING EXPENSES	\$123,600	\$123,600	\$0	0.0%
NET OPERATING COST	(\$123,600)	(\$123,600)	\$0	0.0%
Vehicle Lease	0	0	0	-
NET ADJUSTED COST	(\$123,600)	(\$123,600)	\$0	0.0%

Comprehensive
ANNUAL FINANCIAL REPORT
METROPOLITAN TRANSIT DEVELOPMENT BOARD



FOR THE FISCAL YEAR ENDED JUNE 30, 2003
SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD
SAN DIEGO, CALIFORNIA



Comprehensive
ANNUAL FINANCIAL REPORT
METROPOLITAN TRANSIT DEVELOPMENT BOARD

FOR THE FISCAL YEAR ENDED JUNE 30, 2003
SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD
SAN DIEGO, CALIFORNIA

Prepared by the Finance Department



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SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Comprehensive Annual Financial Report

June 30, 2003

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SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Comprehensive Annual Financial Report

June 30, 2003

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INTRODUCTORY SECTION

This Section Contains the Following Subsections:

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

SAN DIEGO REGIONAL RAIL PROJECT PLAN

LISTING OF BOARD OF DIRECTORS AND MANAGEMENT

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

May 24, 2004

Board of Directors and Transit Riders
San Diego Metropolitan
Transit Development Board:





The comprehensive annual financial report of the San Diego Metropolitan Transit Development Board (MTDB) for the fiscal year ended June 30, 2003 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. Management of MTDB is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of MTDB are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

State statutes require an annual audit by independent certified public accountants. The firm of KPMG LLP, along with its subcontractor, Nunez & Associates, Inc., has been retained to meet this requirement. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of MTDB for the fiscal year ended June 30, 2003 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that MTDB's basic financial statements for the fiscal year ended June 30, 2003 are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The independent auditors' report is presented as the first component of the financial section of this report. As demonstrated by the basic financial statements and schedules included in the financial section of this report, MTDB continues to meet its responsibility for sound financial management.

The independent audit also was designed to meet the requirements of a broader, federally mandated "Single Audit" to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The reports related specifically to the Single Audit have been issued under separate cover.

Member Agencies:

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

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

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

MTDB maintains budgetary controls, the objective of which is to ensure compliance with the provisions embodied in the annual appropriated budget approved by the Metropolitan Transportation Development (MTD) board of directors. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Fund are included in the annual appropriated budgets. Comprehensive multi-year financial plans, adopted when major projects are approved for the final design and construction phase, provide project-length budgetary control in the Capital Projects Fund. The portion of costs expected to be incurred on each project during the fiscal year is included in the annual operating budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by line item within an individual fund. The General Manager has the authority to transfer up to \$25,000 between line items. MTDB also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances are evaluated and may be reappropriated as part of the following year's budget.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

The San Diego Metropolitan Transit Development Board was created effective January 26, 1976 to provide the policy setting and overall management coordination of the public transportation system in the San Diego metropolitan service area. This service area encompasses approximately 1.96 million people residing in a 570 square mile area of San Diego County, including the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, Santee, and San Diego and the unincorporated area of the County of San Diego. A number of fixed-route operating entities provide the service and have banded together to form a federation of transit service providers called the Metropolitan Transit System (MTS). The purpose of the MTS is to provide coordinated routes, fares, and transfers among the different operating entities.

MTDB's mission statement, adopted by the board of directors, is to enhance the personal mobility of San Diego metropolitan area residents and visitors by:

- Obtaining maximum benefit for every dollar spent.
- Being the community's major public transportation advocate.
- Increasing public transportation usage per capita.
- Taking a customer-oriented approach.
- Implementing capital projects on schedule and within budget.
- Offering high-quality public transportation services.
- Responding to the community's socio-economic interests.

MTDB is also responsible for guideway development. MTDB has planned, designed, and constructed two light rail transit (LRT) lines for a total 47.3-mile system: the 25.7-mile Blue Line with 25 stations and the 21.6-mile Orange Line with 24 stations. The Mission Valley East extension will add 5.8 miles and 4 stations and will close the gap between the existing Blue and Orange Lines. Service is scheduled to start in 2005.

In addition to its capital development functions, MTDB is responsible for short-range planning and financing for bus and rail transit systems operations in the service area. MTDB is also responsible for preparing and implementing the area's five-year Transit Improvement Program, regional transit services either directly or by contract with other transit operators, and coordinating and regulating regional transit routes, fares, and services.

MTDB is effectively an umbrella agency. MTDB owns the assets of San Diego Trolley, Inc. (SDTI) and San Diego Transit Corporation (SDTC), the area's two largest transit operators. These two transit units were formed under California law as not-for-profit public corporations and function as operating subsidiaries of MTDB. SDTI and SDTC are considered component units and are discretely presented for financial reporting purposes. SDTI operates two LRT routes, the Blue Line from the Mission San Diego Station to San Ysidro at the International Border and the Orange Line from the Imperial and 12th Bayside Platform through Centre City and then east to Santee. SDTC operates 31 fixed bus routes over 735 route miles with an active fleet of 294 buses.

The relationship between MTDB and the transit operating subsidiaries, SDTC and SDTI, is formally established through operating agreements and MTDB-adopted corporate policies. These agreements and corporate policies specify the roles and responsibilities of each of the organizations and outline the procedures in numerous functional areas including auditing and budgeting, fare setting, marketing and public information, revenue-producing advertising, service contracts, and programming of federal, state and local subsidies. The MTD board of directors has the policy-setting responsibility for the operation and development of MTDB's transit operating subsidiaries as well as for the planning and approval of capital expenditures by or on behalf of these entities. The day-to-day operating functions, labor matters and maintenance of facilities are managed by the individual transit operators. SDTC and SDTI are treated as discretely presented component units for financial reporting purposes.

In addition, MTDB owns the San Diego and Arizona Eastern Railway Company (SD&AE), a not-for-profit railroad holding company entrusted with assets which include 108 miles of rail line and over 2,000 acres of property. MTDB has a contract with the San Diego and Imperial Valley Railway Co. (SDIV) for the operation of freight rail services over the SD&AE rail line. MTDB provides no subsidy to SDIV, but does receive a portion of its gross revenue. SD&AE is treated as a discretely presented component unit for financial reporting purposes.

In addition to the bus routes operated by SDTC, MTDB is financially accountable for the operation of certain other bus routes. MTDB contracts with an outside party for the operation of these bus routes. The contracts require full operation and maintenance of the bus services. These contract services are accounted for in the Other Contracted Services Enterprise Fund for financial reporting purposes. Effective July 1, 2002, the responsibility for operating the County Transit System (CTS) was transferred from the County of San Diego to MTDB. CTS operating services are combined with the Other Contracted Services Enterprise Fund for financial reporting purposes.

MTDB also is financially accountable for the operation of the Taxicab Administration services, which includes regulating the issuance of the taxi and jitney service permits in the Cities of San Diego, El Cajon, Imperial Beach, Lemon Grove, National City, Poway, and Santee. Taxicab Administration is accounted for in an Enterprise Fund for financial reporting purposes.

The MTD board of directors is comprised of 15 members with four appointed from the San Diego City Council, one appointed from the San Diego County Board of Supervisors, one appointed from each city council of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee, and one elected by other Board members to serve as Chairman.

Effective January 1, 2003, Senate Bill 1703 took effect which consolidates the planning, programming, project development, and construction activities of the San Diego Association of Governments (SANDAG), MTDB, and North San Diego County Transit Development Board (NCTD) into one consolidated transportation agency. The legislation calls for an initial transfer of the planning and programming functions by July 1, 2003 and a subsequent transfer of the project development and construction functions by January 30, 2004. Once the consolidation is complete, MTDB's focus will be shifted to the operating of transit services, as the new consolidated transportation agency will be responsible for all other facets of transportation planning, programming, and development. MTDB will have one voting member on the nine-member Transportation Committee of the new agency. The Transportation Committee will assume the responsibility and decision-making for all transportation-related planning, programming, and development activities. In accordance with the legislation, the planning and programming functions transferred to SANDAG on July 1, 2003 and the project development and construction activities transferred to SANDAG on October 13, 2003.

ECONOMIC CONDITION AND OUTLOOK

Operations

Historically, the San Diego region has enjoyed strong economic expansion, outpacing both the state and the national economies. San Diego's gross regional product (GRP), the estimated total value of the economy, reached a record \$129.2 billion in calendar year 2003. San Diego has consistently exceeded U.S. growth since 1995. San Diego has also exceeded the rest of California's economic expansion since 1996 other than the year 2000 when the telecom and technology bubble in northern California swelled output. The Economic Research Bureau of the San Diego Regional Chamber of Commerce forecasts San Diego's GRP will increase 6.2% in 2004 to \$137.2 billion. Adjusted for inflation, the rate of expansion will be 4.2%, the strongest "real" growth since the year 2000. San Diego's sales tax base (which affects our principal source of funding, California Transportation Development Act (TDA)), is projected to increase by 5% in 2004. Despite the positive economic indicators, MTS-area fixed-route ridership has declined by 15.3% over the past three years. The decline can be attributed to changes in travel habits, declines in tourism as a result of the September 11, 2001 events, the deployment of military personnel as a result of the war, and fare increases that were implemented April 1, 2001 and July 1, 2003. On the positive side, a portion of the ridership decline can be attributed to changes in fare policy which we believe significantly reduced the number of nonpaying riders.

The principal local source of operating subsidy for MTDB's transit programs is the TDA. One-fourth percent of the local sales tax in each California county is dedicated to transportation purposes.

On a local level, area voters approved a one-half cent transportation sales tax in 1987, called TransNet. One-third of the sales tax proceeds is allocated for transit purposes which is further divided between MTDB and North County Transit District (MTDB's counterpart in North San Diego County) based on the proportion of the population within the area of each jurisdiction. Prior to FY 2004, 80% of the transit TransNet funds had to be used for expansion of the light rail system. The remaining 20% could be used for operations after funding a reduced price pass program for seniors, disabled, and youth, which is capped at \$5.5 million. As a result of operating budget pressures, the ratio was changed in June 2003 so that up to 40% of the TransNet program can be used for operations (increased from 20%). The current TransNet sales tax expires in 2008. SANDAG is spearheading the reauthorization effort, currently scheduled for a public vote in November 2004. In order to pass, 66-2/3 of the voters must approve the measure.

The MTD Board adopts a five-year financial operating plan each spring. Even so, we have been dealt severe operating challenges during the last few fiscal years, many of which are beyond our control. As such, we are revisiting available options such as reducing our capital program in order to fund operations, adjusting fares, and eliminating unproductive service.

Capital Development

Funds are received on the federal, state, and local level for capital development. MTDB receives discretionary (Section 5309) and formula (Section 5307) funds from the Federal Transit Administration (FTA) which are primarily used for capital projects. The FTA generally participates at a rate of 80% and MTDB contributes the remaining 20% (local match). On the state level, MTDB receives significant funding from a variety of programs. The state participates at a rate ranging from 50% to 100% and MTDB contributes the remainder. With the state budget crisis, funding of the Transportation Congestion Relief Program (TCRP) has been in question. Depending on the outcome of the FY 2005 state budget, there are several significant capital projects which we might need to defer or for which we would need to find alternative funding sources. These projects include bus procurements, improvements to the East Village downtown area surrounding the new ballpark, and the Mid-Coast light rail transit extension.

MAJOR INITIATIVES

Strategic Plan

In October 2000, the MTD board of directors adopted a policy position to pursue a vision needed for transit to play a major role in meeting the region's mobility needs. The vision adopted, Transit First, has the goal of making transit such a desirable option that people will make it their first choice for many of their daily travel needs. Such a vision is predicated on establishing local policies that will focus on pedestrian-friendly community design principles.

Transit First sets the stage for how we would like the region to look and feel in the year 2020 and beyond, which is consistent with the vision statements in SANDAG's Region 2030 planning process and the City of San Diego's Strategic Framework effort. The investment needed to make Transit First a reality is a major undertaking relative to current spending on transit in the San Diego region, yet the dollar amounts for the development of our full system of capital infrastructure are reasonable when compared to capital investments on specific projects in other U.S. cities.

Implementation of a Transit First plan will be an ambitious undertaking, one that will not be implemented over night. A phased implementation will be undertaken as additional resources become available. Importantly, community policies related to land use and traffic priorities become critical to carrying out the vision.

Major Capital Projects

Mission Valley East LRT Project – The Mission Valley East (MVE) LRT Line will extend 5.8 miles between Interstate 15 in Mission Valley to Baltimore Drive in La Mesa primarily along the I-8 corridor. The MVE LRT project is being constructed in three segments: the SDSU Tunnel Segment, the Grantville Segment, and the La Mesa Segment. In FY 03, construction was ongoing on the SDSU, Grantville and La Mesa Segments, and design was being completed for the Track and Systems contract. In FY 04, the SDSU, Grantville and La Mesa segments will be completed. The Track and Systems contract will be bid out in FY 04 and construction work will commence with completion scheduled for May 2005.

San Ysidro Intermodal Transportation Center – This project will rebuild the San Ysidro trolley station to create a trolley plaza with three platforms, new bus bays, shelters, paving, and landscaping. The project also re-routes traffic to eliminate pedestrian conflicts and consolidates bus and jitney operations. MTDB acquired legal possession of the private properties during FY 03 and demolition of property for the Northbound Track/Station Platform area was started. FY 04 activities will include construction of phase II of the project including the Intercity bus bays, the new rail court, and continuous construction of the pedestrian plaza.

Mid-Coast Sorrento Valley Coaster Station – This project will provide for the design and construction of parking and bus bays at the Coaster Station in Sorrento Valley. Improvements include parking lot expansion and station platform enhancements. Construction was completed on this project in FY 03.

Mid-Coast Balboa LRT Project – The proposed Mid-Coast LRT Project, Balboa Extension consists of a new 3.5 mile LRT line from the Old Town Transit Center to Balboa Avenue and would be located almost entirely within the existing railroad right-of-way. The Balboa LRT Extension would pass under I-8, under Tecolote Road, under Clairemont Drive, and over Balboa Avenue. Three stations are proposed at Tecolote Road, Clairemont Drive, and Balboa Avenue. Surface parking is proposed at each station. Planning activities were completed during FY 03 and the Project Readiness Documents are in process. In FY 04 the Project Readiness Documents will be completed. Once FTA has evaluated the Balboa LRT Segment for project readiness and accepted the documentation, the FTA can issue permission to enter final design. The project is scheduled for transfer to Engineering in 2003.

East Village Projects – Several projects are taking place in the East Village, as follows:

The Gaslamp Project widened the existing Gaslamp station platforms to comply with MTDB's new station design criteria. Construction was completed in FY 03.

The Orange to Blue Line project will provide for a direct connection from the Orange Line to the Blue Line at the 12th & Imperial Transfer Station. During FY 03, the project was advertised for construction. Bids were significantly higher than the funds available and were rejected and several meetings were conducted with CCDC, San Diego Trolley, and MTDB staff to review the design concepts. In FY 04, this project will be redesigned in preparation for future construction.

The 12th Avenue Park to Bay Link project will provide for the reconfiguration of the 12th & Market LRT stations. During FY 03 design was completed to reduce the scope of the project and the project was advertised for construction. Construction will be completed on this project in FY 04.

The City College Station Realignment project will provide for the realignment of the existing City College stations, located at 12th & C Streets. Design of the new traction power substation site on City College property was initiated in FY 03. FY 04 activities will be design, coordination with the developer, and relocation of traction power substations.

The 12th Avenue Corridor Improvements project will provide for street enhancements along the 12th Avenue corridor including sidewalks, landscaping, and roadway construction. During FY 03 design was completed to reduce the scope of the project and the project was advertised for construction. In FY 04 design will be completed and this project will move into construction.

Automated Fare Technology – This project will develop a regional automated fare technology system using smart card technology. This project is a joint effort between MTDB and North County Transit District (NCTD). During FY 03 two contracts were awarded. The first contract was for the delivery of electronic validating fareboxes from GFI Genfare. The second contract to Cubic Transportation Systems, Inc. provides for delivery of a smart card capable driver control unit (DCU), rail equipment including ticket vending machines (TVM), ticket office equipment, and rail validation equipment, and a central clearinghouse computer system and application servers to manage the entire system. Both Contractors received notices to proceed and began design of the final solution. The farebox system design was completed and equipment was delivered to the Cubic facility to begin integration of the two systems. During FY 04, GFI fareboxes and Cubic DCU will be installed on North County Transit District and San Diego Transit Corporation buses. Rail design was completed by end of December 2003 with planned laboratory and field testing of all equipment occurring during spring 2004.

I-15 Bus Rapid Transit – This project will provide for the environmental clearance, right-of-way acquisition, design, and construction of Bus Rapid Transit Stations at South Escondido/Del Lago, Rancho Bernardo, and Sabre Springs/Penasquitos. The project includes purchase of BRT vehicles and operating and marketing plans for the new service. The service will utilize the Managed Lanes and Direct Access Ramps being constructed by Caltrans. In FY 03 environmental documentation for the three stations was completed, right of way parcels were acquired, conceptual engineering was finished, and the project proceeded to preliminary engineering. In FY 04 right of way parcels will be acquired, preliminary engineering will be completed and work will begin on final design.

Transportation Operations Management Center – Phase I will upgrade and enhance the San Diego Trolley, Inc. (SDTI) existing control center facility in its current location. This upgrade will monitor and control the entire trolley line including train control, operator dispatch, fire, life and safety monitoring of the tunnel segment of MVE, and closed circuit television (CCTV) monitoring in a single facility. Phase II of the project would design and build a multi-modal control center combining elements from SDTI and SDTC existing control center facility in one integrated Transportation Operation Management Center (TOMC).

During FY 03 MTDB awarded a design contract for the first phase of the TOMC which included preliminary needs requirement for the permanent facility. Design work on the Interim Trolley Control Center (ITCC) reached 65% by June 2003. A basis of design on the TOMC reached 65% by June 2003. In FY 2004, the ITCC design work will be completed, a biddable construction package will be developed, and a construction contract will be awarded.

East County Bus Maintenance Facility – This project consists of the purchase and development of three parcels in El Cajon for a bus maintenance and operations center for 150 – 200 vehicles used by MTS bus contractors to provide service in East County and paratransit in the MTS region. During FY 03 the first parcel, which is currently occupied by our East County transit operator, was purchased. The property was condemned via hearing of necessity and the project was going through the court process. Completion of the negotiations on the first parcel is anticipated to be consummated before the end of FY 04. The second parcel was occupied for the ADA paratransit operation via lease of the parcel and both prior tenants were relocated. Minor site improvements were completed in FY 03. During FY 04 the second parcel appraisal will be initiated and completed and the acquisition process concluded. Discussions have begun with the third parcel owners for possible occupancy and purchase. It is expected that we would begin occupancy in late December 2004 or early 2005, pending relocation of tenants. Purchase of this parcel is planned for FY 05.

FINANCIAL MANAGEMENT

Pension Funds

MTDB and SDTI contract with the California Public Employees Retirement System (PERS) for their employees. The employees of SDTC participate in the San Diego Transit Corporation Employee Retirement Plan, a single-employer public employee retirement plan. At June 30, 2002 (the most recent valuation date), MTDB's and SDTI's net assets available for benefits were less than the actuarially determined pension benefit obligation by \$1,052,000 and \$223,000, respectively. At January 1, 2003 (the most recent year available), SDTC's actuarial accrued liability exceeded the actuarial value of the assets by \$69.3 million.

Debt Administration

Capital Leases – MTDB has two capitalized lease obligations with current year debt service of \$4.3 million. Both the lease obligations are a result of a joint venture arrangement whereby the joint venture issued certificates of participation (COPs), and MTDB services the debt through lease payments.

The 1990 \$41,020,000 COP issue, which related to the acquisition of 130 replacement buses, was refinanced with the California Transit Finance Corporation in February 2002 at which time it received an underlying rating of A1 from Moody's Investors Service based solely on the strength of MTDB when it was refinanced in February 2000. On the COP issue which related to the construction of the MTS Tower, the rating, which was based on the strength of the joint venture and the primary lessor (the County of San Diego), was Aaa by Moody's Investors Service and AAA by Standard & Poor's Corporation.

Finance Obligations – MTDB has three finance obligations. Total debt service for FY 03 was \$6.5 million. The finance obligations are the result of LRV sale/leaseback and lease/leaseback transactions. In each case, proceeds from the transaction were placed into various investments which mature at values sufficient to cover all remaining lease payments due as well as amounts necessary to exercise the repurchase options.

Cash Management

To facilitate optimum management of MTDB's resources, cash in all the individual funds is combined to form a pool of cash for short-term investment, except for restricted funds, which are generally held by outside custodians on behalf of capital projects and enterprise funds. MTDB's funds are invested in accordance with its written policy which is consistent with the California Government Code 53600. MTDB uses the services of an outside investment management firm to handle the daily investment activities. Other than the investments related to the finance obligations, the majority of MTDB's cash at June 30, 2003 was on deposit with the State Treasurer in the state's Local Agency Investment Fund (\$12.1 million) and invested in United States Government Agencies (\$57.5 million) and Corporate Notes (\$6.0 million).

Further details of MTDB's cash and investments at June 30, 2003 are set forth in note 4 to the basic financial statements.

Risk Management

MTDB (including Taxicab Administration and Other Contracted Services), SDTI, and SDTC are protected against the adverse consequences of material or financial loss through a balanced program of risk retention and the purchase of commercial insurance. MTDB, SDTI, and SDTC are insured for liability, property, and workers' compensation claims under a combined insurance program. Claims in excess of the various deductibles and self-insured retention amounts which range from \$50,000 to \$2,000,000 are insured with commercial carriers up to \$75,000,000 for liability and up to \$400,000,000 for property damage. At June 30, 2003, MTDB was holding investments of \$102,895 which have been designated by the MTD board of directors for purposes of funding future claims liabilities of MTDB, SDTI, and SDTC.

OTHER INFORMATION

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to MTDB for its comprehensive annual financial report for the fiscal year ended June 30, 2002. This was the tenth consecutive year that MTDB has received this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In order to be awarded a Certificate of Achievement, MTDB must publish an easily readable and efficiently organized comprehensive annual financial report which conforms to program standards. This report satisfied both generally accepted accounting principles and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only.

Acknowledgments

The preparation of this report was accomplished with the cooperation of MTDB's management and staff and MTDB's independent auditors, KPMG LLP and Nunez & Associates, Inc. We express our appreciation to the staff members and auditors who contributed to the preparation of this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul Jablonski", enclosed within a large, loopy oval shape.

Paul Jablonski
Chief Executive Officer, as of January 2004

A handwritten signature in black ink, appearing to read "Renee Wasmund", written in a cursive style.

Renee Wasmund
Director of Finance, through June 2003

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

San Diego Metropolitan
Transit Development Board,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enen".

Executive Director

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February 2003

SAN DIEGO REGIONAL RAIL PROJECT SUMMARY

REGIONAL RAIL SERVICES The San Diego Association of Governments (SANDAG), in partnership with the Metropolitan Transit Development Board (MTDB) and the North County Transit District (NCTD), develops the Regional Transportation Plan (RTP). Light Rail Transit (LRT) and Commuter Rail (Coaster) are part of the RTP.

Rail (streetcars) were part of the region's public transit system from 1887 through the 1940's when they were replaced by buses. MTDB adopted a plan to re-introduce Light Rail Transit (LRT) service in 1977. Since then, the region's LRT and commuter rail system has grown to more than 90 miles. This fact sheet summarizes all the region's rail development projects completed since 1981, as well as those that are under construction, and those that are in final engineering. All other MTDB transportation projects in planning and design are included in the Regional Transit First Project Fact Sheet.

BLUE LRT LINE 25.2 miles (41.1 km) with 31 stations, from the International Border with Mexico to Rancho Mission Road in Mission Valley. The Blue Line includes 25 grade separations.

- July 1981: Service began on 15.9-mile (25.4 km) line from the Border to downtown San Diego. \$116.6 million cost included right-of-way, second phase improvements, 24 light rail vehicles (LRVs), and 18 stations.
- July 1992: Service began on 0.5-mile (0.08 km) segment from Santa Fe Depot to Cedar Street with 2 stations.
- June 1996: Service began on 3.2-mile (5.1 km) segment from Cedar Street to Taylor Street in Old Town. \$114 million cost included 3 stations, 4 grade separations, and 4 LRVs.
- November 1997: Service began on the 6.1-mile segment between the Old Town Transit Center and Mission San Diego. \$224 million cost included 8 stations, 10 grade separations, 11 LRVs, and a 25+ acre wildlife preserve for wetlands mitigation.

ORANGE LRT LINE 25.2 miles (41.1 km) with 24 stations from downtown San Diego to Santee. 1.4 miles and 6 stations shared with the Blue Line in downtown. The Orange Line includes 15 grade separations.

- March 1986: Service began on 4.5-mile (7.2 km) line from downtown San Diego to Euclid Avenue. \$33.6 million cost included 4 stations and 6 LRVs.
- June 1989: Service began on 11.3-mile (18.1 km) segment from Euclid Avenue to El Cajon Transit Center. \$108 million cost included 8 stations, 15 LRVs, and 1 grade separation.
- June 1990: Service began on 1.5-mile (2.4 km) Convention Center segment from America Plaza Transfer Station to Imperial & 12th Transfer Station. \$48 million cost included 4 stations and 5 LRVs.
- August 1995: Service began on 3.6-mile (5.7 km) segment from El Cajon Transit Center to Santee Town Center. \$109 million cost included 3 stations, 7 LRVs, and 2 grade separations.

MISSION VALLEY EAST LRT EXTENSION

5.8 miles (9.4 km) with 4 stations from the existing Mission San Diego Station east of Qualcomm Stadium to a connection with the Orange Line east of Baltimore Drive in the City of La Mesa. Project budget \$461 million includes 11 LRVs. Project includes San Diego's first subway, two-thirds of a mile long underneath San Diego State University (SDSU) leading to the underground station there. The MVE extension will close the gap between the existing Blue and Orange Lines, providing direct connections between East County communities and the shopping, employment, and entertainment centers in Mission Valley and Old Town.

Groundbreaking occurred in November 2000 with the Advance Utility Relocation work at SDSU. Construction on the tunnel and underground station began in June 2001. The Grantville Segment (west of SDSU) construction began February 2002. The La Mesa Segment (east of SDSU) construction began March 2002. Service is scheduled to begin in early 2005.

SAN YSIDRO INTERMODAL TRANSPORTATION CENTER

This project at the San Diego Trolley's terminus station at the International Border, expands the existing 28,000 square foot station to a 66,000 square foot facility. The \$21 million project will provide wider Trolley platforms, a bus turnaround, and improved movement for the approximate 28,000 daily transit users. Opening is scheduled for mid-2003.

MID-COAST

A \$4 million project to build a 120-space parking lot and pedestrian bridge at the Sorrento Valley Coaster Commuter Rail Station opened in February 2003. A \$13 million new commuter rail station at Nobel Drive is scheduled to begin construction in 2003 and open in mid-2004. A \$134 million, 3.4-mile LRT extension north from the existing Old Town Transit Center to Balboa Avenue is in final design. And, Transit First studies continue to look at future LRT alignments plus other types of Transit First improvements between Balboa Avenue and the future Nobel Coaster Station.

FUTURE EXTENSIONS

Longer-term future rail extensions have been identified in Mission Beach, South Bay, Mira Mesa, and the Airport/Pt. Loma corridors, and will depend on future funding and comparative analysis against other transportation alternatives and new technology.

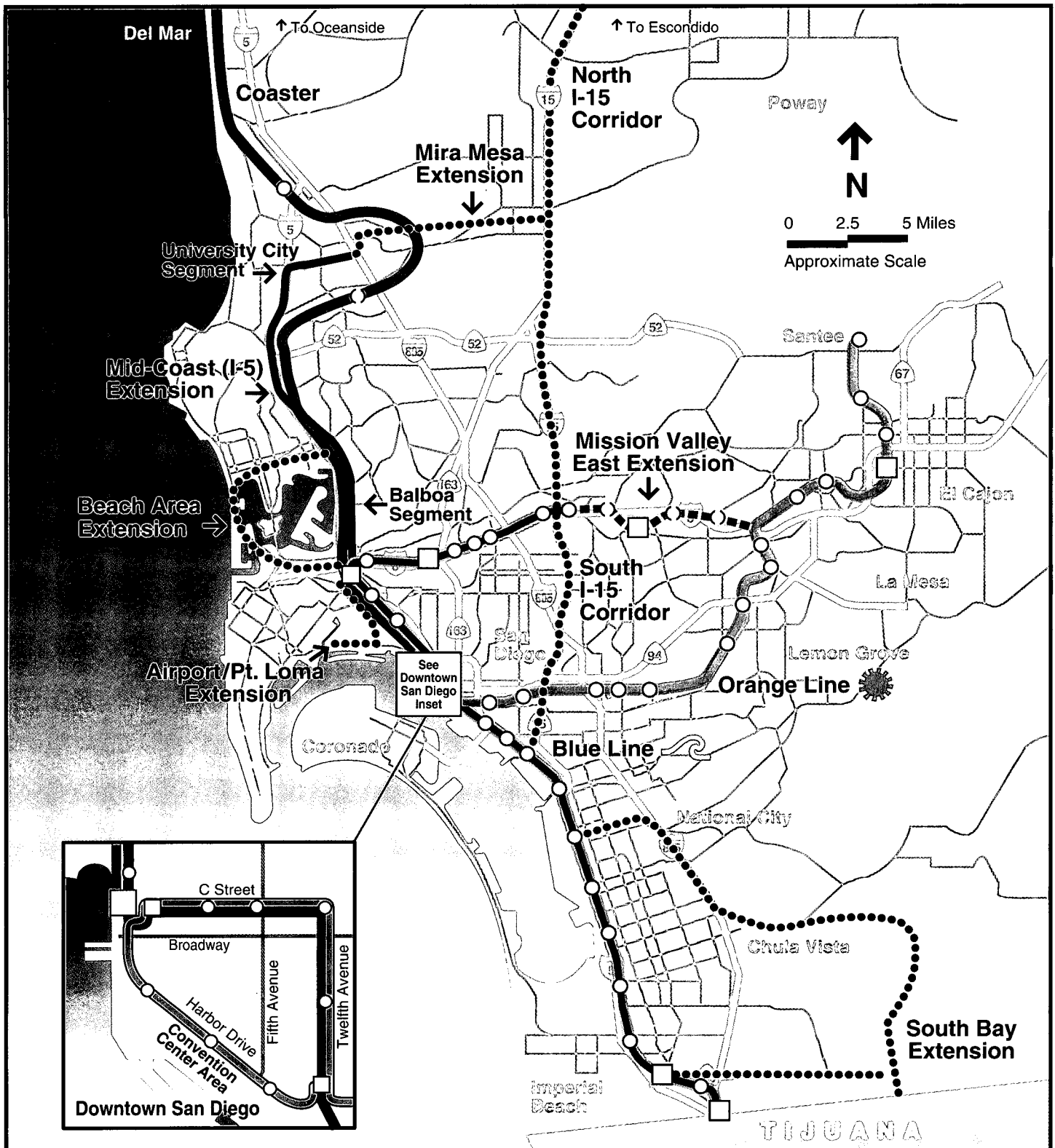
COMMUTER RAIL (NCTD)

Revenue service began on the 43-mile (68.8 km) line from Oceanside to downtown San Diego in February 1995. Project included 5 locomotives, 8 stations, 16 double-decker rail cars, 3 stations served by Amtrak, and 2 served by the San Diego Trolley's Blue Line.

OCEANSIDE TO ESCONDIDO LRT LINE (NCTD)

Final Design was completed in August 2002 for a 22-mile LRT line. The project will serve the corridor, parallel to SR 78. In addition, a 1.7 mile loop will be built to a future station at California State University San Marcos. Projected daily ridership is projected to be 12,000 at start-up. The project budget is \$351.5 million and includes 15 stations and 12 diesel-powered LRVs. Construction is expected to start in mid-2003 and open in late 2005.

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 (619) 231-1466 www.sdcommute.com



MTDB

San Diego Regional Rail Project Summary

- Coaster Commuter Rail in Operation
- Light Rail Lines in Operation
- Transfer Stations
- Rail Stations
- Future Rail Stations
- LRT Under Development (Final Engineering or Construction)
- Future LRT Extension
- Future Transit Extensions Under Study

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

1255 Imperial Avenue
San Diego, California 92101-7490
(619) 231-1466

BOARD OF DIRECTORS

Members	Board position (elected position)
Leon Williams	Chairman
Jerry Rindone	Vice Chairman (Councilmember, City of Chula Vista)
Toni Atkins	Board Member, since 12/3/02 (Councilmember, City of San Diego)
R. Mitchel Beauchamp	Board Member, through 10/1/02 (Councilmember, City of National City)
Thomas E. Clabby	Board Member (Mayor Pro Tem, City of Lemon Grove)
Jack Dale	Board Member, 1/22/03-1/28/04 (Councilmember, City of Santee)
Robert Emery	Board Member (Deputy Mayor, City of Poway)
Lori Howard	Board Member, through 12/31/02 (Councilmember, City of Santee)
Nick Inzunza	Board Member, since 10/1/02 (Councilmember, City of National City)
Mark Lewis	Board Member, since 12/3/02 (Mayor, City of El Cajon)
Brian Maienschein	Board Member (Councilmember, City of San Diego)
Phil Monroe	Board Member (Councilmember, City of San Diego) <i>* now Coronado</i>
Dick Murphy	Board Member, through 6/30/03 (Mayor, City of San Diego)
Scott Peters	Board Member, through 8/31/03 (Councilmember, City of San Diego)
Ron Roberts	Board Member (Chair, County Board of Supervisors)
Ron Rogers	Board Member, through 1/22/03 (Councilmember, City of Imperial Beach)
Diane Rose	Board Member, since 1/22/03 (Councilmember, City of Imperial Beach)
Charles Santos	Board Member, through 12/3/02 (Councilmember, City of El Cajon)
Ruth Sterling	Board Member (Councilmember, City of La Mesa)
Byron Wear	Board Member, through 12/3/02 (Councilmember, City of San Diego)

MTDB MANAGEMENT

Staff	Position
Paul Jablonski	Chief Executive Officer, as of January 2004
Tiffany Lorenzen	Interim General Counsel
Susan Hafner	Director, Multimodal Operations
Gonzalo Lopez	Director, Customer Relations

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FINANCIAL SECTION

This Section Contains the Following Subsections:

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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KPMG LLP
Suite 1500
750 B Street
San Diego, CA 92101

Independent Auditors' Report

The Board of Directors
San Diego Metropolitan Transit Development Board:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the San Diego Metropolitan Transit Development Board (MTDB) as of and for the year ended June 30, 2003, which collectively comprise MTDB's basic financial statements as listed in the table of contents. These financial statements are the responsibility of MTDB's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the San Diego Metropolitan Transit Development Board as of June 30, 2003 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 21 through 34, and Required Supplementary Information – Funded Status of Pension Plans on page 84, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise MTDB's basic financial statements. The introductory section, the combining and individual fund statements and schedules, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



The information in the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on it.

KPMG LLP

May 21, 2004

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Management's Discussion and Analysis

June 30, 2003

The following discussion and analysis of the financial performance of the San Diego Metropolitan Transit Development Board (MTDB) is intended to provide an overview of MTDB's financial activities for the fiscal year ended June 30, 2003. This information should be used in conjunction with the Letter of Transmittal, which can be found on pages 1 through 9 of this report.

Financial Highlights

- Net assets, as reported in the statement of net assets, totaled \$457,670,815 as of June 30, 2003. Of this amount, \$1,418,986 is unrestricted and can be used to fund operations or capital projects, at MTDB's discretion. Total net assets increased by \$189,123,730.
- As of June 30, 2003, MTDB's governmental funds reported combined ending fund balances of \$182,642,153, a decrease of \$15,863,154 in comparison with the prior year. Of this amount, \$19,057,986 is available for spending at MTDB's discretion (unreserved fund balance).

For the year ended June 30, 2003, the combined farebox recovery ratio (the measure of the ability to recover operating costs through fare revenue) for San Diego Trolley, Inc., San Diego Transit Corporation, and MTDB Contracted Services was 40%, compared to 45% for the previous year. A number of factors have brought about this decrease, principally the MTS-area ridership decrease and the consolidation of County Transit System with MTDB.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to MTDB's basic financial statements. MTDB's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of MTDB's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of MTDB's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of MTDB is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of MTDB that are principally supported by grant revenue and subsidies (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of MTDB include general government, transit support activities, transit operations funding, and short- and long-range transit planning. The business-type activities of MTDB include transit services that are operated on a contracted basis with third parties and the taxicab regulatory function.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Management's Discussion and Analysis

June 30, 2003

The government-wide financial statements include not only MTDB itself (*known as the primary government*), but also two legally separate transit operators and one legally separate freight railway, for which MTDB is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 36 through 38 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MTDB uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of MTDB can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

MTDB maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Subsidy Pass-Through Special Revenue Fund, the TransNet Special Revenue Fund, the Capital Projects Fund, and the 1995 Lease/Leaseback Debt Service Fund, all of which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

MTDB adopts an annual appropriated budget for the General Fund, the Special Revenue Funds, and the Capital Projects Fund. A budgetary comparison statement has been provided for the General Fund and major Special Revenue Funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 39 through 45 of this report.

Proprietary funds. *Enterprise funds* (a proprietary fund type) are used to report the same functions presented as *business-type activities* in the government-wide financial statements. MTDB uses enterprise funds to account for its Taxicab Administration and Other Contracted Services.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Other Contracted Services, a major fund of MTDB, and Taxicab Administration, the only nonmajor proprietary fund of MTDB.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Management's Discussion and Analysis

June 30, 2003

The basic proprietary fund financial statements can be found on pages 46 through 48 of this report.

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 49 through 87 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning MTDB's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 88 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Individual fund statements pertaining to the discretely presented component units, SDTC and SDTI, and the Schedules of Capital Assets Used in the Operation of Governmental Funds can be found on pages 91 through 94 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of MTDB, assets exceeded liabilities by \$458 million at the close of the most recent fiscal year.

The largest portion of MTDB's net assets (96%) reflects the investment in capital assets, net of related debt (\$440 million). Most of the investment in capital assets is comprised of construction-in-progress (\$379 million) of which the largest project currently under construction is the Mission Valley East light rail extension (currently \$294 million). The capital assets that are represented by the construction-in-progress will be used to provide services to citizens; consequently, these assets are *not* available for future spending.

	MTDB's Net Assets		
	Governmental activities June 30, 2003	Business-type activities June 30, 2003	Total June 30, 2003
Current and other assets	\$ 230,641,772	6,441,944	237,083,716
Capital assets	409,195,745	40,524,197	449,719,942
Total assets	639,837,517	46,966,141	686,803,658
Long-term liabilities outstanding	19,946,857	—	19,946,857
Other liabilities	202,858,116	6,327,870	209,185,986
Total liabilities	222,804,973	6,327,870	229,132,843
Net assets:			
Invested in capital assets, net of related debt	398,988,253	40,524,197	439,512,450
Restricted	16,739,379	—	16,739,379
Unrestricted	1,304,912	114,074	1,418,986
Total net assets	\$ 417,032,544	40,638,271	457,670,815

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Management's Discussion and Analysis

June 30, 2003

	Governmental activities June 30, 2002	Business-type activities June 30, 2002	Total June 30, 2002
Current and other assets	\$ 241,747,056	3,159,296	244,906,352
Capital assets	197,715,566	31,926,027	229,641,593
Total assets	439,462,622	35,085,323	474,547,945
Long-term liabilities outstanding	33,042,177	—	33,042,177
Other liabilities	159,084,539	3,046,735	162,131,274
Total liabilities	192,126,716	3,046,735	195,173,451
Net assets:			
Invested in capital assets, net of related debt	187,072,918	31,926,027	218,998,945
Restricted	44,400,989	—	44,400,989
Unrestricted	15,861,999	112,561	15,974,560
Total net assets	\$ 247,335,906	32,038,588	279,374,494

An additional portion of MTDB's net assets, \$16.7 million (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$1.3 million) may be used to meet the government's ongoing obligations to citizens and creditors, with the exception of \$0.1 million which represents resources that are designated by the MTD Board for insurance.

At the end of the current fiscal year, MTDB is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Management's Discussion and Analysis

June 30, 2003

Governmental Activities. Governmental activities increased MTDB's net assets by \$180.5 million, thereby accounting for 96% of the total growth in the net assets of MTDB. Key elements of this increase are as follows:

	<u>Governmental activities 2003</u>	<u>Business-type activities 2003</u>	<u>Total 2003</u>
Revenues:			
Program revenues:			
Charges for services	\$ —	15,771,282	15,771,282
Operating grants and contributions	80,861,844	30,266,537	111,128,381
Capital grants and contributions	187,649,330	—	187,649,330
General revenues:			
Interest income	15,812,371	—	15,812,371
Indirect cost recovery	5,556,123	—	5,556,123
Advertising and other	—	—	—
Total revenues	<u>289,879,668</u>	<u>46,037,819</u>	<u>335,917,487</u>
Expenses:			
General government	12,356,944	—	12,356,944
Transit support activities	6,639,390	—	6,639,390
Transit operations funding	69,343,923	—	69,343,923
Transit planning	2,827,540	—	2,827,540
Transit capital funding	7,724,461	—	7,724,461
Interest on long-term debt	7,647,986	—	7,647,986
Transportation	—	51,096,119	51,096,119
Total expenses	<u>106,540,244</u>	<u>51,096,119</u>	<u>157,636,363</u>
Increase (decrease) in net assets before capital contributions and transfers	183,339,424	(5,058,300)	178,281,124
Capital contributions	(1,887,128)	12,729,734	10,842,606
Transfers	(928,249)	928,249	—
Increase in net assets	180,524,047	8,599,683	189,123,730
Net assets – July 1, 2002	<u>236,508,497</u>	<u>32,038,588</u>	<u>268,547,085</u>
Net assets – June 30, 2003	<u>\$ 417,032,544</u>	<u>40,638,271</u>	<u>457,670,815</u>

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Management's Discussion and Analysis

June 30, 2003

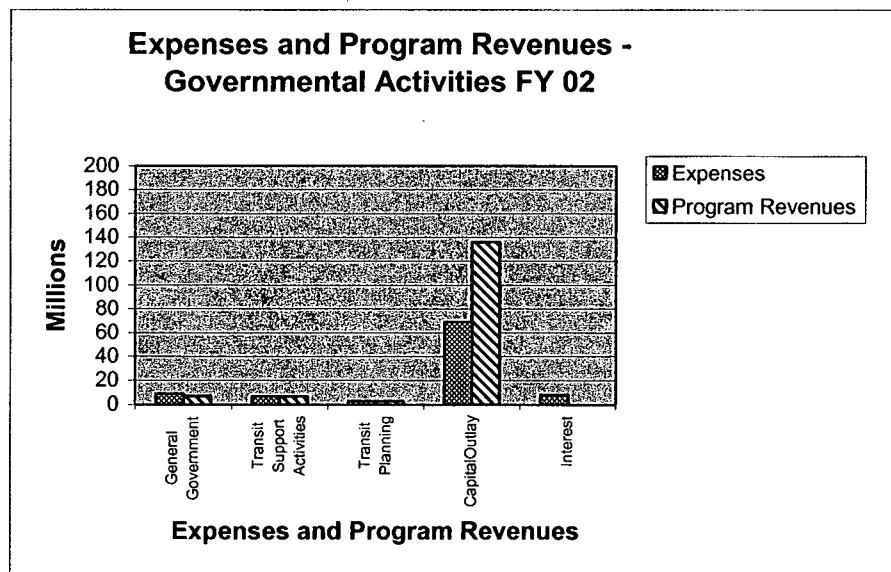
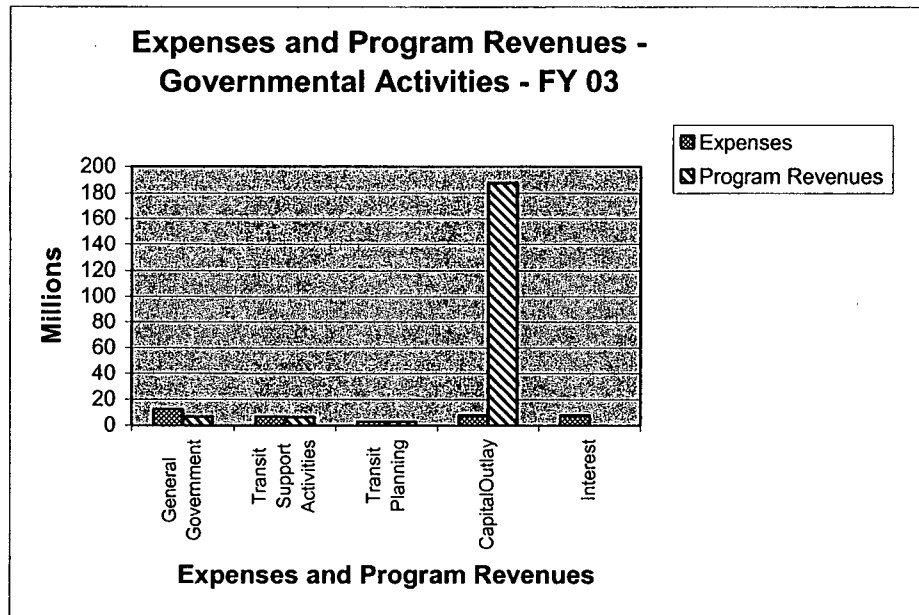
	<u>Governmental activities 2002</u>	<u>Business-type activities 2002</u>	<u>Total 2002</u>
Revenues:			
Program revenues:			
Charges for services	\$ —	10,870,937	10,870,937
Operating grants and contributions	88,626,788	12,494,593	101,121,381
Capital grants and contributions	136,450,244	—	136,450,244
General revenues:			
Interest income	13,759,032	—	13,759,032
Indirect cost recovery	4,458,159	—	4,458,159
Advertising and other	29,125	—	29,125
Total revenues	<u>243,323,348</u>	<u>23,365,530</u>	<u>266,688,878</u>
Expenses:			
General government	8,695,953	—	8,695,953
Transit support activities	6,758,796	—	6,758,796
Transit operations funding	73,332,352	—	73,332,352
Transit planning	2,903,922	—	2,903,922
Transit capital funding	69,333,684	—	69,333,684
Interest on long-term debt	8,050,518	—	8,050,518
Transportation	—	26,492,798	26,492,798
Total expenses	<u>169,075,225</u>	<u>26,492,798</u>	<u>195,568,023</u>
Increase (decrease) in net assets before capital contributions and transfers	74,248,123	(3,127,268)	71,120,855
Capital contributions	(6,005,339)	6,005,339	—
Transfers	(465,952)	465,952	—
Increase in net assets	67,776,832	3,344,023	71,120,855
Net assets – July 1, 2001 (as restated)	<u>168,731,665</u>	<u>28,694,565</u>	<u>197,426,230</u>
Net assets – June 30, 2002	<u>\$ 236,508,497</u>	<u>32,038,588</u>	<u>268,547,085</u>

- Capital and operating grants and contributions continue to be a major portion of the revenue used to fund transit operations and capital projects.
- The increase in net assets is attributed to subsidies received for the continued construction of the Mission Valley East LRT extension which, when complete, is budgeted to cost approximately \$455 million. The related costs have been capitalized on the statement of net assets and are included as a component of construction-in-progress.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Management's Discussion and Analysis

June 30, 2003



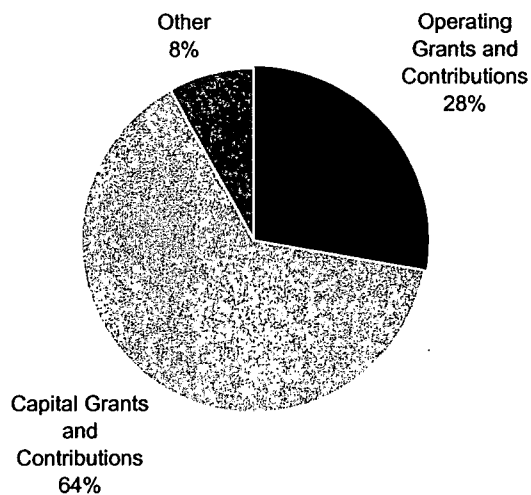
- Program revenues for transit capital funding exceed the expenditures because most of the capital outlay costs are capitalized on the balance sheet.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

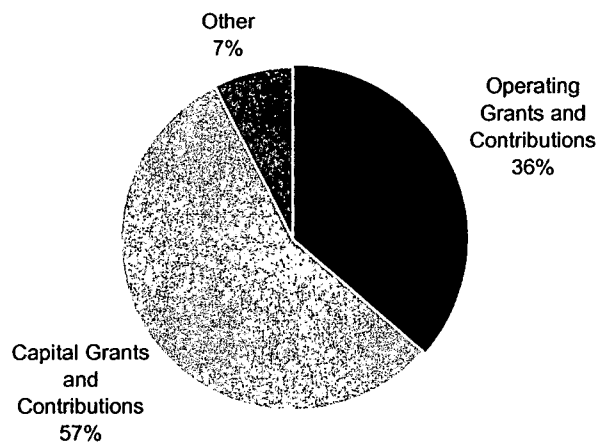
Management's Discussion and Analysis

June 30, 2003

Revenues by Source - Governmental Activities - FY 03



Revenues by Source - Governmental Activities - FY 02



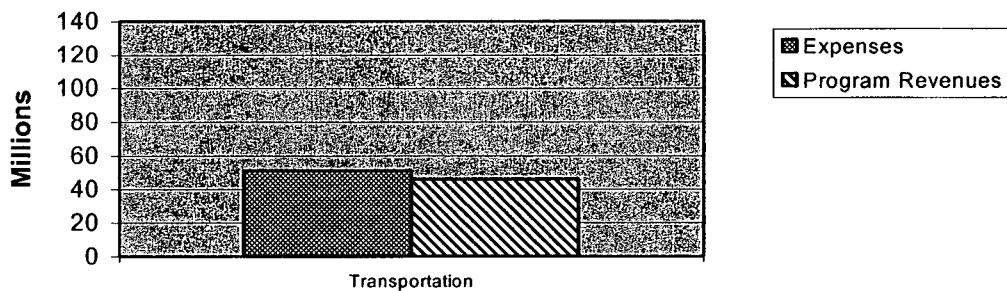
SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Management's Discussion and Analysis

June 30, 2003

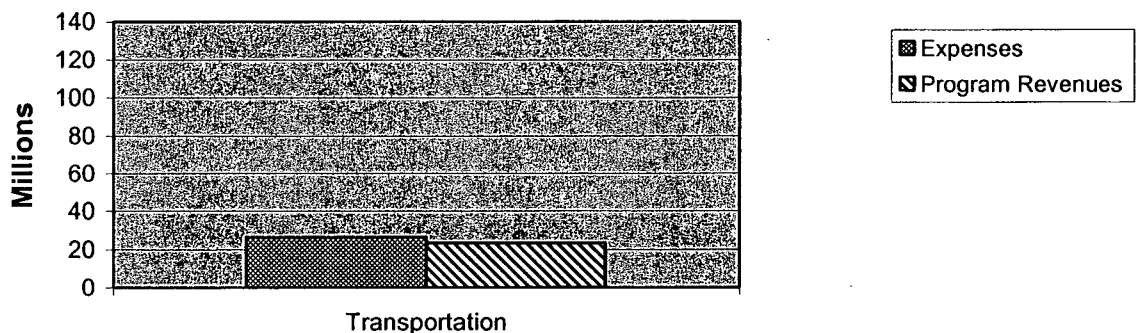
Business-type Activities. The business-type activities consist of the taxicab regulatory function, as well as the private contracting of bus service.

Expenses and Program Revenues - Business-type Activities - FY 03



Expenses and Program Revenues

Expenses and Program Revenues - Business-type Activities - FY 02



Expenses and Program Revenues

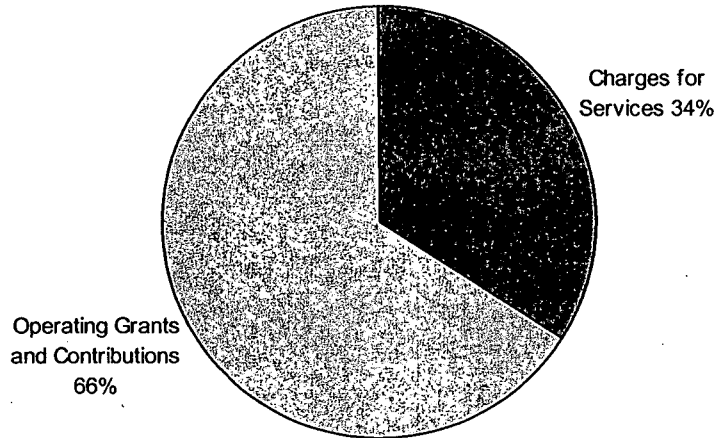
- Operating grants and contributions continue to fund the majority of the business-type activities, with fare revenues funding the balance.
- Net assets attributable to MTDB's business-type activities increased to \$40.5 million from \$32.0 million.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

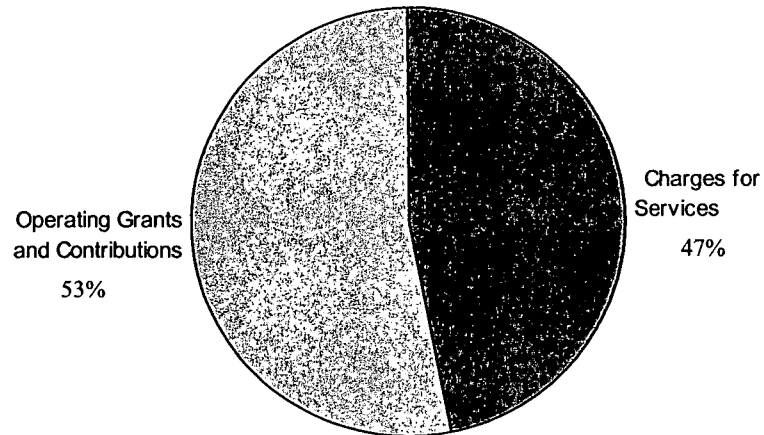
Management's Discussion and Analysis

June 30, 2003

Revenues by Source - Business-type Activities - FY 03



Revenues by Source - Business-type Activities - FY 02



Financial Analysis of the Government's Funds

As noted earlier, MTDB uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Management's Discussion and Analysis

June 30, 2003

Governmental funds. The focus of MTDB's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing MTDB's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, MTDB's governmental funds reported combined ending fund balances of \$182.6 million, an increase of 8% in comparison with the prior year. Approximately 10% of this total amount (\$19.1 million) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because there are legal restrictions on the use of the funds.

The General Fund is the chief operating fund of MTDB. At the end of each fiscal year, MTDB transfers any excess funds in the General Fund to the Subsidy Pass-Through Special Revenue Fund where it is deposited in the MTDB Contingency Reserve (part of unreserved fund balance of the Subsidy Pass-Through Special Revenue Fund). Therefore, at the end of the current year, there was no unreserved fund balance in the General Fund. Reserved fund balance was \$0.1 million, which consisted of funds designated by the MTD Board for future liability claims paid within MTDB's self-insured retention limit.

The fund balance of MTDB's General Fund decreased by \$1.0 million primarily as a result of the spending of the insurance reserve.

The Subsidy Pass-Through Special Revenue Fund is used to account for the subsidy funds collected on behalf of and passed through to the component units. It is also used to account for the fund balance reserves maintained for capital replacement and other purposes. The Subsidy Pass-Through Fund has a total fund balance of \$30.0 million of which \$3.4 million is considered reserved because of third-party legal restrictions. The remainder (\$26.6 million) is unreserved, of which \$14.8 million is designated by the MTD Board for specific uses. The net decrease in the fund balance during the current year was \$2.5 million. The funds were used during the current year for operating purposes and for the local match to federal capital grants.

The TransNet Special Revenue Fund is used to account for the funds received pursuant to the one-half cent local sales tax increase resulting from the passage of Proposition A by area voters in 1987. The TransNet Fund has a total fund balance of \$12.1 million, all of which is considered reserved because of third-party legal restrictions. The net decrease in the fund balance during the current year was \$27.9 million, with the funds being spent on the Mission Valley East LRT project construction.

The Capital Projects Fund is used to account for all the capital projects undertaken by MTDB. The Capital Projects Fund has a total negative fund balance of \$7.9 million. The negative fund balance is attributed to funds spent on the Automated Fare Collection project that were funded on a cash basis through the MTDB contingency reserve. In October 2003, debt was issued to pay for this project.

The 1995 Lease/Leaseback Debt Service Fund is used to account for the debt service on the 1995 light rail vehicle lease/leaseback transaction which MTDB entered into in 1995. The ending fund balance was \$114.0 million, all of which is restricted for debt service purposes and is therefore considered reserved. The net increase in the fund balance during the current year was \$5.2 million as a result of the change in the market value of the investments that are held in escrow for the payment of the lease as it becomes due.

Proprietary funds. MTDB's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Management's Discussion and Analysis

June 30, 2003

The net assets balance of the Other Contracted Services Fund is approximately \$40.6 million, almost all of which is invested in fixed assets. The remainder (\$118,959) is unrestricted. The total growth in net assets for Other Contracted Services is approximately \$8.6 million, and is attributable to contributions of buses purchased by MTDB governmental activities.

General Fund Budgetary Highlights

Differences between the General Fund original budget and the final amended budget were relatively minor (\$1,000,000 decrease in appropriations) and can be summarized as follows:

- \$300,000 decreases in personnel expenditures in general government activities
- \$700,000 decreases in transit planning activities.

Capital Asset and Debt Administration

Capital assets. MTDB's investment in capital assets for its governmental and business-type activities as of June 30, 2003 amounts to \$449.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, equipment, and construction-in-progress. The total increase in MTDB's investment in capital assets for the current fiscal year was 96% (a 107% increase for governmental activities and a 27% increase for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Construction continued on the Mission Valley East light rail extension with \$153.9 million expended in the current fiscal year, bringing the total construction-in-progress for this project to \$294.0 million.
- The Automated Fare Collection Project began in the current year with \$11.8 million expended.
- The I-15 Bus Rapid Transit Project expended \$11.0 million in the current year, bringing the total progress for this project to \$11.3 million.
- Construction continued on the San Ysidro Intermodal Transportation Center with \$8.1 million expended in the current fiscal year, bringing the total construction-in-progress for this project to \$14.8 million.

MTDB'S CAPITAL ASSETS (Net of depreciation)

	2003		
	Governmental activities	Business-type activities	Total
Land	\$ 21,957,196	809,692	22,766,888
Buildings	7,752,648	3,647,871	11,400,519
Vehicles	102,259	35,762,199	35,864,458
Equipment	192,462	304,435	496,897
Construction-in-progress	379,191,180	—	379,191,180
Total	\$ 409,195,745	40,524,197	449,719,942

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Management's Discussion and Analysis

June 30, 2003

	2002		
	Governmental activities	Business-type activities	Total
Land	\$ 21,957,196	809,692	22,766,888
Buildings	8,078,080	2,743,496	10,821,576
Vehicles	142,054	28,021,215	28,163,269
Equipment	314,233	351,624	665,857
Construction-in-progress	167,224,003	—	167,224,003
Total	\$ 197,715,566	31,926,027	229,641,593

Additional information on MTDB's capital assets can be found in note 5 to the basic financial statements.

Long-term debt. At the end of the current fiscal year, MTDB had two capital lease obligations outstanding in the amount of \$13.6 million. In addition, MTDB has three finance obligations outstanding relating to one sale/leaseback transaction entered into in 1990, one lease/leaseback transaction entered into in 1995, for a total obligation of \$160.0 million. With both of these transactions, MTDB placed funds on deposit, which, together with the interest earned on the deposits, will be sufficient to cover the amounts due under the finance obligations. In addition, MTDB entered into a finance obligation in October 2002 for \$17.8 million to finance a regional transit management system to provide intelligent transportation system and radio communication services.

In October 2003, MTDB entered into a finance obligation for \$33 million to finance the regional automated fare collection system project.

Additional information on MTDB's long-term debt can be found in notes 7 and 15 to the basic financial statements.

Economic Factors and Next Year's Budgets and Rates

- Most of MTDB's operating subsidy for transit operations is derived from sales tax. Although sales tax growth has slowed, in FY 04, we have budgeted for a 3 to 4% increase over FY 03.
- Ridership on the bus and trolley system has declined, related to the general economy with the continued unemployment rate of 4.3%, deployment of military personnel to the Middle East, and fare increases implemented April 1, 2001 and July 1, 2003. We have budgeted virtually flat ridership for FY 04, except for additional revenue expected when the new ballpark, Petco Park, opens in April 2004.
- The San Diego Regional Chamber of Commerce Economic Research Bureau expects San Diego to experience a strong 2004, with GRP increasing 6.2%. If this growth is realized, we should benefit through our sales tax-based subsidies.
- The State of California is still grappling with a budget deficit (estimated at \$14 billion in FY 05), which will most certainly affect both transportation capital projects and operating subsidies. We have placed a bus acquisition project on hold pending the outcome of the state's budget. We don't expect operating subsidies to be negatively affected.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Management's Discussion and Analysis

June 30, 2003

- It will continue to be a challenge to balance the operating budget in the future years. The board of directors of MTDB will have several policy choices facing them as to the use of reserves, shifting capital revenues to operating (thereby deferring capital projects), and potential increases in fares.

Requests for Information

This financial report is designed to provide a general overview of MTDB's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance and Administration, MTDB, 1255 Imperial Avenue, Suite 1000, San Diego, CA 92101.

BASIC FINANCIAL STATEMENTS

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Statement of Net Assets

June 30, 2003

Assets	Primary government			Component units		
	Governmental activities	Business-type activities	Total	San Diego Transit	San Diego Trolley	San Diego and Arizona Eastern Railway
Current assets:						
Cash and cash equivalents	\$ 12,177,694	—	12,177,694	763,927	—	23,233
Investments	32,338,047	—	32,338,047	—	—	—
Accounts and other receivables	2,251,256	400	2,251,656	493,937	318,606	—
Accounts receivable from other governments	31,013,375	1,380,362	32,393,737	—	—	5,913
Due from component units	1,863,794	4,500	1,868,294	—	—	—
Due from primary government	—	—	—	3,301,500	408,739	30,892
Internal balances	(5,056,682)	5,056,682	—	—	—	—
Prepaid items and other assets	251,533	—	251,533	1,173,497	1,017,552	—
Parts and supplies inventory	—	—	—	2,033,789	4,876,660	—
Cash and cash equivalents designated for self-insurance programs	102,895	—	102,895	—	—	—
Total current assets	74,941,912	6,441,944	81,383,856	7,766,650	6,621,557	60,038
Restricted assets:						
Cash and certificates of deposit restricted for capital support	7,230,598	—	7,230,598	14,637	—	—
Cash and cash equivalents restricted for debt service	90,124,449	—	90,124,449	—	—	—
Investments restricted for debt service	57,872,788	—	57,872,788	—	—	—
Total restricted assets	155,227,835	—	155,227,835	14,637	—	—
Noncurrent assets:						
Deferred issuance costs	472,025	—	472,025	—	—	—
Capital assets (net of accumulated depreciation)	409,195,745	40,524,197	449,719,942	80,778,290	615,922,135	490,414
Total noncurrent assets	409,667,770	40,524,197	450,191,967	80,778,290	615,922,135	490,414
Total assets	\$ 639,837,517	46,966,141	686,803,658	88,559,577	622,543,692	550,452

See accompanying notes to basic financial statements.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Statement of Net Assets

June 30, 2003

Liabilities	Primary government			Component units		
	Governmental activities	Business-type activities	Total	San Diego Transit	San Diego Trolley	San Diego and Arizona Eastern Railway
Current liabilities:						
Accounts payable	\$ 26,883,068	5,865,784	32,748,852	757,619	5,119,374	37,143
Accrued liabilities	393,093	—	393,093	1,800,685	733,838	—
Compensated absences payable	347,746	—	347,746	5,268,186	362,519	—
Claims payable	236,376	—	236,376	2,386,304	1,018,108	—
Retentions payable	2,534,919	10,000	2,544,919	—	—	—
Debt payable	6,705,657	—	6,705,657	—	—	—
Accrued interest payable	54,079	—	54,079	—	—	—
Due to component units	3,693,781	47,300	3,741,081	—	—	—
Due to primary government	—	—	—	854,111	1,010,016	4,215
Outstanding fare tokens and tickets	430,724	—	430,724	483,702	—	—
Deferred revenue	6,350,838	404,786	6,755,624	—	—	—
Total current liabilities	47,630,281	6,327,870	53,958,151	11,550,607	8,243,855	41,358
Liabilities payable from restricted assets:						
Retentions payable	7,230,598	—	7,230,598	—	—	—
Debt payable	147,997,237	—	147,997,237	—	—	—
Capital support funds	—	—	—	14,637	—	—
Total liabilities payable from restricted assets	155,227,835	—	155,227,835	14,637	—	—
Noncurrent liabilities:						
Compensated absences payable	395,742	—	395,742	3,814,894	1,450,076	—
Claims payable	—	—	—	8,460,531	1,783,886	—
Debt payable	19,551,115	—	19,551,115	—	—	—
Total noncurrent liabilities	19,946,857	—	19,946,857	12,275,425	3,233,962	—
Total liabilities	222,804,973	6,327,870	229,132,843	23,840,669	11,477,817	41,358
Net assets						
Invested in capital assets, net of related debt	398,988,253	40,524,197	439,512,450	80,778,290	615,922,135	490,414
Restricted for:						
Capital projects	—	—	—	—	—	—
Debt service	1,288,523	—	1,288,523	—	—	—
Other purposes	—	—	—	—	—	—
Unrestricted	16,755,768	114,074	16,869,842	(16,059,382)	(4,856,260)	18,680
Total net assets	\$ 417,032,544	40,638,271	457,670,815	64,718,908	611,065,875	509,094

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Statement of Activities

Year ended June 30, 2003

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net assets					
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary Government		Component Units			San Diego and Arizona Eastern Railway
					Governmental activities	Business-type activities	Total	San Diego Transit	San Diego Trolley	
Primary government:										
Governmental activities:										
General government	\$ 12,356,944	—	6,558,719	—	(5,798,225)	—	(5,798,225)	—	—	—
Transit support activities	6,639,390	—	6,544,008	—	(95,382)	—	(95,382)	—	—	—
Transit operations funding	69,343,923	—	64,931,577	—	(4,412,346)	—	(4,412,346)	—	—	—
Transit planning	2,827,540	—	2,827,540	—	—	—	—	—	—	—
Transit capital funding	7,724,461	—	—	187,649,330	179,924,869	—	179,924,869	—	—	—
Interest on long-term debt	7,647,986	—	—	—	(7,647,986)	—	(7,647,986)	—	—	—
Total governmental activities	106,540,244	—	80,861,844	187,649,330	161,970,930	—	161,970,930	—	—	—
Business-type activities:										
Transportation	51,096,119	15,771,282	30,266,537	—	—	(5,058,300)	(5,058,300)	—	—	—
Total business-type activities	51,096,119	15,771,282	30,266,537	—	—	(5,058,300)	(5,058,300)	—	—	—
Total primary government	\$ 157,636,363	15,771,282	111,128,381	187,649,330	161,970,930	(5,058,300)	156,912,630	—	—	—
Component units:										
San Diego Transit	\$ 75,993,587	23,851,511	46,612,964	—	—	—	—	(5,529,112)	—	—
San Diego Trolley	72,232,014	22,071,207	16,559,205	—	—	—	—	—	(33,601,602)	—
San Diego and Arizona Eastern Railway	271,716	18,149	157,914	—	—	—	—	—	—	(95,653)
Total component units	\$ 148,497,317	45,940,867	63,330,083	—	—	—	—	(5,529,112)	(33,601,602)	(95,653)
General revenues:										
Advertising and other funds					—	—	—	1,438,781	291,032	74,954
Interest income					15,812,371	—	15,812,371	23,933	—	139
Indirect cost recovery					5,556,123	—	5,556,123	—	—	—
Capital contributions					(1,887,128)	12,729,734	10,842,606	1,466,541	3,151,809	—
Transfers					(928,249)	928,249	—	—	—	—
Total general revenues, capital contributions, and transfers					18,553,117	13,657,983	32,211,100	2,929,255	3,442,841	75,093
Change in net assets					180,524,047	8,599,683	189,123,730	(2,599,857)	(30,158,761)	(20,560)
Net assets – beginning balance					236,508,497	32,038,588	268,547,085	67,318,764	641,224,636	529,654
Net assets – ending balance					\$ 417,032,544	40,638,271	457,670,815	64,718,907	611,065,875	509,094

See accompanying notes to basic financial statements.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Balance Sheet

Governmental Funds

June 30, 2003

Assets	General Fund	Subsidy Pass-Through Fund	TransNet Fund	Capital Projects Fund	1995 Lease/ Leaseback Fund	Other Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 28,129	12,149,565	—	—	—	—	12,177,694
Investments	—	9,622,477	22,715,570	—	—	—	32,338,047
Cash and certificates of deposit restricted for capital support	—	—	—	7,230,598	—	—	7,230,598
Prepaid items and other assets	204,006	36,954	—	—	—	—	240,960
Accounts and other receivables	179,904	218,097	—	1,658,479	—	194,776	2,251,256
Accounts receivable from other governments	1,741,136	15,656,903	70,936	13,387,938	—	156,462	31,013,375
Due from other funds	—	—	—	4,682,042	—	4,226,139	8,908,181
Due from component units	878,339	578,462	—	6,000	—	413,442	1,876,243
Cash and cash equivalents restricted for debt service	—	—	—	—	90,124,449	—	90,124,449
Investments restricted for debt service	—	—	—	—	23,902,756	33,970,032	57,872,788
Cash and cash equivalents designated for self-insurance programs	102,895	—	—	—	—	—	102,895
Total assets	\$ <u>3,134,409</u>	<u>38,262,458</u>	<u>22,786,506</u>	<u>26,965,057</u>	<u>114,027,205</u>	<u>38,960,851</u>	<u>244,136,486</u>

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Balance Sheet
Governmental Funds
June 30, 2003

Liabilities and Fund Balances	General Fund	Subsidy Pass-Through Fund	TransNet Fund	Capital Projects Fund	1995 Lease/Leaseback Fund	Other Governmental Funds	Total Governmental Funds
Liabilities:							
Accounts payable	\$ 1,391,110	151,283	—	24,599,029	—	741,646	26,883,068
Accrued liabilities	393,093	—	—	—	—	—	393,093
Retentions payable	—	—	—	9,765,517	—	—	9,765,517
Due to other funds	1,163,638	2,074,828	10,735,448	—	—	3,398	13,977,312
Due to component units	39,199	1,694,253	—	32,037	—	1,928,292	3,693,781
Outstanding fare tokens and tickets	—	—	—	—	—	430,724	430,724
Deferred revenue	56,923	4,297,405	—	455,426	—	1,541,084	6,350,838
Total liabilities	3,043,963	8,217,769	10,735,448	34,852,009	—	4,645,144	61,494,333
Fund balances:							
Reserved for:							
Debt service	—	—	—	—	114,027,205	34,003,211	148,030,416
Insurance	102,895	—	—	—	—	—	102,895
Taxicab Administration	—	32,349	—	—	—	—	32,349
Unreserved:							
Designated in Special Revenue Funds	—	18,127,706	12,051,058	—	—	—	30,178,764
Undesignated in General Fund	(12,449)	—	—	—	—	—	(12,449)
Undesignated in Special Revenue Funds	—	11,884,634	—	—	—	312,496	12,197,130
Undesignated in Capital Projects Fund	—	—	—	(7,886,952)	—	—	(7,886,952)
Total fund balances	90,446	30,044,689	12,051,058	(7,886,952)	114,027,205	34,315,707	182,642,153
Total liabilities and fund balances	\$ 3,134,409	38,262,458	22,786,506	26,965,057	114,027,205	38,960,851	244,136,486
Fund balances – total governmental funds				\$ 182,642,153			
Amounts reported for governmental activities in the statement of net assets are different because:							
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				409,195,745			
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.				482,598			
Long-term liabilities, including debt payable, are not due and payable in the current period and therefore are not reported in the funds				(175,287,952)			
Net assets of governmental activities				\$ 417,032,544			

See accompanying notes to basic financial statements.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

Year ended June 30, 2003

	General Fund	Subsidy Pass-Through Fund	TransNet Fund	Capital Projects Fund	1995 Lease/ Leaseback Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Federal funds	\$ 2,234,289	18,427,648	—	151,132,965	—	—	171,794,902
State funds	71,717	—	—	17,687,122	—	—	17,758,839
Local TDA funds	7,252,279	41,283,543	—	406,472	—	—	48,942,294
TransNet funds	—	—	19,352,521	—	—	—	19,352,521
City of San Diego	—	278,000	—	—	—	—	278,000
STA funds	—	4,451,823	—	—	—	—	4,451,823
Other funds	871,982	524,575	—	4,334,457	—	201,781	5,932,795
Interest income	106,001	3,531,457	(1,206,179)	38,030	11,473,691	1,869,371	15,812,371
Indirect cost recovery	5,556,123	—	—	—	—	—	5,556,123
Total revenues	16,092,391	68,497,046	18,146,342	173,599,046	11,473,691	2,071,152	289,879,668
Expenditures:							
Current:							
General government	11,618,318	—	—	—	—	—	11,618,318
Transit support activities	1,044,008	46,790	—	—	—	5,548,592	6,639,390
Transit operations funding	—	69,343,923	—	—	—	—	69,343,923
Transit planning	2,827,540	—	—	—	—	—	2,827,540
Debt service:							
Principal	—	—	—	—	(397,075)	3,310,009	2,912,934
Interest	—	—	—	—	6,644,795	976,887	7,621,682
Capital outlay:							
LRT extensions	—	—	—	154,415,728	—	—	154,415,728
Major LRT capital improvements	—	—	—	14,072,627	—	—	14,072,627
Major Bus capital improvements	—	—	—	34,584,445	—	—	34,584,445
Operations capital	—	—	—	18,619,005	—	—	18,619,005
Total expenditures	15,489,866	69,390,713	—	221,691,805	6,247,720	9,835,488	322,655,592
Excess (deficiency) of revenues over (under) expenditures	602,525	(893,667)	18,146,342	(48,092,759)	5,225,971	(7,764,336)	(32,775,924)
Other financing sources (uses):							
Issuance of debt	—	—	—	—	—	18,175,381	18,175,381
Debt issuance costs	—	—	—	—	—	(334,362)	(334,362)
Transfers in	362,262	6,594,386	—	38,761,414	—	9,705,168	55,423,230
Transfers out	(2,025,116)	(8,181,225)	(46,095,138)	—	—	(50,000)	(56,351,479)
Total other financing sources (uses)	(1,662,854)	(1,586,839)	(46,095,138)	38,761,414	—	27,496,187	16,912,770
Net change in fund balances	(1,060,329)	(2,480,506)	(27,948,796)	(9,331,345)	5,225,971	19,731,851	(15,863,154)
Fund balances, beginning	1,150,775	32,525,195	39,999,854	1,444,393	108,801,234	14,583,856	198,505,307
Fund balances, ending	\$ 90,446	30,044,689	12,051,058	(7,886,952)	114,027,205	34,315,707	182,642,153

See accompanying notes to basic financial statements.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities**

Year ended June 30, 2003

Amounts reported for governmental activities in the statement of activities (page 40) are different because:

Net change in fund balances-total governmental funds (page 44)	\$ (15,863,154)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	211,480,179
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(14,954,389)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(138,589)</u>
Change in net assets of governmental activities (page 40)	<u>\$ 180,524,047</u>

See accompanying notes to basic financial statements.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

Year ended June 30, 2003

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget – positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal funds	\$ 3,288,000	2,908,000	2,234,289	(673,711)
State funds	45,000	45,000	71,717	26,717
Local TDA funds	6,965,000	7,252,279	7,252,279	—
Other funds	1,001,000	801,000	871,982	70,982
Interest income	—	—	106,001	106,001
Indirect cost recovery	4,938,700	4,938,700	5,556,123	617,423
Total revenues	16,237,700	15,944,979	16,092,391	147,412
Expenditures:				
Current:				
General government:				
Personnel	8,200,000	7,900,000	8,013,615	(113,615)
Board of Directors	132,000	132,000	113,864	18,136
Professional services	327,000	327,000	365,272	(38,272)
Insurance	455,000	455,000	2,544,940	(2,089,940)
Rent	285,270	285,270	276,423	8,847
Other general office expenditures	397,700	397,700	280,947	116,753
Miscellaneous	57,000	57,000	23,257	33,743
Transit support activities	1,171,000	1,171,000	1,044,008	126,992
Transit planning	4,360,000	3,660,000	2,827,540	832,460
Total expenditures	15,384,970	14,384,970	15,489,866	(1,104,896)
Excess (deficiency) of revenues over (under) expenditures	852,730	1,560,009	602,525	(957,484)
Other financing sources (uses):				
Transfers in	1,082,000	1,082,000	362,262	(719,738)
Transfers out	(1,084,730)	(1,792,009)	(2,025,116)	(233,107)
Total other financing uses	(2,730)	(710,009)	(1,662,854)	(952,845)
Net change in fund balances	\$ 850,000	850,000	(1,060,329)	(1,910,329)
Fund balances, beginning			1,150,775	
Fund balances, ending			\$ 90,446	

See accompanying notes to basic financial statements.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Subsidy Pass-Through Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Year ended June 30, 2003

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget – positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal funds	\$ 18,440,260	20,975,518	18,427,648	(2,547,870)
Local TDA funds	41,299,357	41,427,387	41,283,543	(143,844)
City of San Diego	278,000	278,000	278,000	—
STA funds	4,451,823	4,451,823	4,451,823	—
Other funds	—	—	524,575	524,575
Interest income	—	—	3,531,457	3,531,457
Total revenues	<u>64,469,440</u>	<u>67,132,728</u>	<u>68,497,046</u>	<u>1,364,318</u>
Expenditures:				
Current:				
Transit support activities	—	—	46,790	(46,790)
Transit operations funding	<u>64,820,747</u>	<u>68,727,314</u>	<u>69,343,923</u>	<u>(616,609)</u>
Total expenditures	<u>64,820,747</u>	<u>68,727,314</u>	<u>69,390,713</u>	<u>(663,399)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(351,307)</u>	<u>(1,594,586)</u>	<u>(893,667)</u>	<u>700,919</u>
Other financing sources (uses):				
Transfers in	5,643,307	6,350,586	6,594,386	243,800
Transfers out	<u>(21,827,000)</u>	<u>(13,826,700)</u>	<u>(8,181,225)</u>	<u>5,645,475</u>
Total other financing sources and uses	<u>(16,183,693)</u>	<u>(7,476,114)</u>	<u>(1,586,839)</u>	<u>5,889,275</u>
Net change in fund balances	<u>\$ (16,535,000)</u>	<u>(9,070,700)</u>	<u>(2,480,506)</u>	<u>6,590,194</u>
Fund balances, beginning			<u>32,525,195</u>	
Fund balances, ending			<u>\$ 30,044,689</u>	

See accompanying notes to basic financial statements.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

TransNet Special Revenue Fund

Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual

Year ended June 30, 2003

	<u>Budgeted amounts</u>		<u>Actual amounts</u>	<u>Variance with final budget – positive (negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
TransNet funds	\$ 16,873,556	15,423,556	19,352,521	3,928,965
Interest income	—	—	(1,206,179)	(1,206,179)
Total revenues	<u>16,873,556</u>	<u>15,423,556</u>	<u>18,146,342</u>	<u>2,722,786</u>
Other financing sources (uses):				
Transfers out	<u>(18,755,556)</u>	<u>(17,305,556)</u>	<u>(46,095,138)</u>	<u>(28,789,582)</u>
Net change in fund balances	\$ <u><u>(1,882,000)</u></u>	<u><u>(1,882,000)</u></u>	<u>(27,948,796)</u>	<u><u>(26,066,796)</u></u>
Fund balances, beginning			<u>39,999,854</u>	
Fund balances, ending			\$ <u><u>12,051,058</u></u>	

See accompanying notes to basic financial statements.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Proprietary Funds Statement of Net Assets June 30, 2003

Assets	Business-type activities-Enterprise Funds		
	Major	Nonmajor	Totals
	Other Contracted Services	Taxicab Administration	
Current assets:			
Accounts and other receivables	\$ —	400	400
Accounts receivable from other governments	1,380,362	—	1,380,362
Due from other funds	5,042,845	13,837	5,056,682
Due from component units	4,500	—	4,500
Total current assets	6,427,707	14,237	6,441,944
Noncurrent assets:			
Capital assets (net of accumulated depreciation)	40,518,575	5,622	40,524,197
Total noncurrent assets	40,518,575	5,622	40,524,197
Total assets	\$ 46,946,282	19,859	46,966,141
Liabilities			
Current liabilities:			
Accounts payable	\$ 5,846,989	18,795	5,865,784
Retentions payable	10,000	—	10,000
Due to component units	46,973	327	47,300
Deferred revenue	404,786	—	404,786
Total current liabilities	6,308,748	19,122	6,327,870
Total liabilities	6,308,748	19,122	6,327,870
Net assets			
Invested in capital assets, net of related debt	40,518,575	5,622	40,524,197
Unrestricted	118,959	(4,885)	114,074
Total net assets	\$ 40,637,534	737	40,638,271

See accompanying notes to basic financial statements.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Proprietary Funds

Statement of Revenues, Expenditures, and Changes in Fund Net Assets

Year ended June 30, 2003

	Business-type activities-Enterprise Funds		
	Major Other Contracted Services	Nonmajor Taxicab Administration	Totals
Operating revenues:			
Passenger revenue	\$ 15,121,333	—	15,121,333
Permits and other fees	—	649,949	649,949
Total operating revenues	15,121,333	649,949	15,771,282
Operating expenses:			
Contracted services	45,790,258	—	45,790,258
Administration	529,872	644,425	1,174,297
Depreciation	4,129,690	1,874	4,131,564
Total operating expenses	50,449,820	646,299	51,096,119
Operating income (loss)	(35,328,487)	3,650	(35,324,837)
Public support and nonoperating revenues:			
Federal funds	437,235	—	437,235
State funds	746,636	—	746,636
Local transportation fund	27,414,644	—	27,414,644
Other local support	1,668,022	—	1,668,022
Total public support and nonoperating revenues	30,266,537	—	30,266,537
Net income (loss) before operating transfers and capital contributions of property and equipment	(5,061,950)	3,650	(5,058,300)
Capital contributions of property and equipment	12,729,734	—	12,729,734
Transfers in	938,249	—	938,249
Transfers out	—	(10,000)	(10,000)
Change in net assets	8,606,033	(6,350)	8,599,683
Total net assets – beginning balance	32,031,501	7,087	32,038,588
Total net assets – ending balance	\$ 40,637,534	737	40,638,271

See accompanying notes to basic financial statements.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2003

	Business-type activities-Enterprise Funds		
	Other Contracted Services	Taxicab Administration	Totals
Cash flows from operating activities:			
Receipts from customers and users	\$ 11,834,183	694,487	12,528,670
Payments to suppliers	(43,038,969)	(644,451)	(43,683,420)
Payments to employees	—	—	—
Net cash provided (used) by operating activities	(31,204,786)	50,036	(31,154,750)
Cash flows from noncapital financing activities:			
Operating transfers in (out)	938,249	(10,000)	928,249
Repayment of advances from other funds	—	(40,036)	(40,036)
Public support funds received	30,266,537	—	30,266,537
Net cash provided (used) by noncapital financing activities	31,204,786	(50,036)	31,154,750
Net decrease in cash and cash equivalents	—	—	—
Cash and cash equivalents, beginning of year	—	—	—
Cash and cash equivalents, end of year	\$ —	—	—
Operating income (loss)	\$ (35,328,487)	3,650	(35,324,837)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	4,129,690	1,874	4,131,564
(Increase) decrease in:			
Accounts and other receivables	—	58,375	58,375
Accounts receivable from other governmental entities	(948,587)	—	(948,587)
Due from component units	40,767	—	40,767
Due from other funds	(2,379,330)	(13,837)	(2,393,167)
Increase (decrease) in:			
Accounts payable	3,601,284	813	3,602,097
Retentions payable	10,000	—	10,000
Deferred revenue	132,828	—	132,828
Due to component units	(462,951)	(839)	(463,790)
Total adjustments	4,123,701	46,386	4,170,087
Net cash provided (used) by operating activities	\$ (31,204,786)	50,036	(31,154,750)

Supplemental noncash disclosures:

During the year, \$1,887,128 and \$10,842,606 in capital assets were contributed by the government funds and the San Diego County Transit System, respectively, to Other Contracted Services.

See accompanying notes to basic financial statements.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Notes to Basic Financial Statements

June 30, 2003

(1) Summary of Significant Accounting Policies

The basic financial statements of the San Diego Metropolitan Transit Development Board (MTDB) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of MTDB's accounting policies are described below.

(a) Reporting Entity

MTDB was formed on January 26, 1976 by passage of California Senate Bill 101 to plan, construct, and operate (or let contracts to operate) exclusive public mass transit guideways in the urbanized south coastal area of San Diego County. MTDB has certain responsibilities for near-term transportation planning and administration of federal and state transportation funds within the area under its jurisdiction. The board of directors of MTDB consists of 15 members composed of four appointees from the San Diego City Council, one appointee from each City Council of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee, and one appointee from the San Diego County Board of Supervisors and a chairman elected by the other 14 members.

On January 1, 2003, Senate Bill (SB) 1703 became effective. SB 1703 required the consolidation of the planning and programming functions of the MTDB and the North San Diego County Transit Development Board (NCTD) into the San Diego Association of Governments (SANDAG) in an initial transfer to take place prior to July 1, 2003. SB 1703 also required the consolidation of the project development and construction functions of MTDB and NCTD into SANDAG in a subsequent transfer to take place prior to January 30, 2004. The initial transfer occurred on July 1, 2003, and the subsequent transfer occurred on October 13, 2003. With these actions, employees were transferred from MTDB and NCTD to SANDAG, and certain planning, development, and construction functions were also transferred. As a result, MTDB's activities in the future will be focused on operating the public transit system in the metropolitan area. In addition to the consolidation required by SB 1703, MTDB dissolved the board of directors of San Diego Transit Corporation (SDTC) and board of directors of San Diego Trolley, Inc. (SDTI). MTDB now acts in that capacity for all three agencies, MTDB, SDTC, and SDTI.

As required by GAAP, these financial statements present MTDB and its component units, entities for which MTDB is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from MTDB. Each discretely presented component unit has a June 30 year-end.

Included within the reporting entity as discretely presented component units:

San Diego Transit Corporation: On July 1, 1985, MTDB purchased the assets used by and acquired sole ownership of San Diego Transit Corporation (SDTC) from the City of San Diego for \$1. SDTC is a California not-for-profit corporation. SDTC has entered into an operating agreement with MTDB to operate a public transportation bus system in the City of San Diego and certain regional routes within MTDB's jurisdictions. The agreement extends through June 30, 2005. MTDB has the option to extend this agreement if exercised prior to the termination date. SDTC continues to provide local

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Notes to Basic Financial Statements

June 30, 2003

service to a number of adjoining cities under pre-existing contracts. Purchases or construction of bus capital items are made by MTDB with whom title remains, and are contributed to SDTC upon completion of a project or when individually purchased by MTDB. SDTC's assets, liabilities, net assets, revenues, and expenses are included in MTDB's financial statements as a discretely presented component unit. This agency has a separate governing board and provides services directly to the public. Individual financial statements can be obtained from SDTC's administrative offices at 100 Sixteenth Street, P.O. Box 122511, San Diego, CA 92101-2511.

San Diego Trolley, Inc.: San Diego Trolley, Inc. (SDTI) is a California not-for-profit corporation organized by MTDB in August 1980. SDTI was created to operate and maintain the Light Rail Transit (LRT) system pursuant to an operating agreement with MTDB. The agreement extends through June 30, 2005. MTDB has the option to extend this agreement if exercised prior to the termination date. Purchases or construction of LRT capital items are made by MTDB with whom title remains, and are contributed to SDTI upon completion of a project or when individually purchased by MTDB. SDTI's assets, liabilities, net assets, revenues, and expenses are included in MTDB's financial statements as a discretely presented component unit. This agency has a separate governing board and provides services directly to the public. Individual financial statements can be obtained from SDTI's administrative offices at 1255 Imperial Avenue, Suite 900, San Diego, CA 92101.

San Diego and Arizona Eastern Railway Company: MTDB purchased the San Diego and Arizona Eastern Railway Company (SD&AE) in 1979. SDTI operates on a portion of the line and a private operator provides freight service on a portion of the line. Purchases of capital items are made by MTDB with whom title remains, and are contributed to SD&AE when purchased by MTDB. SD&AE's assets, liabilities, net assets, revenues, and expenses are included in MTDB's financial statements as a discretely presented component unit. This agency has a separate governing board, which is appointed by MTDB. Separate financial statements are not available.

Excluded from the reporting entity:

Two joint powers agencies (Agencies) were formed for the construction and financing of certain public projects.

San Diego Regional Building Authority: In 1988, MTDB and the County of San Diego (the County) created the San Diego Regional Building Authority (the Authority), a joint powers agency, for the construction and financing of certain public projects. MTDB appoints one commissioner and the County appoints two commissioners to the three-member board. In 1988, the Authority issued \$43,600,000 of customized purchase lease revenue bonds to finance the acquisition and construction of the MTS Tower office building. In October 1991, the Authority issued \$46,965,000 of Certificates of Participation which defeased the 1988 lease revenue bonds. In September 2001, the Authority issued \$36,960,000 of Certificates of Participation which defeased the 1991 Certificates of Participation. Neither MTDB nor the County are secondarily liable for the Authority's debt, which is collateralized by a deed of trust on the MTS Tower office building and lease payments to be received from the County and MTDB (note 7). A portion of the MTS Tower office building is constructed on

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land owned by MTDB and leased through a ground lease to the Authority. The County leases the project from the Authority and MTDB subleases a portion of the building from the County. The sublease is recorded as a capital lease on MTDB's financial statements.

City of San Diego/MTDB Authority: In 1988, MTDB and the City of San Diego (the City) created the City of San Diego/MTDB Authority, a joint powers agency (JPA), to finance the construction and operation of public capital improvements, including the construction of the Bayside LRT Extension. MTDB appoints one director and the City appoints two directors to the three-member board. MTDB is not secondarily liable for the JPA's debt, which is collateralized by lease payments from the City. The Bayside LRT Extension project was constructed primarily from the proceeds of \$31,240,000 lease revenue bonds which were issued by the JPA on June 1, 1989. The title to all assets, except for the Bayside LRT vehicles, was transferred to the JPA. In accordance with GASB Statement No. 34, the assets are included in SDTI's fixed assets as the assets are maintained by SDTI. The title to the Bayside LRT vehicles remains with MTDB.

Each of the Agencies has a three-member board of which MTDB appoints one member. These potential component units are excluded from the reporting entity because MTDB is not financially accountable for the Agencies and MTDB has determined that excluding these potential component units would not be misleading to the readers of the financial statements. Individual financial statements for the Agencies can be obtained from MTDB.

(b) Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and individual proprietary funds are reported as separate columns in the fund financial statements.

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(c) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified-accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by MTDB.

MTDB receives funding primarily from the following revenue sources:

Federal Transit Administration (FTA) revenues are funded by a federal gas tax and revenues of the federal general fund. MTDB receives Section 5309 and 5307 grants which are earmarked for capital assistance and preventive maintenance.

State funding is received primarily from the Traffic Congestion Relief Program (TCRP), State Transit Assistance (STA) revenues, and the Transportation Enhancement Activities Program (TEAP). STA funds come from the Public Transportation Account, which derives its revenues from the state sales tax on gasoline. TCRP and TEAP funds are derived from the federal general fund.

Transportation Development Act (TDA) revenues provide funding support for public transit operators and for nonmotorized transportation projects. The revenue comes from one-quarter of a percent of the total 7.75% sales tax assessed in the region. San Diego Association of Governments (SANDAG) is the agency responsible for apportionment of these funds within the San Diego region.

TransNet funds are derived from the Proposition A one-half cent local transportation sales tax, which was approved by area voters in November 1987. The resulting ordinance allocated one-third of the sales tax proceeds for transit purposes, which are further divided between MTDB and North County Transit District based on the proportion of the population within the area of each jurisdiction. TransNet funds are also apportioned by SANDAG.

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MTDB reports the following major governmental funds:

The General Fund is MTDB's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are primarily derived from FTA and local TDA funds. Expenditures are primarily expended for functions of the general government, transit planning, and transit support activities including marketing.

The Special Revenue Subsidy Pass-Through Fund accounts for the activities and the subsidy resources collected on behalf of and passed through to the component units. This fund also accounts for the fund balance reserves maintained for capital replacement and other purposes. Revenues are primarily derived from FTA, STA, and local TDA funds. Expenditures are primarily these federal, state, and local funds being passed through to component units and other transit operators.

The Special Revenue TransNet Fund accounts for the activities and resources received pursuant to the one-half cent local sales tax. These revenues are transferred to other funds, which are expended for rail capital, reduced-price monthly transit passes for seniors, the disabled, and youth, and subsidizing any reduction in federal and state operating funds. Remaining monies can be expended for service expansion and extensions.

The Capital Projects Fund accounts for the resources and the activities of MTDB to provide for Light Rail Transit (LRT) extensions, major LRT/Bus capital improvements, and operations capital/replacement. Revenues are primarily derived from FTA and state capital grants and other local income for transit capital funding. Expenditures are expended for capital outlay including LRT extensions, major LRT capital improvements, major bus capital improvements, and operations capital.

The Debt Service 1995 LRV Lease/Leaseback Fund accounts for the resources accumulated and payments made for principal and interest on the long-term general obligation debt of the 1995 LRV lease/leaseback transaction entered into by MTDB in 1995. Revenues are derived from interest earned on the restricted cash, cash equivalents, and investments accumulated for the payment of the 1995 LRV lease/leaseback debt service. Expenditures are payments for the 1995 LRV lease/leaseback debt service.

MTDB reports the following major proprietary fund:

The Other Contracted Services Fund is an enterprise fund used to account for the operation of certain bus routes that have been competitively bid and are operated by MTDB through contracts with outside parties. Revenues are primarily derived from passenger fare revenue and federal, state, and local operating grants. Expenses are primarily payments to contracted bus operators for the operation of certain bus routes. Effective July 1, 2002, the responsibility for operating the County Transit System (CTS) was transferred from the County of San Diego to MTDB.

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Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are lending/borrowing of pooled cash between the proprietary funds and various other functions of the government. Elimination of this lending/borrowing would distort the assets for governmental activities and business-type activities in the statement of net assets.

Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds include enterprise funds, which are used to account for those operations that are financed and operated in a manner similar to private business or where MTDB has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Other Contract Services Enterprise Fund are charges to customers for public transportation services. The principal operating revenues of the Taxicab Administration Enterprise Fund are charges for the issuance of taxi and jitney service permits. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is MTDB's policy to use restricted resources first, then unrestricted resources as they are needed.

(d) Budgets

Annual appropriated budgets are adopted for all governmental fund types. All annual appropriations lapse at year-end. The budgets are prepared on a GAAP basis, except for the TransNet Special Revenue Fund where only realized investment income is budgeted.

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Adjustments necessary to convert the results of operations and fund balances at June 30, 2003 on the budget basis to the GAAP basis are as follows:

	TransNet Special Revenue Fund
Net increase in fund balance:	
Budget basis	\$ (26,393,357)
Adjustment for unrealized investment gains	<u>(1,555,439)</u>
GAAP basis	<u><u>\$ (27,948,796)</u></u>
Fund balances at June 30, 2003:	
Budget basis	\$ 12,058,348
Adjustment for unrealized investment gains	<u>(7,290)</u>
GAAP basis	<u><u>\$ 12,051,058</u></u>

Additionally, the Pass/Ticket Sales Distribution Special Revenue Fund includes budgeted revenues and expenditures for the regional pass program administered by MTDB. Accounting principles generally accepted in the United States of America require that this activity be treated as a pass-through of funds with no effect on fund balance.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and may be reappropriated in the following year.

(e) Deposits and Investments

Investments of pooled cash consist primarily of bankers' acceptances, certificates of deposit, pooled investment funds, liquidity funds, governmental bonds, and commercial paper. Investments are stated at fair value which is based on quoted market price. Interest income earned as a result of investing is distributed to the appropriate funds using a formula based on the average investment balance of each fund. Money market investments and participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value.

For purposes of the statement of cash flows, all highly liquid temporary investments purchased with a maturity of three months or less are considered cash equivalents.

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(f) *Receivables and Payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

(g) *Parts and Supplies Inventories*

Component unit inventories are valued at the lower of cost or market (spare LRT parts) and the lower of average cost or market (materials and supplies for buses), using the first-in, first-out (FIFO) method. Inventory contributed by MTDB to SDTI is recorded at MTDB's cost. The costs of governmental fund type inventories are recorded as expenditures when purchased.

(h) *Prepaid Items*

Payments made to vendors for services that will benefit periods beyond June 30, 2003 are recorded as prepaid items in both government-wide and fund financial statements.

(i) *Capital Assets*

Capital assets, which include land and right-of-way, buildings and infrastructure assets, vehicles, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Major outlays for capital assets and improvements are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements.

Legal title of all SDTC property and equipment was transferred from the City of San Diego to MTDB effective with MTDB's purchase of SDTC on July 1, 1985. SDTC has recorded these assets at net book value in order to reflect SDTC's custodial accountability for the assets.

Legal title of all County Transit System (CTS) property and equipment was transferred from the County of San Diego to MTDB effective with MTDB's acquisition of CTS on July 1, 2002. MTDB has recorded these assets at net book value.

Under the operating agreements between MTDB and SDTC and SDTI, respectively, SDTC and SDTI are required to pay a license fee to MTDB for the use of certain fixed assets. Due to SDTC's and SDTI's continued shortage of operating funds sufficient to cover recurring expenditures, the payment of these fees is considered remote, and therefore, these amounts were not recorded in the primary government financial statements or the component unit financial statements.

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Buildings and infrastructure assets, vehicles, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	32
Infrastructure	15 to 30
Vehicles	5 to 30
Equipment	3 to 20

(j) Construction-in-Progress

Costs incurred for construction associated with the LRT system are expended in the governmental fund types of MTDB and capitalized as construction-in-progress in the government-wide financial statements until such time as they are complete and operational. Upon completion, they are contributed to SDTI to reflect SDTI's custodial accountability for the assets and are recorded as transit capital funding on the statement of activities of the government-wide financial statements. Depreciation commences at the time of contribution. Assets acquired through capital leases are capitalized in the government-wide financial statements.

(k) Compensated Absences

It is MTDB's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since MTDB does not have a policy to pay any amounts when employees separate from service with MTDB. All vacation pay is accrued when incurred in the government-wide and proprietary fund type financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

(l) Long-Term Obligations

In the government-wide financial statements and in the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt payable is reported net of the applicable bond premium or discount. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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(m) Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative plans for future use of financial resources.

(n) Refunding of Debt

Gains or losses occurring from advance refundings of debt of the governmental funds have been deferred and are being amortized into expense using the straight-line method over the original remaining life of the old debt or the life of the new debt, whichever is less.

(o) Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from these estimates.

(2) Legal Compliance – Budgets

Following are MTDB's procedures in establishing the annual budget:

1. In June of each year, the Director of Finance and Administration submits to the board of directors a proposed operating and capital projects budget for the following fiscal year.
2. Public hearings are conducted to obtain comments.
3. The budget is legally enacted through passage of a resolution.

The General Manager is authorized to transfer budgeted amounts up to \$25,000 between line items without prior Board approval. However, all increases in the authorized budget and transfers of budgeted amounts greater than \$25,000 must be approved in advance by MTDB. Expenditures may not exceed budgeted appropriations at the line item level which are detailed by object (i.e., personnel, insurance, rent, etc.). MTDB made supplemental budget appropriations during the year as follows:

General Fund	\$ (1,000,000)
Subsidy Pass-Through Special Revenue Fund	3,906,567

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(3) Reconciliation of Government-Wide and Fund Financial Statements

(a) *Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Assets*

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.” The details of this \$482,598 difference are as follows:

Prepaid interest	\$	10,573
Deferred issuance costs		<u>472,025</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net assets – governmental activities	\$	<u><u>482,598</u></u>

Another element of that reconciliation explains that “long-term liabilities, including debt payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$175,287,952 difference are as follows:

Compensated absences payable	\$	743,488
Claims payable		236,376
Debt payable		173,553,414
Accrued interest payable		54,079
Premium of debt payable		<u>700,595</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	\$	<u><u>175,287,952</u></u>

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(b) *Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities*

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that, “governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$211,480,179 difference are as follows:

Capital outlay	\$ 221,691,805
Less:	
Capital contributions to business-type activities	(1,887,128)
Transit capital funding expenses	(7,724,461)
Depreciation expense	<u>(600,037)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets – governmental activities	<u>\$ 211,480,179</u>

Another element of that reconciliation states that, “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$14,954,389 difference are as follows:

Interest expense	\$ (27,853)
Principal repayment	(2,912,934)
Amortization expense – deferred issuance costs	54,157
Issuance of debt	18,175,381
Debt issuance costs	<u>(334,362)</u>
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net assets – governmental activities	<u>\$ 14,954,389</u>

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Another element of that reconciliation states that, "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this \$138,589 difference are as follows:

Compensated absences	\$	48,683
Claims		<u>89,906</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets – governmental activities	\$	<u><u>138,589</u></u>

(4) Cash, Cash Equivalents, and Investments

To facilitate optimum management of MTDB's resources, cash resources of the individual funds are combined to form a pool of cash for short-term investment, except for restricted funds which are generally held by outside custodians on behalf of Capital Projects and Enterprise Funds.

(a) MTDB, Taxicab Administration, and Other Contracted Services

Deposits with Financial Institutions: At June 30, 2003, the primary government had deposits in financial institutions with bank balance and carrying amount of \$1,954,702 and \$28,129, respectively, of which \$100,000 was covered by federal depository insurance. The remaining uninsured deposits are with financial institutions which are individually legally required to have government deposits collateralized with government securities held by the pledging financial institution's trust department in the government's name. The market value of such pledged securities must equal at least 110% of the government's deposits. The difference between the carrying amount and the bank balance represents items in transit in the normal course of business. MTDB has not experienced any losses to date on its deposits with financial institutions.

Bank Investment Contracts: During the year ended June 30, 1996, MTDB entered into a bank investment contract which bears interest at a fixed rate. The bank investment contract is a component of the 1995 LRV lease/leaseback finance obligation described more fully in note 7. The earnings and the principal of the bank investment contract will be used to make the debt service payments on the related finance obligation. The value of the bank investment contract as of June 30, 2003 was \$90,124,449, of which \$100,000 was covered by federal depository insurance. This is a category 2 deposit, with the securities held by the trustee in MTDB's name.

Investments: The primary government is responsible for investing its temporary surplus cash in accordance with the written investment policy which is consistent with the California Government Code 53600. Within the context of these limitations, permissible investments include:

1. Securities of the U.S. Government
2. Small Business Administration loans
3. Negotiable certificates of deposit issued by commercial banks or savings and loans with FDIC, Security Investment Protection Corporation (SIPC), or Savings Association Insurance Fund (SAIF) insurance, or with full collateralization

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4. Nonnegotiable time deposits issued by banks or savings and loans which meet the requirements for investment in negotiable certificates of deposit
5. Bankers' acceptances
6. Commercial paper rated A-1 by Standard and Poor's Corporation or P1 by Moody's Investor Services, Inc.
7. Repurchase agreements with banks and other Board-evaluated parties
8. Local Agency Investment Fund established by the State Treasurer (LAIF)
9. San Diego County Pooled Money Fund
10. Prudential Bache Liquidity Fund
11. Passbook savings or money market demand deposits with an FDIC, SIPC, or SAIF insured financial institution.

The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below:

- | | |
|-------------|--|
| Category 1: | Insured or registered, with securities held by MTDB or its agent, in MTDB's name. |
| Category 2: | Uninsured and unregistered, with securities held by the counterparty's trust department or agent, in MTDB's name. |
| Category 3: | Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in MTDB's name. |

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Following are the cash, cash equivalents, and investments held by the primary government at June 30, 2003, classified by category of risk.

	<u>Cost</u>	<u>Fair value</u>
Category 1:		
Corporate Notes	\$ 5,953,911	6,016,208
U.S. Treasury Notes	11,708,390	11,658,850
Federal Home Loan Mortgage	2,471,558	2,466,000
Federal National Mortgage Association	15,082,841	15,055,581
Federal Home Loan Bank	4,431,579	4,455,000
U.S. Treasury Strips	11,971,073	23,902,756
Refco Zero Coupon Bonds	3,680,449	14,678,283
Category 2:		
Bank Investment Contract	88,551,393	90,124,449
Deposits with financial institutions	28,129	28,129
Cash and cash equivalents not subject to categorization:		
Highmark Money Market	4,063,234	4,063,234
Money market (various – restricted for capital projects)	7,230,598	7,230,598
Money market (various – held for purchase of investments)	8,017,818	8,017,818
Investment in LAIF	12,149,565	12,149,565
	<u>\$ 175,340,538</u>	<u>199,846,471</u>

Monies invested in derivatives through the State Pool are considered immaterial.

(b) SDTI

Deposits with Financial Institutions: At June 30, 2003, SDTI had deposits with financial institutions with a bank balance of \$343,313 and a carrying amount of \$0, of which \$100,000 was covered by federal depository insurance. Uninsured deposits are maintained with financial institutions which are individually legally required to have government deposits collateralized with government securities held by the pledging financial institution's trust department in the government's name. The difference between the carrying amount and the bank balance represents items in transit in the normal course of business. SDTI has not experienced any losses to date on its deposits with financial institutions.

(c) SDTC

Deposits with Financial Institutions: At June 30, 2003, SDTC had deposits with financial institutions with a bank balance of \$881,093 and a carrying amount of \$0, of which \$100,000 was covered by federal depository insurance. The remaining uninsured deposits are with financial institutions which are individually legally required to have government deposits collateralized with government securities held by the pledging financial institution's trust department in the

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government's name. The difference between the carrying amount and the bank balance represents items in transit in the normal course of business. SDTC has not experienced any losses to date on its deposits with financial institutions.

Cash Equivalents: The deposit and investment policies of SDTC are determined by its board of directors. Deposits must be held in insured depositories approved by the board of directors. Permissible investments include money market instruments, repurchase agreements, certificates of deposit, bankers' acceptances, commercial paper, and U.S. Treasury obligations. Funds may also be invested in the State Treasurer's Local Agency Investment Fund (LAIF). The LAIF has oversight by the Local Investment Advisory Board. The LAIF Board consists of five members as designated by statute. The LAIF investment is not evidenced by securities and therefore not categorized as to credit risk. The carrying amount approximates market value. As of June 30, 2003, the investment in LAIF was \$778,564, of which \$14,637 is restricted for capital support.

(d) SD&AE

Deposits with Financial Institutions: At June 30, 2003, SD&AE had deposits with financial institutions with a bank balance and carrying balance of \$7,410, the total amount of which was covered by federal depository insurance.

Cash Equivalents: The deposit and investment policies of SD&AE are determined by its board of directors. Deposits must be held in insured depositories approved by the board of directors. Permissible investments include money market instruments, repurchase agreements, certificates of deposit, bankers' acceptances, commercial paper, and U.S. Treasury obligations. Funds may also be invested in the State Treasurer's LAIF. The LAIF has oversight by the Local Investment Advisory Board. The LAIF Board consists of five members as designated by statute. The LAIF investment is not evidenced by securities and therefore not categorized as to credit risk. The carrying amount approximates market value. As of June 30, 2003, the investment in money market accounts was \$15,823.

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(5) Capital Assets

Primary Government

A summary of changes in capital assets for governmental activities is as follows:

	Balance, June 30, 2002	Additions and transfers in	Transfers out	Balance, June 30, 2003
Capital assets, not being depreciated:				
Land and right-of-way	\$ 21,957,196	—	—	21,957,196
Construction-in-progress	167,224,003	221,691,805	(9,724,628)	379,191,180
Total capital assets, not being depreciated	189,181,199	221,691,805	(9,724,628)	401,148,376
Capital assets, being depreciated:				
Buildings and structures	13,294,574	92,996	—	13,387,570
Vehicles	229,003	—	—	229,003
Office equipment and furniture	1,156,477	20,043	—	1,176,520
Total capital assets, being depreciated	14,680,054	113,039	—	14,793,093
Less accumulated depreciation for:				
Buildings and structures	(5,216,494)	(418,428)	—	(5,634,922)
Vehicles	(86,949)	(39,795)	—	(126,744)
Office equipment and furniture	(842,244)	(141,814)	—	(984,058)
Total accumulated depreciation	(6,145,687)	(600,037)	—	(6,745,724)
Total capital assets, being depreciated, net	8,534,367	(486,998)	—	8,047,369
Governmental activities capital assets, net	\$ 197,715,566	221,204,807	(9,724,628)	409,195,745

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Notes to Basic Financial Statements

June 30, 2003

A summary of changes in capital assets for business-type activities – Major Enterprise Fund – Other Contracted Services is as follows:

	<u>Balance, June 30, 2002</u>	<u>Additions and transfers in</u>	<u>Transfers out</u>	<u>Balance, June 30, 2003</u>
Capital assets, not being depreciated:				
Land and right-of-way	\$ 809,692	—	—	809,692
Capital assets, being depreciated:				
Buildings and structures	3,930,872	1,102,642	—	5,033,514
Vehicles and buses	38,226,459	11,627,092	—	49,853,551
Equipment and other	760,860	—	—	760,860
Total capital assets, being depreciated	<u>42,918,191</u>	<u>12,729,734</u>	<u>—</u>	<u>55,647,925</u>
Less accumulated depreciation for:				
Buildings and structures	(1,194,872)	(196,393)	—	(1,391,265)
Vehicles and buses	(10,205,244)	(3,886,108)	—	(14,091,352)
Equipment and other	(409,236)	(47,189)	—	(456,425)
Total accumulated depreciation	<u>(11,809,352)</u>	<u>(4,129,690)</u>	<u>—</u>	<u>(15,939,042)</u>
Total capital assets, being depreciated, net	<u>31,108,839</u>	<u>8,600,044</u>	<u>—</u>	<u>39,708,883</u>
Business-type activities – Major Enterprise Fund – Other Contracted Services capital assets, net	<u>\$ 31,918,531</u>	<u>8,600,044</u>	<u>—</u>	<u>40,518,575</u>

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Notes to Basic Financial Statements

June 30, 2003

A summary of changes in capital assets for business-type activities – Nonmajor Enterprise Fund – Taxicab Administration is as follows:

	<u>Balance, June 30, 2002</u>	<u>Additions and transfers in</u>	<u>Transfers out</u>	<u>Balance, June 30, 2003</u>
Capital assets, being depreciated:				
Buildings and structures	\$ 28,112	—	—	28,112
Vehicles	24,435	—	—	24,435
Total capital assets, being depreciated:	<u>52,547</u>	<u>—</u>	<u>—</u>	<u>52,547</u>
Less accumulated depreciation for:				
Buildings and structures	(20,616)	(1,874)	—	(22,490)
Vehicles	(24,435)	—	—	(24,435)
Total accumulated depreciation	<u>(45,051)</u>	<u>(1,874)</u>	<u>—</u>	<u>(46,925)</u>
Business-type activities – Nonmajor Enterprise Fund – Taxicab Administration capital assets, net	\$ <u>7,496</u>	<u>(1,874)</u>	<u>—</u>	<u>5,622</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 600,037
Business-type activities:	
Taxicab Administration	\$ 1,874
Other Contracted Services	<u>4,129,690</u>
Total depreciation expense – business-type activities	\$ <u>4,131,564</u>

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Notes to Basic Financial Statements

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Construction Commitments

Construction-in-progress is comprised of the following at June 30, 2003:

	Expended through June 30, 2003	Contractually committed
LRT extensions	\$ 295,037,925	77,645,813
Major LRT improvements	26,332,613	3,605,929
Major bus capital improvements	35,680,061	34,822,750
Operations capital – MTDB	555,985	298,247
Operations capital – LRT	17,236,405	1,535,334
Operations capital – bus	4,348,191	796,884
Total construction-in-progress	<u>\$ 379,191,180</u>	<u>118,704,957</u>

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Notes to Basic Financial Statements

June 30, 2003

Discretely Presented Component Units

A summary of the changes in capital assets for San Diego Transit Corporation is as follows:

	<u>Balance, June 30, 2002</u>	<u>Additions and transfers in</u>	<u>Deletions, transfers out, and contributions</u>	<u>Balance, June 30, 2003</u>
Capital assets, not being depreciated:				
Land and right-of-way	\$ 4,996,800	—	—	4,996,800
Construction-in-progress	<u>—</u>	<u>4,486</u>	<u>—</u>	<u>4,486</u>
Total capital assets, not being depreciated	<u>4,996,800</u>	<u>4,486</u>	<u>—</u>	<u>5,001,286</u>
Capital assets, being depreciated:				
Buildings and structures	26,165,017	898,059	—	27,063,076
Vehicles and buses	109,542,149	—	(179,427)	109,362,722
Equipment and other	<u>17,423,162</u>	<u>577,339</u>	<u>(103,674)</u>	<u>17,896,827</u>
Total capital assets, being depreciated	<u>153,130,328</u>	<u>1,475,398</u>	<u>(283,101)</u>	<u>154,322,625</u>
Less accumulated depreciation for:				
Buildings and structures	(7,685,889)	(785,315)	—	(8,471,204)
Vehicles and buses	(45,239,036)	(7,532,066)	(1,261,940)	(54,033,042)
Equipment and other	<u>(16,506,648)</u>	<u>(796,667)</u>	<u>1,261,940</u>	<u>(16,041,375)</u>
Total accumulated depreciation	<u>(69,431,573)</u>	<u>(9,114,048)</u>	<u>—</u>	<u>(78,545,621)</u>
Total capital assets, being depreciated, net	<u>83,698,755</u>	<u>(7,638,650)</u>	<u>(283,101)</u>	<u>75,777,004</u>
San Diego Transit Corporation capital assets, net	<u>\$ 88,695,555</u>	<u>(7,634,164)</u>	<u>(283,101)</u>	<u>80,778,290</u>

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Notes to Basic Financial Statements

June 30, 2003

A summary of the changes in capital assets for San Diego Trolley, Inc. is as follows:

	<u>Balance, June 30, 2002</u>	<u>Additions and transfers</u>	<u>Deletions, transfers out, and contributions</u>	<u>Balance, June 30, 2003</u>
Capital assets, not being depreciated:				
Land and right-of-way	\$ 161,228,562	—	—	161,228,562
Capital assets, being depreciated:				
Buildings and structures	597,276,745	1,264,261	—	598,541,006
Vehicles	178,975,538	726,119	(245,692)	179,455,965
Equipment and other	<u>7,518,390</u>	<u>1,161,430</u>	<u>(116,635)</u>	<u>8,563,185</u>
Total capital assets, being depreciated	<u>783,770,673</u>	<u>3,151,810</u>	<u>(362,327)</u>	<u>786,560,156</u>
Less accumulated depreciation for:				
Buildings and structures	(233,005,619)	(24,831,686)	—	(257,837,305)
Vehicles	(62,525,084)	(6,488,091)	181,265	(68,831,910)
Equipment and other	<u>(4,765,460)</u>	<u>(511,346)</u>	<u>79,438</u>	<u>(5,197,368)</u>
Total accumulated depreciation	<u>(300,296,163)</u>	<u>(31,831,123)</u>	<u>260,703</u>	<u>(331,866,583)</u>
Total capital assets, being depreciated, net	<u>483,474,510</u>	<u>(28,679,313)</u>	<u>(101,624)</u>	<u>454,693,573</u>
San Diego Trolley, Inc. capital assets, net	<u>\$ 644,703,072</u>	<u>(28,679,313)</u>	<u>(101,624)</u>	<u>615,922,135</u>

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A summary of the changes in capital assets for the San Diego and Arizona Eastern Railway Company is as follows:

	<u>Balance, June 30, 2002</u>	<u>Additions and transfers</u>	<u>Deletions, transfers out, and contributions</u>	<u>Balance, June 30, 2003</u>
Capital assets, not being depreciated:				
Land and right-of-way	\$ 19,426	—	—	19,426
Capital assets, being depreciated:				
Buildings and structures	682,686	—	—	682,686
Less accumulated depreciation:				
Buildings and structures	<u>(191,138)</u>	<u>(20,560)</u>	<u>—</u>	<u>(211,698)</u>
Total capital assets, being depreciated, net	<u>491,548</u>	<u>(20,560)</u>	<u>—</u>	<u>470,988</u>
San Diego and Arizona Eastern Railway Company capital assets, net	<u>\$ 510,974</u>	<u>(20,560)</u>	<u>—</u>	<u>490,414</u>

(6) Risk Management

MTDB (including Taxicab Administration and Other Contracted Services), SDTI, and SDTC are self-insured for liability claims under a combined insurance program to a maximum of \$2,000,000 per occurrence. Amounts in excess of the self-insurance retention limits for public liability are covered by excess insurance by MTDB through commercial insurance carriers up to \$75,000,000. MTDB, SDTI, and SDTC purchase all-risk (excluding quake) insurance coverage for property damage up to \$400,000,000 per occurrence with deductibles ranging from \$25,000 to \$50,000, depending on the peril involved. In addition, MTDB, SDTC, and SDTI are self-insured for costs arising from employee workers' compensation claims, employee practices liability, and public official errors and omissions liability to a maximum of \$1,000,000 per occurrence. Amounts in excess of \$1,000,000 are covered by insurance companies up to \$75,000,000. SDTC and MTDB are self-insured for unemployment claims. SDTC and SDTI have policies for crime coverage through commercial insurance.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

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Claims expenditures and liabilities in connection with these self-insurance programs are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported based upon past experience, modified for current trends and information. Claim payments did not exceed insurance coverage in any of the past three years.

<u>Fiscal year</u>	<u>Beginning of fiscal year</u>	<u>Current year claims and changes in estimates</u>	<u>Claim payments</u>	<u>End of fiscal year liability</u>
MTDB:				
2000 – 2001	\$ 85,698	21,301	(38,763)	68,236
2001 – 2002	68,236	132,122	(53,888)	146,470
2002 – 2003	146,470	121,730	(31,824)	236,376
SDTI:				
2000 – 2001	2,952,215	1,858,319	(452,306)	4,358,228
2001 – 2002	641,590	1,863,524	(926,614)	1,578,500
2002 – 2003	1,578,500	2,634,543	(1,411,049)	2,801,994
SDTC:				
2000 – 2001	10,258,067	7,002,747	(4,671,506)	12,589,308
2001 – 2002	12,589,308	4,757,294	(1,845,234)	15,501,368
2002 – 2003	15,501,368	699,781	(5,354,314)	10,846,835

At June 30, 2003, General Fund investments of \$102,895 were held for purposes of funding the future claims liabilities of MTDB, SDTI, and SDTC. As a result, \$102,895 of the General Fund balance is designated for payment of future claims liabilities.

(7) Long-Term Debt

(a) Capital Leases

The County of San Diego (the County) has a master lease agreement with the MTS Joint Powers Agency (Agency) for the lease of the MTS Tower building. MTDB entered into a sublease agreement with the County for a portion (27.61%) of the MTS Tower building. In September 2001, the Agency defeased the certificates which financed the MTS Tower building and issued \$36,960,000 of Certificates of Participation that were placed in escrow for the purpose of providing moneys which will be sufficient to provide for the payment when due of principal and interest on the prior certificates. As a result, the refunded certificates are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net assets. The amount of defeased debt that remains outstanding at June 30, 2003 is \$17,465,702. The sublease is classified as a capital lease because title transfers to MTDB at the end of the County's master lease. The master lease terminates on November 1, 2086; however, the County has the option to terminate the agreement on November 1, 2041 and each tenth anniversary thereafter.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

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In December 1990, MTDB entered into a lease agreement with the Agency for 130 replacement buses. The lease was refinanced in February 2000 with the California Transit Finance Corporation (CTFC), a nonprofit, public benefit corporation created by the California Transit Association to provide assistance to transit entities in financing capital improvements. The lease is classified as a capital lease because title transfers to MTDB when the lease terminates in December 2004. The buses are recorded by SDTC.

The assets acquired through capital leases are as follows:

	<u>Governmental activities</u>
Asset:	
Building – MTS Tower	\$ 12,091,981
Less accumulated depreciation	<u>(5,479,179)</u>
Total	<u>\$ 6,612,802</u>

Following is a summary of future minimum payments under capital leases as of June 30, 2003:

	<u>Governmental activities</u>
Year ending June 30:	
2004	\$ 3,758,267
2005	1,862,449
2006	846,165
2007	847,778
2008	847,750
2009-2013	4,238,435
2014-2018	4,214,150
2019-2020	<u>1,691,241</u>
Total minimum lease payments	18,306,235
Less amount representing interest	<u>(4,751,588)</u>
Present value of minimum lease payments	<u>\$ 13,554,647</u>

(b) Finance Obligations

1990 LRV Sale/Leaseback – In fiscal year 1990, MTDB entered into an agreement to sell 41 light rail vehicles (LRVs) and simultaneously entered into a lease agreement with the purchaser to lease them back. MTDB received proceeds of approximately \$52.3 million, of which it used approximately \$46.4 million to prepay future lease payments. This prepayment amount covers lease payments through the year 2004 and into 2005. MTDB invested \$3,680,449 of the proceeds into

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

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government zero-coupon bonds. These bonds mature at values sufficient to cover all remaining lease payments due under the lease agreement as well as amounts necessary to exercise the repurchase options. On June 30, 1990, MTDB exercised its option to repurchase the vehicles.

1995 LRV Lease/Leaseback – In fiscal year 1996, MTDB entered into a master lease to lease 52 light rail vehicles to an investor and then simultaneously entered into a sublease agreement to lease them back. MTDB received prepayments of the master lease from the investor of approximately \$102.7 million, of which it used approximately \$90.7 million to place two investments which will be used to make the interest and principal payments on the finance obligation. MTDB placed \$78.8 million in a fixed rate deposit and invested \$11.9 million in government zero-coupon bonds. The interest earned on the deposit, together with the principal amount of the deposit and the maturities of the zero-coupon bonds are sufficient to cover the amounts due under the finance obligation.

For the above lease transactions, MTDB is obligated to insure and maintain the equipment. The lease agreements also provide for MTDB's right to continued use and control of the equipment. For the 1990 LRV sale/leaseback and the 1995 LRV lease/leaseback, MTDB also has agreed to indemnify the lessor from any taxes imposed by United States taxing authorities.

The LRVs acquired under the various finance obligations have been transferred to and are recorded by SDTI.

2002 San Diego Regional Transit Management System Project – In fiscal year 2003, MTDB issued \$17,485,000 of Certificates of Participation (COP) for governmental activities through the California Transit Finance Corporation for the purpose of financing a regional transit radio communications project. The COPs pay interest at rates ranging from 2 to 3 % and mature on December 1, 2007.

The proceeds from the various finance obligations and the related debt have been recorded in the government-wide financial statements.

Following is a summary of payments due under these finance obligations for the next five years and thereafter:

	Governmental activities	
	Principal	Interest
Year ending June 30:		
2004	\$ 2,947,390	7,124,680
2005	4,412,889	7,037,134
2006	7,258,173	6,874,876
2007	14,087,490	6,686,871
2008	8,752,230	6,489,506
2009-2013	7,276,110	30,626,188
2014-2018	54,230,400	27,123,183
2019-2023	37,342,982	17,303,046
2024-2026	23,691,104	2,015,568
Total	\$ 159,998,768	111,281,052

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Notes to Basic Financial Statements

June 30, 2003

(c) *Changes in Long-Term Obligations*

Following is a summary of changes in general long-term obligations for the year ended June 30, 2003:

	<u>Balance at June 30, 2002</u>	<u>Additions and net increases</u>	<u>Reductions and net decreases</u>	<u>Balance at June 30, 2003</u>	<u>Amounts due within one year</u>
Governmental activities:					
Debt payable:					
Capitalized lease obligations	\$ 16,864,656	—	(3,310,009)	13,554,647	3,758,267
Finance obligation	141,756,693	18,242,075	—	159,998,768	2,947,390
Less deferred amounts for issuance premium	<u>437,992</u>	<u>330,381</u>	<u>(67,779)</u>	<u>700,594</u>	<u>—</u>
Total debt payable	159,059,341	18,572,456	(3,377,788)	174,254,009	6,705,657
Compensated absences payable	<u>694,805</u>	<u>48,683</u>	<u>—</u>	<u>743,488</u>	<u>347,746</u>
Governmental activities long-term obligations	<u>\$ 159,754,146</u>	<u>18,621,139</u>	<u>(3,377,788)</u>	<u>174,997,497</u>	<u>7,053,403</u>

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For the governmental activities, compensated absences are liquidated by the General Fund.

	<u>Balance at June 30, 2002</u>	<u>Additions and net increases</u>	<u>Reductions and net decreases</u>	<u>Balance at June 30, 2003</u>	<u>Amounts due within one year</u>
Component unit:					
San Diego Transit Corporation:					
Compensated absences payable	\$ 9,206,450	—	(123,370)	9,083,080	5,268,186
Claims payable	<u>15,501,368</u>	<u>699,781</u>	<u>(5,354,314)</u>	<u>10,846,835</u>	<u>2,386,304</u>
San Diego Transit Corporation long-term obligations	\$ <u>24,707,818</u>	<u>699,781</u>	<u>(5,477,684)</u>	<u>19,929,915</u>	<u>7,654,490</u>
San Diego Trolley, Inc.:					
Compensated absences payable	\$ 1,682,616	129,979	—	1,812,595	489,400
Claims payable	<u>1,578,500</u>	<u>2,634,543</u>	<u>(1,411,049)</u>	<u>2,801,994</u>	<u>1,018,108</u>
San Diego Trolley, Inc. long-term obligations	\$ <u>3,261,116</u>	<u>2,764,522</u>	<u>(1,411,049)</u>	<u>4,614,589</u>	<u>1,507,508</u>

(8) Interfund Transactions

MTDB receives operating and capital assistance from federal, state, and local sources for the benefit of SDTI, SDTC, and Other Contracted Services. These funds are recorded as revenue in a special revenue fund and then reported as an expenditure when transferred to these entities.

MTDB administers the transit pass sales program for the region. Funds received from the sale of monthly transit passes are recorded as liabilities for the payments owed to the unaffiliated operators and as a due to component units for the portion due to SDTC and SDTI.

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Interfund receivable and payable balances, including amounts due from and to component units, at June 30, 2003 were as follows:

		Due from				Total
		General Fund	Subsidy Pass-Through Fund	TransNet Fund	Other Governmental Funds	
Due to	Due to/from other funds:					
	Subsidy Pass-through Fund	\$ 12,449	—	—	—	12,449
	Capital Projects Fund	—	1,947,055	2,734,987	—	4,682,042
	Other Governmental Funds	1,137,352	127,773	2,961,014	—	4,226,139
	Other Contracted Services Fund	—	—	5,039,447	3,398	5,042,845
	Taxicab Administration Fund	13,837	—	—	—	13,837
	Total	\$ 1,163,638	2,074,828	10,735,448	3,398	13,977,312

Due to/from primary government and component units:		Due from									
		General Fund	Subsidy Pass-Through Fund	Capital Projects Fund	Other Governmental Funds	Other Contracted Services	Taxicab Administration	SDTC	SDTI	SD&AE	Total
Due to	General Fund	\$ —	—	—	—	—	—	561,155	317,184	—	878,339
	Subsidy Pass-Through Fund	12,449	—	—	—	—	—	—	561,846	4,167	578,462
	Capital Projects Fund	—	—	—	—	—	—	6,000	—	—	6,000
	Other Governmental Funds	—	—	—	—	—	—	282,631	130,811	—	413,442
	Other Contracted Services	—	—	—	—	—	—	4,325	175	—	4,500
	SDTC	31,862	1,542,963	3,487	1,685,517	37,296	327	—	—	48	3,301,500
	SDTI	7,337	120,400	28,550	242,775	9,677	—	—	—	—	408,739
	SD&AE	—	30,892	—	—	—	—	—	—	—	30,892
	Total	\$ 51,648	1,694,255	32,037	1,928,292	46,973	327	854,111	1,010,016	4,215	5,621,874

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June 30, 2003

(9) Contingencies

MTDB, SDTC, and SDTI have been named in certain legal actions pending at June 30, 2003. Although the outcome of these lawsuits is not presently determinable, in the opinion of management of MTDB, SDTC, and SDTI, based in part on the advice of counsel, the resolution of these matters is not expected to have a material adverse effect on the financial position or results of operations of MTDB, SDTC, or SDTI or is adequately covered by insurance.

Grant funds received by MTDB are subject to audit and adjustment by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under the terms of the grant. The management of MTDB believes that such disallowances, if any, will not be significant.

During 1986, MTDB entered into an agreement with another company to sell the tax benefits related to six trolley cars. Simultaneously, MTDB entered into a lease agreement with the purchaser to lease the six trolley cars. Certain terms of the agreement call for repayment to the purchaser/lessor if the tax consequences of the agreement are lost or changed due to changes in the Internal Revenue Code. The amount of repayment is essentially the portion of the proceeds relating to the tax benefits lost by the purchaser/lessor. The Tax Reform Act of 1986 may cause an amount to be repaid to the purchaser/lessor. Such amount may range from zero to approximately \$1,294,000 and cannot be determined until MTDB is notified of any repayment due. No repayment has been requested to date.

(10) Reserves

The reservations of fund balances of MTDB's governmental funds at June 30, 2003 consist of:

	<u>Reserved</u>	<u>Designated</u>
Major Governmental Funds:		
General Fund:		
Insurance	\$ 102,895	—
Subsidy Pass-Through Special Revenue Fund:		
Contingency	—	14,544,245
Redevelopment Agency of the City of San Diego	—	1,050,082
Billboard – San Diego	—	231,121
Billboard – Chula Vista	—	333,574
Land management	—	204,000
SD&AE	—	1,156,177
Disaster relief	—	104,567
MTS Building	—	491,928
Capital replacement:		
Board	—	12,012
Taxicab Administration	32,349	—
TransNet Fund	—	12,051,058
Debt Service Fund – 1995 Lease/Leaseback Fund	114,027,205	—
Other Governmental Funds	34,003,211	—
	<u>\$ 148,165,660</u>	<u>30,178,764</u>

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Board policy requires a minimum funding level of \$2,000,000 in the contingency reserve and \$2,000,000 in the insurance reserve. When these reserves fall below the minimum funding level, Board policy requires replenishment in the following budget cycle.

(11) Post-Employment Health Care Benefits

In 1992, pursuant to requirements of the state retirement system in which MTDB participates, MTDB adopted a policy to provide post-retirement health care benefits to all retired employees through the California Public Employees Retirement System. Contributions range from \$122 to \$228 monthly per employee, depending upon the number of dependents insured, and increase at an annual rate of 5% of the monthly contribution for active employees. The expenditure is recorded when paid. Total payments for the year ended June 30, 2003 were \$9,302. There are six retirees currently receiving post-employment health care benefits.

(12) Employee Retirement Systems

(a) *MTDB and SDTI*

Plan Description and Provisions

MTDB and SDTI's defined benefit pension plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The plans are part of the Public Agency portion of the California Public Employees Retirement System (PERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. MTDB and SDTI select optional benefit provisions from the benefit menu by contract with PERS and adopt those benefits through local ordinance. Copies of the PERS annual financial report may be obtained from the PERS Executive Office – 400 P Street, Sacramento, CA 95814.

Funding Policy

All employees working the equivalent of 1,000 hours per year are eligible to participate as members of PERS. MTDB and SDTI employees are eligible to retire at age 50 with at least five years of service. Annual retirement benefits are determined based on age at retirement, the length of membership service, and the amount of earnings based on the highest 12 consecutive months average. PERS also provides death and disability benefits. PERS issues a separate comprehensive annual financial report.

The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by PERS. MTDB and SDTI employees are required to make contributions equal to 7% of gross pay for employees who are not covered by Social Security and 7% of gross pay after the first \$133.33 per month for employees who pay Social Security tax. MTDB and SDTI are required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the PERS Board of Administration. In 2003, MTDB paid the entire employee contribution for all employees, and SDTI paid the entire employee contribution for management and

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Notes to Basic Financial Statements

June 30, 2003

supervisory employees who were hired before June 30, 1988. For management and supervisory employees hired after June 30, 1988, SDTI paid half the employee contribution until their third anniversary, after which SDTI pays their full contribution. Prior to January 1, 1992, SDTI paid half the employee contribution for nonmanagerial employees. As of January 1, 1992, the nonmanagerial employees pay the entire contribution.

Annual Pension Cost

For fiscal year 2003, the MTDB's and SDTI's annual required employer contributions were \$0 and \$398,000, respectively. The required contribution for fiscal year 2003 was determined as part of the June 30, 2000 actuarial valuation using the Entry Age Actuarial Cost Method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases from 3.75% to 14.2% depending on age, service, and type of employment; (c) 3.75% payroll growth adjustment; (d) 3.5% inflation adjustment; and (e) a merit scale varying by duration of employment coupled with an assumed annual inflation component of 3.5% and an annual production growth of 0.25%. The actuarial value of the assets of both plans was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two- to five-year period depending on the size of investment gains and/or losses. MTDB's and SDTI's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2002 was 12 years for MTDB and 6 years for SDTI.

Trend information for MTDB (in 000s):

	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
Fiscal year ended June 30:			
2001	\$ —	100%	\$ —
2002	—	100	—
2003	—	100	—

Trend information for SDTI (in 000s):

	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
Fiscal year ended June 30:			
2001	\$ 147	100%	\$ —
2002	175	100	—
2003	398	100	—

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Notes to Basic Financial Statements

June 30, 2003

(b) SDTC

Plan Description

All of SDTC's full-time employees and certain part-time noncontract employees who have completed one year of service in which they have worked at least 1,000 hours of service, and certain part-time contract employees participate in the San Diego Transit Corporation Employee Retirement Plan (the Plan), a single-employer public employee retirement plan. SDTC issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. The financial report may be obtained by writing to San Diego Transit Corporation, P.O. Box 122511, San Diego, CA 92112-2511.

Funding Status and Progress

SDTC makes annual contributions equal to an actuarially computed amount that includes normal cost and an amount for the amortization of unfunded accrued liabilities. Participants of the Plan are not allowed to contribute to the Plan. The valuation method used to calculate the contribution for the Plan is the Entry Age Normal Actuarial Cost Method which is a projected benefit cost method.

According to this cost method, the normal cost for an employee is the level amount which would fund the projected benefit if it were paid annually from date of eligibility until retirement. The significant actuarial assumptions used to compute the actuarially determined contribution requirements included (a) actuarial interest rate (per annum) of 9.0% and (b) projected salary increase of 3.5% per year.

Annual Pension Cost

For fiscal year ended June 30, 2003, the annual pension cost of \$3,669,637 for the pension plan was equal to SDTC's required and actual contributions. The required contribution was determined as part of the January 11, 2001 actuarial valuation using the entry age normal cost method. The actuarial assumptions included (a) 9% investment rate of return and (b) projected salary increases of 3.5%. Following is the most recent data available.

Trend information for SDTC (in 000s):

	<u>Annual pension cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
Fiscal year ended June 30:			
2001	\$ 2,425	100%	\$ —
2002	3,068	100	—
2003	3,670	100	—

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Notes to Basic Financial Statements

June 30, 2003

(13) Other Required Individual Fund Disclosures

SDTC and SDTI had unrestricted net assets of \$(15,943,679) and \$(4,856,260), respectively, at June 30, 2003. The deficits are primarily a result of the timing difference between recognition of expenses on an accrual basis and when those expenses are funded by subsidy transfers. MTDB expects that this deficit will be funded with future subsidies.

(14) Transfers

MTDB made certain transfers between funds for the fiscal year ended June 30, 2003. Following is the detail:

Transfer description	General Fund	Major Special Revenue Funds			Enterprise Funds			Total Primary Government
		Subsidiary Pass-Through Fund	TransNet Fund	Capital Projects Fund	Taxicab Administration Fund	Other Contracted Services Fund	Other Governmental Funds	
TransNet Fund distributions	\$ 312,262	5,424,000	(46,095,138)	33,920,627	—	938,249	5,500,000	—
Capital projects local match	10,001	(4,850,788)	—	4,840,787	—	—	—	—
Debt service	(864,731)	(3,340,437)	—	—	—	—	4,205,168	—
Capital replacement	—	10,000	—	—	(10,000)	—	—	—
Contingency reserve	(1,157,937)	1,157,937	—	—	—	—	—	—
Miscellaneous	50,000	—	—	—	—	—	(50,000)	—
Net transfers	\$ (1,650,405)	(1,599,288)	(46,095,138)	38,761,414	(10,000)	938,249	9,655,168	—

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Notes to Basic Financial Statements

June 30, 2003

(15) Subsequent Events

- a. In August 2003, MTDB issued \$32,850,000 of Certificates of Participation for governmental activities through the California Transit Finance Corporation for the purpose of financing a regional fare collection project.

Debt service requirements to maturity are as follows:

	<u>Interest rate</u>	<u>Amount</u>
Maturity (December 1):		
2005	2.0%	\$ 6,785,000
2006	2.1	6,910,000
2007	2.5	6,545,000
2008	3.0	6,710,000
2009	3.3	5,900,000
		<u>\$ 32,850,000</u>

- b. In January 2004, MTDB issued \$20 million of Revenue Anticipation Notes for FY 2004 operating cash flow needs. The notes mature on January 5, 2005 and bear a coupon rate of 2%.
- c. On January 1, 2003, Senate Bill (SB) 1703 became effective. SB 1703 required the consolidation of the planning and programming functions of MTDB and the North San Diego County Transit Development Board (NCTD) into the San Diego Association of Governments (SANDAG) in an initial transfer to take place prior to July 1, 2003. SB 1703 also required the consolidation of the project development and construction functions of MTDB and NCTD into SANDAG in a subsequent transfer to take place prior to January 30, 2004. The initial transfer occurred on July 1, 2003, and the subsequent transfer occurred on October 13, 2003. With these actions, employees were transferred from MTDB and NCTD to SANDAG, and certain planning, development, and construction projects were also transferred. As a result, MTDB's activities in the future will be focused on operating the public transit system in the metropolitan area. In addition to the consolidation required by SB 1703, MTDB dissolved the board of directors of SDTC and the board of directors of SDTI. As of October 13, 2003, the MTD board of directors acts in that capacity for all three agencies. As a result of the consolidation, the financial statements of SDTI and SDTC will be presented as blended component units in the 2004 MTDB financial statements, in accordance with GASB Statement No. 14.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Required Supplementary Information

Funded Status of Pension Plans

(In thousands)

MTDB

<u>Valuation date</u>	<u>Entry age normal accrued liability</u>	<u>Actuarial value of assets</u>	<u>Unfunded liability/(excess assets)</u>	<u>Funded status</u>	<u>Annual covered payroll</u>	<u>UAAL as a % of payroll</u>
6/30/00	\$ 10,740	14,919	(4,179)	138.9%	\$ 4,045	N/A
6/30/01	12,584	15,832	(3,248)	125.8	4,980	N/A
6/30/02	16,455	15,403	1,052	93.6	5,082	20.7%

SDTI

<u>Valuation date</u>	<u>Entry age normal accrued liability</u>	<u>Actuarial value of assets</u>	<u>Unfunded liability/(excess assets)</u>	<u>Funded status</u>	<u>Annual covered payroll</u>	<u>UAAL as a % of payroll</u>
6/30/00	\$ 23,006	28,867	(5,861)	125.5%	\$ 14,137	N/A
6/30/01	26,623	31,061	(4,438)	116.7	15,040	N/A
6/30/02	31,106	30,883	223	99.3	16,532	1.3%

SDTC

<u>Valuation date</u>	<u>Entry age normal accrued liability</u>	<u>Actuarial value of assets</u>	<u>Unfunded liability/(excess assets)</u>	<u>Funded status</u>	<u>Annual covered payroll</u>	<u>UAAL as a % of payroll</u>
1/01/01	\$ 89,362	75,196	14,166	84.1%	\$ 40,510	35.0%
1/01/02	119,778	74,860	44,918	62.5	38,246	117.5
1/01/03	125,584	56,331	69,253	44.9	34,945	198.2

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2003

	Special Revenue	Debt Service				Total Nonmajor Governmental Funds
	Pass/Ticket Sales Distribution	1990 LRV Sale/Leaseback Fund	MTS Tower Fund	2002 RTMS Fund	Bus Acquisition Fund	
Assets						
Investments	\$ —	14,678,283	—	18,004,789	1,286,960	33,970,032
Accounts and other receivables	189,815	—	—	—	4,961	194,776
Accounts receivable from other governments	156,462	—	—	—	—	156,462
Due from other funds	4,194,523	—	31,616	—	—	4,226,139
Due from component units	413,442	—	—	—	—	413,442
Total assets	\$ 4,954,242	14,678,283	31,616	18,004,789	1,291,921	38,960,851

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2003

Liabilities and Fund Balances	Special Revenue	Debt Service				Total Nonmajor Governmental Funds
	Pass/Ticket Sales Distribution	1990 LRV Sale/Leaseback Fund	MTS Tower Fund	2002 RTMS Fund	Bus Acquisition Fund	
Liabilities:						
Accounts payable	\$ 741,646	—	—	—	—	741,646
Due to other funds	—	—	—	—	3,398	3,398
Due to component units	1,928,292	—	—	—	—	1,928,292
Outstanding fare tokens and tickets	430,724	—	—	—	—	430,724
Deferred revenue	1,541,084	—	—	—	—	1,541,084
Total liabilities	4,641,746	—	—	—	3,398	4,645,144
Fund balances:						
Reserved	—	14,678,283	31,616	18,004,789	1,288,523	34,003,211
Unreserved:						
Undesignated	312,496	—	—	—	—	312,496
Total fund balances	312,496	14,678,283	31,616	18,004,789	1,288,523	34,315,707
Total liabilities and fund balances	\$ 4,954,242	14,678,283	31,616	18,004,789	1,291,921	38,960,851

See accompanying independent auditors' report.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year ended June 30, 2003

	Special Revenue		Debt Service			Total Nonmajor Governmental Funds
	Pass/Ticket Sales Distribution	1990 LRV Sale/Leaseback Fund	MTS Tower Fund	2002 RTMS Fund	Bus Acquisition Fund	
Revenues:						
Other funds	\$ 201,781	—	—	—	—	201,781
Interest income	—	1,614,008	31,616	185,801	37,946	1,869,371
Total revenues	201,781	1,614,008	31,616	185,801	37,946	2,071,152
Expenditures:						
Current:						
Transit support activities	5,546,366	—	—	—	2,226	5,548,592
Debt service:						
Principal	—	—	410,009	—	2,900,000	3,310,009
Interest	—	—	454,722	293,015	229,150	976,887
Total expenditures	5,546,366	—	864,731	293,015	3,131,376	9,835,488
Excess (deficiency) of revenues over (under) expenditures	(5,344,585)	1,614,008	(833,115)	(107,214)	(3,093,430)	(7,764,336)
Other financing sources (uses):						
Issuance of debt	—	—	—	18,175,381	—	18,175,381
Debt issuance costs	—	—	—	(334,362)	—	(334,362)
Transfers in	5,500,000	—	864,731	270,984	3,069,453	9,705,168
Transfers out	(50,000)	—	—	—	—	(50,000)
Total other financing sources	5,450,000	—	864,731	18,112,003	3,069,453	27,496,187
Net change in fund balances	105,415	1,614,008	31,616	18,004,789	(23,977)	19,731,851
Fund balances, beginning	207,081	13,064,275	—	—	1,312,500	14,583,856
Fund balances, ending	\$ 312,496	14,678,283	31,616	18,004,789	1,288,523	34,315,707

See accompanying independent auditors' report.

MAJOR DISCRETELY PRESENTED COMPONENT UNITS

San Diego Transit Corporation: This fund is used to account for the operation of a public transportation system in the City of San Diego and certain regional routes within MTDB's jurisdiction.

San Diego Trolley, Inc.: This fund is used to account for the operation and maintenance of the light rail transit system.

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SAN DIEGO TRANSIT CORPORATION

Component Unit

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended June 30, 2003

Operating revenues:	
Passenger revenue	\$ 23,758,457
Charter	93,054
Advertising	717,876
Total operating revenues	<u>24,569,387</u>
Operating expenses:	
Personnel	48,455,225
Repairs and maintenance	6,167,057
Transportation	7,504,401
Pension costs	3,144,637
General and administrative	1,608,219
Depreciation	9,114,048
Total operating expenses	<u>75,993,587</u>
Operating loss	<u>(51,424,200)</u>
Public support and nonoperating revenues:	
Transportation funding from MTDB	46,612,964
Interest income	23,933
Miscellaneous	720,905
Total public support and nonoperating revenues	<u>47,357,802</u>
Net loss before contribution of property and equipment	<u>(4,066,398)</u>
Contribution of property and equipment	<u>1,466,541</u>
Change in net assets	<u>(2,599,857)</u>
Net assets, July 1, 2002	<u>67,318,764</u>
Net assets, July 1, 2003	<u>\$ 64,718,907</u>

See accompanying independent auditors' report.

SAN DIEGO TRANSIT CORPORATION

Component Unit

Statement of Cash Flows

Year ended June 30, 2003

Cash flows from operating activities:	
Receipts from customers and users	\$ 26,174,897
Payments to suppliers and others	(17,531,945)
Payments to employees	(48,966,746)
Payments for damage, injury, and employee claims	(5,354,314)
Net cash used in operating activities	<u>(45,678,108)</u>
Cash flows from noncapital financing activities-public support funds received	<u>45,791,209</u>
Cash flows from capital and related financing activities:	
Proceeds from sale of capital assets	54,083
Payments made through capital support fund	(17,450)
Net cash provided by capital and related financing activities	<u>36,633</u>
Cash flows from investing activities-interest	<u>23,933</u>
Net increase in cash, restricted cash, and cash equivalents	173,667
Cash, restricted cash, and cash equivalents, beginning of year	<u>555,939</u>
Cash, restricted cash, and cash equivalents, end of year	<u><u>\$ 729,606</u></u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (51,424,200)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	9,114,048
Changes in assets and liabilities:	
Decrease in accounts receivable	1,821,422
Decrease in materials and supplies inventory	626,507
Increase in prepaid expenses and other current assets	(703,599)
Decrease in accounts payable	(71,493)
Decrease in accrued expenses	(46,978)
Decrease in compensated absences payable	(123,370)
Decrease in outstanding fare tokens and tickets	(215,912)
Decrease in accrued damage, injury, and employee claims	(4,654,533)
Net cash used in operating activities	<u><u>\$ (45,678,108)</u></u>
Supplemental noncash disclosure:	
\$1,466,541 in capital assets was contributed by the primary government to SDTC.	

See accompanying independent auditors' report.

SAN DIEGO TROLLEY, INC.

Component Unit

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended June 30, 2003

Operating revenues:	
Passenger revenue	\$ <u>22,071,207</u>
Operating expenses:	
Personnel	20,631,588
Repairs and maintenance	9,496,449
Transportation	6,562,830
Pension costs	398,000
General and administrative	3,312,024
Depreciation	<u>31,831,123</u>
Total operating expenses	<u>72,232,014</u>
Operating loss	<u>(50,160,807)</u>
Public support and nonoperating revenues:	
Transportation funding from MTDB	16,559,205
Miscellaneous	<u>291,032</u>
Total public support and nonoperating revenues	<u>16,850,237</u>
Net loss before contribution of property and equipment	(33,310,570)
Contribution of property and equipment	<u>3,151,809</u>
Change in net assets	(30,158,761)
Net assets, July 1, 2002	<u>641,224,636</u>
Net assets, July 1, 2003	\$ <u><u>611,065,875</u></u>

See accompanying independent auditors' report.

SAN DIEGO TROLLEY, INC.

Component Unit

Statement of Cash Flows

Year ended June 30, 2003

Cash flows from operating activities:	
Receipts from customers and users	\$ 22,112,297
Payments to suppliers and others	(19,460,649)
Payments to employees	(20,165,354)
Net cash used in operating activities	(17,513,706)
Cash flows from noncapital financing activities-public support funds received	17,513,706
Net decrease in cash, restricted cash, and cash equivalents	—
Cash, restricted cash, and cash equivalents, beginning of year	—
Cash, restricted cash, and cash equivalents, end of year	\$ —
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (50,160,807)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	31,831,123
Changes in assets and liabilities:	
Decrease in accounts receivable	103,943
Increase in materials and supplies inventory	(18,338)
Increase in prepaid expenses	(454,392)
Decrease in accounts payable	(558,327)
Increase in accrued expenses	389,619
Increase in compensated absences payable	129,979
Increase in accrued damage, injury, and employee claims	1,223,494
Net cash used in operating activities	\$ (17,513,706)

Supplemental noncash disclosure:

\$3,151,809 in capital assets was contributed by the primary government to SDTI.

See accompanying independent auditors' report.

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

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SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Capital Assets Used in the Operation of Governmental Funds

Comparative Schedules by Source¹

June 30, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Governmental funds capital assets:		
Land and right-of-way	\$ 21,957,196	21,957,196
Construction-in-progress	379,191,180	167,224,003
Buildings and structures	13,387,570	13,294,574
Vehicles	229,003	229,003
Office equipment and furniture	1,176,520	1,156,477
Total governmental funds capital assets	<u>\$ 415,941,469</u>	<u>203,861,253</u>
Investments in governmental funds capital assets by source:		
General Fund	\$ 257,395	257,395
Capital Projects Fund	415,684,074	203,603,858
Total governmental funds capital assets	<u>\$ 415,941,469</u>	<u>203,861,253</u>

¹ This schedule presents only the capital asset balances related to governmental funds.

See accompanying independent auditors' report.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity¹

June 30, 2003

<u>Function and activity</u>	<u>Administration</u>	<u>Transportation facilities</u>	<u>Construction- in-progress</u>	<u>Total</u>
General government:				
Land and right-of-way	\$ —	21,957,196	—	21,957,196
Construction-in-progress	—	—	379,191,180	379,191,180
Buildings and structures	12,091,981	1,295,589	—	13,387,570
Vehicles	229,003	—	—	229,003
Office equipment and furniture	1,176,520	—	—	1,176,520
Total governmental funds capital assets	\$ <u>13,497,504</u>	<u>23,252,785</u>	<u>379,191,180</u>	<u>415,941,469</u>

¹ This schedule presents only the capital asset balances related to governmental funds.

See accompanying independent auditors' report.

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity¹

Year ended June 30, 2003

Function	Governmental funds capital assets July 1, 2002	Additions	Deletions and transfers	Governmental funds capital assets June 30, 2003
General government:				
Administration	\$ 13,477,461	20,043	—	13,497,504
Transportation facilities	23,159,789	92,996	—	23,252,785
Construction-in-progress	167,224,003	221,691,805	(9,724,628)	398,640,436
Total governmental funds capital assets	\$ <u>203,861,253</u>	<u>221,804,844</u>	<u>(9,724,628)</u>	<u>435,390,725</u>

¹ This schedule presents only the capital asset balances related to governmental funds.

See accompanying independent auditors' report.

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STATISTICAL SECTION

Statistical information differs from financial statements because it usually covers more than one fiscal year and may present nonaccounting data. This information reflects social and economic data and financial trends of MTDB. The following statistical information does not reflect special revenue fund transactions, which consist primarily of operating subsidy transfers to SDTC and SDTI.

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**SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	GENERAL & ADMINISTRATIVE	TRANSIT SUPPORT ACTIVITIES	PLANNING	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
1994	6,253,476	5,456,113	2,708,770	82,914,453	6,761,097	104,093,909
1995	6,268,270	5,704,267	1,899,886	68,025,234	2,017,811	83,915,468
1996	7,183,463	6,336,820	1,732,561	148,418,023	7,763,882	171,434,749
1997	5,444,053	5,284,020	2,695,639	63,200,422	9,582,130	86,206,264
1998	5,568,831	5,156,373	3,396,431	52,073,523	14,898,963	81,094,121
1999	6,187,137	5,537,521	1,654,283	15,178,558	33,239,807	61,797,306
2000	6,423,991	5,713,078	1,963,378	44,636,884	11,356,393	70,093,724
2001	7,272,154	6,777,620	1,864,302	83,182,973	10,647,115	109,744,164
2002	7,872,787	6,492,277	2,903,922	139,374,693	10,457,783	167,101,462
2003	11,618,318	6,639,390	2,827,540	221,691,805	10,534,616	253,311,669

SOURCE: Audited financial statements; includes all governmental funds except the transit operations funding passed through to transit operators.

**SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	FEDERAL PLANNING/ OPERATING FUNDS	STATE/ LOCAL OPERATING/ PLANNING FUNDS	FEDERAL CAPITAL FUNDS	STATE/ LOCAL CAPITAL FUNDS	INTEREST	OTHER	TOTAL
1994	1,693,479	3,861,732	9,765,815	96,994,799	4,679,510	3,754,967	120,750,302
1995	1,956,063	3,861,839	4,469,510	54,538,288	4,641,244	4,149,454	73,616,398
1996	1,450,194	4,116,051	32,498,475	87,836,039	9,077,851	7,287,723	142,266,333
1997	2,434,053	4,676,944	7,434,540	91,497,161	13,021,314	4,185,743	123,249,755
1998	1,159,962	5,445,084	18,404,811	22,070,106	16,840,316	556,931	64,477,210
1999	1,192,499	5,159,111	9,208,416	12,932,943	10,075,046	740,290	39,308,305
2000	1,398,973	5,764,734	15,548,765	30,647,194	11,558,859	485,894	65,404,419
2001	1,267,398	6,205,087	46,021,014	42,757,765	15,334,845	861,573	112,447,682
2002	1,879,208	6,738,751	112,218,354	47,253,728	13,759,032	2,269,994	184,119,067
2003	2,234,289	7,252,279	153,807,095	45,079,415	15,812,371	1,394,338	225,579,787

SOURCE: Audited financial statements; does not include indirect cost reimbursement (\$5,556,123 for fiscal year ended June 30, 2002) or funds received on behalf of component units (\$58,743,758 for fiscal year ended June 30, 2003).

**SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD
COMPONENT UNITS AND PROPRIETARY FUNDS
EXPENSES BY FUNCTION
LAST TEN FISCAL YEARS (IN THOUSANDS)**

FISCAL YEAR ENDED	TRANSPOR- TATION	REPAIRS AND MAINTENANCE	G & A	PENSION	DEPRECIATION	PERSONNEL	CONTRACTED SERVICES
San Diego Transit Corporation							
1994	\$4,930	\$3,938	\$3,624	\$1,683	\$5,199	\$41,808	\$1,977
1995	5,136	3,536	3,918	1,726	5,135	41,868	2,066
1996	4,824	2,937	3,262	1,486	5,621	41,455	2,232
1997	4,621	3,194	3,837	691	5,612	42,693	2,291
1998	5,188	4,632	2,836	171	5,812	43,626	2,489
1999	4,636	5,198	3,208	862	5,836	47,840	2,633
2000	5,988	4,883	3,774	306	5,719	47,122	2,507
2001	6,588	4,737	6,466	2,425	6,069	48,710	2,829
2002	5,024	4,815	3,656	3,076	7,960	55,330	3,283
2003	7,505	6,167	1,608	3,144	9,114	48,455	-
San Diego Trolley, Inc.							
1994	\$2,530	\$2,668	\$4,083	\$411	\$11,553	\$9,622	-
1995	2,745	2,616	4,138	683	12,123	9,736	-
1996	2,906	2,628	4,215	587	19,177	10,507	-
1997	3,552	2,870	4,020	(417)	22,114	13,125	-
1998	3,918	3,701	4,125	426	26,896	14,557	-
1999	4,234	4,339	7,089	210	31,196	16,253	-
2000	4,230	4,527	6,099	543	30,873	17,813	-
2001	7,605	5,247	5,592	452	33,153	18,589	-
2002	6,187	9,778	2,166	456	32,105	20,209	-
2003	6,563	9,496	3,312	398	31,831	20,632	-
Taxicab Administration							
1994	-	-	\$118	-	\$5	\$309	-
1995	-	-	109	-	2	270	-
1996	-	-	111	-	3	276	-
1997	-	-	123	-	7	298	-
1998	-	-	110	-	7	338	-
1999	-	-	120	-	7	323	-
2000	-	-	136	-	7	403	-
2001	-	-	145	-	6	437	-
2002	-	-	147	-	2	389	-
2003	-	-	185	-	2	459	-
MTDB - Contract Services							
1994	-	-	\$148	-	\$66	-	\$4,416
1995	-	-	113	-	17	-	5,076
1996	-	-	213	-	1,014	-	7,738
1997	-	-	260	-	1,499	-	10,103
1998	-	-	100	-	1,521	-	13,743
1999	-	-	276	-	1,481	-	15,456
2000	-	-	143	-	1,530	-	16,730
2001	-	-	145	-	2,066	-	22,096
2002	-	-	123	-	2,649	-	23,182
2003	-	-	530	-	4,130	-	45,790

SOURCE: Audited financial statements

**SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD
COMPONENT UNITS AND PROPRIETARY FUNDS
REVENUES BY SOURCE
LAST TEN FISCAL YEARS (IN THOUSANDS)**

FISCAL YEAR ENDED	PASSENGER FARES	FEDERAL OPERATING FUNDS	STATE OPERATING FUNDS	LOCAL OPERATING FUNDS	FEDERAL/ LOCAL CAPITAL FUNDS	INTEREST	OTHER
San Diego Transit Corporation							
1994	\$25,601	\$5,213	\$447	\$22,742	\$805	\$3	\$1,897
1995	24,891	4,792	542	24,824	1,422	24	3,802
1996	24,923	2,774	1,140	23,345	487	2	3,663
1997	24,015	4,198	3,126	21,078	548	2	4,211
1998	24,571	3,525	3,469	21,978	1,063	20	3,990
1999	24,692	3,526	3,951	24,142	162	45	5,043
2000	24,100	3,620	4,046	29,210	73	106	5,390
2001	24,572	6,407	4,095	28,552	0	74	5,482
2002	25,914	7,675	6,901	25,130	1,390	104	5,357
2003	23,758	9,653	3,848	33,112	0	24	1,532
San Diego Trolley, Inc.							
1994	\$12,839	-	\$2,573	\$3,969	-	\$35	\$136
1995	12,897	-	2,256	4,688	-	-	91
1996	14,119	\$668	2,134	1,111	-	-	2,818
1997	15,641	2,299	384	4,736	-	-	111
1998	18,589	3,714	484	4,851	-	-	175
1999	20,133	2,780	571	9,624	-	-	399
2000	20,941	1,980	530	7,338	-	-	327
2001	22,244	7,664	595	6,360	-	-	417
2002	22,158	2,810	872	10,833	-	-	1,038
2003	22,071	6,101	533	9,925	-	-	355
Taxicab Administration							
1994	-	-	-	-	-	-	\$500
1995	-	-	-	-	-	-	452
1996	-	-	-	-	-	-	379
1997	-	-	-	-	-	-	415
1998	-	-	-	-	-	-	411
1999	-	-	-	-	-	-	478
2000	-	-	-	-	-	-	499
2001	-	-	-	-	-	-	490
2002	-	-	-	-	-	-	525
2003	-	-	-	-	-	-	650
MTDB - Contract Services							
1994	\$2,882	-	-	\$1,572	\$95	\$2	-
1995	2,904	\$247	\$32	2,238	169	-	-
1996	3,556	523	68	3,911	306	-	-
1997	5,566	442	57	4,302	256	-	-
1998	6,626	376	197	6,538	519	-	-
1999	7,209	89	315	8,397	313	-	-
2000	7,392	170	45	8,848	301	-	-
2001	8,704	243	200	12,003	528	-	-
2002	10,346	331	433	11,731	-	-	-
2003	15,121	437	747	29,083	-	-	-

Source: Audited financial statements

**SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD
FARE STRUCTURE
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

Bus Cash Fares

Local	\$1.50
Urban	2.00
Express	2.25-3.50
Senior/Disabled	1.00
Airport Shuttle	2.25
Shuttles	0.50-1.00

Trolley Cash Fares

Downtown	1.25
1 Station	1.25
2 Stations	1.50
3 Stations	1.75
4-10 Stations	2.00
11-19 Stations	2.25
20+ Stations	2.50
Senior/Disabled	1.00

Bus and Trolley Monthly Passes

Local/Urban Bus/Express/Trolley	54.00
Express Bus (multi-zones)	60.00-82.00
Senior/Disabled Bus and Trolley	13.50
Youth Bus and Trolley	26.00
Downtown Trolley Only	27.00

SOURCE: Uniform Fare Structure Agreement

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD
ENTERPRISE FUNDS
FAREBOX RECOVERY PERCENTAGE
LAST TEN FISCAL YEARS (IN PERCENTAGES)

YEAR	SAN DIEGO TRANSIT CORP.	SAN DIEGO TROLLEY INC.	MTDB CONTRACT SERVICES
1994	45.92	66.47	64.40
1995	44.85	64.75	53.93
1996	46.39	67.74	44.38
1997	43.75	67.56	53.92
1998	43.77	70.20	47.07
1999	40.33	62.93	44.28
2000	39.45	63.39	45.13
2001	35.97	63.36	40.29
2002	36.24	57.64	44.39
2003	33.09	54.63	32.65

SOURCE: Audited financial statements, calculated as passenger revenue,
(including monthly pass sales which are recorded as a transfer),
divided by operating expenses.

**SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

	MTDB SERVICE AREA POPULATION (000's)	STATE OF CALIFORNIA POPULATION (000's)	UNITED STATES POPULATION (000's)	MTDB MEDIAN HOUSEHOLD INCOME	MTDB SERVICE AREA MEDIAN AGE	SAN DIEGO COUNTY AVERAGE UNEMPLOYMENT RATE
	(1)	(2)	(3)	(4)	(5)	(6)
1994	1,899	31,418	263,126			7.2%
1995	1,922	31,617	266,278			6.4%
1996	1,911	31,837	269,394	\$42,402	32.8	5.3%
1997	1,934	32,207	272,647	\$43,522	32.9	4.2%
1998	1,964	32,657	275,854	\$43,556	33.1	3.5%
1999	2,009	33,140	279,040	\$44,049	33.2	3.1%
2000	1,958	33,753	282,178	\$45,416	32.9	3.0%
2001	1,989	34,431	285,094	\$44,196	32.0	3.2%
2002	2,024	35,049	287,974	\$46,913	32.1	4.3%
2003	2,053	35,612	290,810	\$48,238	33.2	4.3%

- (1) SOURCE: San Diego Association of Governments, estimates as of Jan. 1. Data prior to 2000 not adjusted for Census 2000.
(2) SOURCE: California Department of Finance, estimates as of Jan. 1.
(3) SOURCE: U.S. Census Bureau from 1990 Census (Numbers represent yearly population as of July 1).
(4) SOURCE: San Diego Association of Governments (Median income is in 1999 dollars)
(5) SOURCE: San Diego Association of Governments
(6) SOURCE: California Employment Development Department, unadjusted (San Diego County only)

**COMPONENT UNITS AND MAJOR PROPRIETARY FUND
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
OPERATING COST:										
San Diego Transit	\$55,983,556	\$56,284,284	\$54,591,372	\$55,463,420	\$59,627,952	\$62,374,086	\$62,766,968	\$69,453,428	\$72,928,810	\$66,879,539
San Diego Trolley	19,314,691	19,914,946	20,842,211	23,150,851	26,480,208	31,990,492	33,033,489	35,114,080	38,444,185	40,400,891
MTDB Contract Services	4,475,521	5,384,197	8,012,598	10,363,031	13,843,539	15,732,089	16,873,674	22,238,571	23,305,460	46,320,130
FAREBOX REVENUE:										
San Diego Transit	\$25,600,825	\$24,890,870	\$24,923,473	\$24,015,321	\$24,571,107	\$24,691,690	\$24,099,715	\$24,572,080	\$25,913,748	\$23,851,511
San Diego Trolley	12,839,280	12,896,511	14,119,409	15,641,407	18,589,024	20,132,617	20,940,890	22,244,487	22,157,906	22,071,207
MTDB Contract Services	2,882,122	2,903,882	3,555,998	5,566,311	6,626,819	7,209,561	7,407,862	8,704,329	10,345,867	15,121,333
TOTAL PASSENGERS:										
San Diego Transit	32,626,464	32,290,301	32,991,673	32,494,227	34,656,185	34,648,168	35,041,982	34,029,926	31,923,576	28,966,424
San Diego Trolley	14,887,952	15,624,411	16,770,356	18,286,616	22,969,209	24,567,479	28,743,326	28,885,554	25,432,952	25,174,788
MTDB Contract Services	3,590,654	3,966,561	4,797,692	7,549,747	9,041,806	10,213,176	10,887,008	11,533,145	12,221,143	16,383,415
REVENUE MILES:										
San Diego Transit	11,514,167	11,116,676	10,699,631	10,777,370	11,482,788	11,506,097	11,761,369	11,585,666	11,285,546	10,867,305
San Diego Trolley	4,175,656	4,098,876	4,215,284	5,059,054	6,186,987	6,990,998	7,090,499	7,070,019	7,046,660	6,921,657
MTDB Contract Services	1,687,229	1,949,437	2,729,324	3,790,968	4,521,034	5,145,941	5,656,691	6,245,354	7,014,605	8,030,297
SUBSIDY/TOTAL PASS:										
San Diego Transit	\$0.93	\$0.97	\$0.90	\$0.97	\$1.01	\$1.09	\$1.10	\$1.32	\$1.47	\$1.49
San Diego Trolley	0.43	0.45	0.40	0.41	0.34	0.48	0.42	0.45	0.64	0.73
MTDB Contract Services	0.44	0.63	0.93	0.64	0.80	0.83	0.87	1.17	1.06	1.90

SOURCE: MTDB Short Range Transit Plan FY 2003-2007 and audited financial statements

Metropolitan Transit System FY 2003 Financial Audit Report

MTS Board of Directors Meeting
October 28, 2004



SAN DIEGO METROPOLITAN TRANSIT SYSTEM COMBINED MTS TRANSIT OPERATORS COMPARISON TO BUDGET - FY 2003 (in \$000's)

	ACTUAL	BUDGET	VARIANCE	VAR
Total Operating Revenues	65,739	67,407	(1,668)	-2.5%
Total Costs	<u>165,300</u>	<u>166,926</u>	<u>1,626</u>	<u>1.0%</u>
Net Operating Subsidy	<u>(99,561)</u>	<u>(99,519)</u>	<u>(42)</u>	<u>0.0%</u>
Surpluses Tied to Specific Funding			<u>(121)</u>	
Additional Subsidy To (From) Contingency Reserve			<u>(163)</u>	



Metropolitan Transit System FY 2004 Budget Update

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM COMBINED MTS TRANSIT OPERATORS COMPARISON TO BUDGET - FY 2004 (in \$000's)

	ACTUAL	BUDGET	VARIANCE	VAR
Fare Revenue	\$67,696	\$65,868	\$1,828	2.8%
Other Revenue	1,237	1,285	(48)	-3.7%
Total Operating Revenue	68,933	67,153	1,780	2.7%
Personnel	78,889	78,924	35	0.0%
Services	13,455	13,927	472	3.4%
Purchased Transportation	47,854	48,499	645	1.3%
Energy	18,063	17,732	(331)	-1.9%
Materials	7,432	7,370	(62)	-0.8%
Other Expenses	6,994	7,438	444	6.0%
Total Costs	172,687	173,890	1,203	0.7%
Net Operating Subsidy	(\$103,754)	(\$106,737)	\$2,983	2.8%



Metropolitan Transit System FY 2005 - July 2004 Financial Review

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San Diego Metropolitan Transit System Combined July 2004 Operating Results

Fare Revenue	\$5,958,926
Other Revenue	83,060
Total Operating Revenue	6,041,986
Total Operating Expenses	15,209,454
Net Operating Subsidy	<u>(\$9,167,468)</u>





Net Operating Subsidy Variance Summary July 2004	
	Variance
• Strong performance in fare revenue for Rail Operations primarily due to continued large ridership for Petco Park	\$ 263
• Outside services, risk management and G&A expenses under budget	227
• Purchased transportation related expenses under budget	106
• Anticipated significant materials and supplies expenses for Rail Operations	(400)
• Ridership down within Internal Bus Operations	(185)
• Diesel and CNG expenses higher than budget due to actual average rate greater than budgeted rate	(157)
• Increased security related expenses relating to additional ridership for Petco Park	(105)
• All other net operations under budget	64
• Overall net operating subsidy over budget	\$ (187)





SAN DIEGO METROPOLITAN TRANSIT SYSTEM				
COMBINED OPERATIONS				
TRANSIT OPERATORS NET SUBSIDY AND OTHER EXPENDITURES				
COMPARISON TO BUDGET - FY 2005				
JULY 31, 2004				
(In \$000's)				
	MONTH			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Transit Operators' Net Subsidy				
Internal Bus Operations	4,263	4,099	(164)	-4.0%
Rail Operations	1,532	1,485	(47)	-3.2%
Contracted Bus Operations - Fixed Route	2,095	2,117	22	1.0%
Contracted Bus Operations - Para Transit	891	855	(36)	-4.2%
Other Operators	387	425	38	8.9%
Total Transit Operators Net Subsidy	9,168	8,981	(187)	-2.1%
Other Expenditures				
Administrative Pass Thru	344	344	0	0.0%
Taxicab Administration	74	83	9	11.3%
San Diego and Arizona Eastern	42	45	3	5.6%
Debt Service	0	0	0	-
General Fund	1,358	1,351	(8)	-0.6%
Grand Total Expenditures	10,987	10,804	(183)	-1.7%



SAN DIEGO METROPOLITAN TRANSIT SYSTEM COMBINED MTS TRANSIT OPERATORS COMPARISON TO BUDGET - FY 2005 JULY 31, 2004 (in \$000's)				
	MONTH			%
	ACTUAL	BUDGET	VARIANCE	VAR
Fare Revenue	\$5,959	\$6,004	(\$45)	-0.7%
Other Revenue	83	107	(24)	-22.4%
Total Operating Revenue	6,042	6,111	(69)	-1.1%
Wages/Fringes	7,045	7,044	(1)	0.0%
Purchased Transportation	4,084	4,189	106	2.5%
Energy	1,648	1,586	(61)	-3.9%
Other Expenses	2,433	2,272	(161)	-7.1%
Total Costs	15,210	15,092	(118)	-0.8%
Net Operating Subsidy	(\$9,168)	(\$8,981)	(\$187)	-2.1%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM COMBINED FARE REVENUE JULY 31, 2004 (in \$000's)				
	MONTH			%
	ACTUAL	BUDGET	VARIANCE	VAR
Internal Bus Operations	\$ 1,862	\$ 2,047	\$ (185)	-9.0%
Rail Operations	2,452	2,189	263	12.0%
Contracted Bus Ops - Fixed Route	1,293	1,306	(13)	-1.0%
Contracted Bus Ops - Para Transit	50	133	(83)	-62.4%
Chula Vista Transit	197	214	(17)	-7.9%
National City Transit	105	115	(10)	-8.7%
Total Fare Revenue	\$ 5,959	\$ 6,004	\$ (45)	-0.7%






SAN DIEGO METROPOLITAN TRANSIT SYSTEM COMBINED MTS TRANSIT OPERATORS COMPARISON TO BUDGET - FY 2005 JULY 31, 2004 (in \$000's)				
	MONTH			%
	ACTUAL	BUDGET	VARIANCE	VAR
Fare Revenue	\$5,959	\$6,004	(\$45)	-0.7%
Other Revenue	83	107	(24)	-22.4%
Total Operating Revenue	6,042	6,111	(69)	-1.1%
Wages/Fringes	7,045	7,044	(1)	0.0%
Purchased Transportation	4,084	4,189	106	2.5%
Energy	1,648	1,586	(61)	-3.9%
Other Expenses	2,433	2,272	(161)	-7.1%
Total Costs	15,210	15,092	(118)	-0.8%
Net Operating Subsidy	(\$9,168)	(\$8,981)	(\$187)	-2.1%



SAN DIEGO METROPOLITAN TRANSIT SYSTEM			
Fiscal Year 2005			
Energy Impact on Operations			
Average annual cost per \$0.01 increase in price			
Diesel		CNG	
34,360		74,720	
Annual budgetary impact (increased cost) at annual average prices			
Diesel		CNG	
Average Annual Price	Annual Budgetary Impact	Average Annual Price	Annual Budgetary Impact
1.10	-	0.90	-
1.15	171,800	0.92	149,400
1.25	515,400	0.96	448,300
1.35	859,000	1.00	747,200
1.45	1,202,500	1.04	1,046,100
1.55	1,546,100	1.08	1,345,000

* Note: July 2004 average diesel price (\$1.463) and average CNG price (\$1.000)

** Budget rates for Diesel and CNG are \$1.10 and \$0.90 respectively



* Note: July 2004 average diesel price (\$1.463) and average CNG price (\$1.000)

** Budget rates for Diesel and CNG are \$1.10 and \$0.90 respectively



SAN DIEGO METROPOLITAN TRANSIT SYSTEM TOTAL OPERATING EXPENSE JULY 31, 2004 (in \$000's)				
	MONTH			%
	ACTUAL	BUDGET	VARIANCE	VAR
Internal Bus Operations	\$6,207	\$6,223	\$16	0.3%
Rail Operations	3,986	3,706	(\$280)	-7.6%
Contracted Bus Ops - Fixed Route	3,388	3,424	\$36	1.0%
Contracted Bus Ops - Para Transit	941	989	\$48	4.8%
Chula Vista Transit	507	535	\$29	5.3%
National City Transit	170	204	\$35	16.9%
Coronado Ferry	11	11	\$0	0.0%
Total Operating Expenditures	15,210	15,092	(118)	-0.8%



Metropolitan Transit System FY 2005 - July 2004 Financial Review

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM Fiscal Year 2005 Total Performance Levels (Revenue Miles/Revenue Hours)					
	<u>July 2004</u>	<u>June 2004</u>	<u>July 2003</u>	<u>Monthly Variance</u>	<u>Yearly Variance</u>
Revenue Miles					
Internal Bus Operations	857,376	852,472	896,252	4,904	(38,876)
Rail Operations	652,842	623,381	579,413	29,461	73,429
Contracted Bus Ops - Fixed Route	768,406	760,514	772,722	7,892	(4,316)
Chula Vista Transit	116,633	117,732	119,494	(1,099)	(2,861)
National City Transit	41,809	41,405	39,271	404	2,538
Total Revenue Miles	2,437,066	2,395,504	2,407,152	41,562 1.7%	29,914 1.2%
Revenue Hours					
Contracted Bus Ops - Para Transit	17,560	17,967	18,587	(407)	(1,027)
Total Revenue Hours	17,560	17,967	18,587	(407) -2.3%	(1,027) -5.5%



SAN DIEGO METROPOLITAN TRANSIT SYSTEM Fiscal Year 2005 Total Passenger Levels				
	<u>July 2004</u>	<u>July 2003</u>	<u>Yearly Variance</u>	<u>Yearly Var %</u>
Bus Operations				
Internal Bus Operations	2,072,385	2,225,695	(153,310)	-6.9%
Contracted Bus Ops - Fixed Route	1,473,293	1,488,844	(15,551)	-1.0%
Contracted Bus Ops - Para Transit	53,348	54,019	(671)	-1.2%
Chula Vista Transit	248,002	262,336	(14,334)	-5.5%
National City Transit	132,720	143,437	(10,717)	-7.5%
Total Bus Operations	3,979,748	4,174,331	(194,583)	-4.7%
Rail Operations				
Total Rail Operations	2,702,758	2,190,727	512,031	23.4%
Combined Operations	6,682,506	6,365,058	317,448	5.0%





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Agenda

Item No. 32

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

FIN 310 (PC 30100)

October 28, 2004

Subject:

MTS: OPERATORS BUDGET STATUS REPORT FOR FY 04

RECOMMENDATION:

That the Board of Directors receive the Metropolitan Transit System (MTS) Operators Budget Status Report for FY 04.

Budget Impact

None at this time.

Executive Committee Recommendation

At its meeting on October 21, 2004, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

This report updates the budget status for MTS transit operators for FY 04. Financial results are subject to final adjustments and auditing; however, these changes should not be significant. Midyear budget amendments were approved at the February 12, 2004, Board meeting. Upon completion of the FY 04 audit, a report with the audited financial statements and final budget numbers will be submitted. The discussion below is based upon combined operations in Attachment A-1 with references to specific operations where applicable. A summary by operator is contained in Attachment A-2. The detailed results by operator are contained in Attachments A-3 through A-8.



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.

REVENUES

Fare Revenue

Fare revenue for FY 2004 was \$67,696,000 compared to the amended budget of \$65,868,000. This was \$1,828,000 (2.8 percent) over budget. This was driven by stronger-than-expected revenue for rail operations and contract bus operations (\$897,000 and \$990,000, respectively). Internal bus operations were off slightly by \$150,000. The higher revenue for rail operations was driven primarily by better-than-anticipated ridership for PETCO Park. The higher revenue for contract bus operations is a mixture of higher-than-budgeted ridership and better-than-anticipated average fare.

Advertising Revenue

Advertising revenue comes solely from advertisements placed on San Diego Transit Corporation (SDTC) buses. Advertising revenue for FY 2004 was \$681,000 compared to the amended budget of \$800,000. This was \$119,000 (14.8 percent) under budget. This has been driven largely by the consolidation of several radio stations that have moved a substantial portion of their advertising to billboards controlled within their larger corporate structure.

EXPENSES

Personnel Costs

Personnel costs finished the year at \$78,889,000 compared to the amended budget of \$78,924,000. This is \$35,000 under budget. Higher medical costs and additional overtime were offset by better-than-expected workers' compensation costs and lower payments for paid absences (sick, vacation, and holiday). Additionally, a number of positions were not filled for long periods of time during the year.

Outside Services

Total outside services were \$61,309,000 for the fiscal year compared to the amended budget of \$62,426,000. This is \$1,117,000 (1.8 percent) under budget. This primarily came from purchased transportation and other outside services less overages in repair and maintenance services. Purchased transportation was \$645,000 below budget. A part of this was due to less Americans with Disabilities Act (ADA) paratransit service hours due to greater efficiencies. Other outside services came in below budget by \$585,000, mostly from bus operations (both internal and contract). For internal bus operations, this was driven by a conscious effort to eliminate any nonessential expenses to cover overages in other areas and to help pay for costs of the preventative maintenance plan. The savings for contract bus operations were primarily a result of the delay in opening the San Ysidro Intermodal Transportation Center. This meant less steam cleaning and other transit center maintenance. Repair and maintenance services were over budget by \$285,000. This was primarily related to rail operations, mostly in accident repairs as well as additional paint booth costs, catenary wire repair costs, and vegetation control.

Materials and Supplies

Total materials and supplies costs were \$7,432,000 for the fiscal year compared to the amended budget of \$ 7,370,000. This is \$62,000 (.8 percent) over budget. Higher materials costs were offset by lower-than-anticipated tire costs. Both of these were primarily in internal bus operations.

Energy

Total energy costs were \$18,064,000 for the fiscal year compared to the amended budget of \$17,732,000. This is \$331,000 (1.9 percent) over budget. The favorable electricity costs stem primarily from lower costs of traction power for rail operations. The actual \$.13 per kilowatt charge for electricity is \$.02 (13 percent) lower than the amended budget of \$.15 per kilowatt. Diesel and gasoline came in \$441,000 over budget. Diesel prices for the entire year averaged \$1.26 per gallon compared to \$1.05 per gallon in the amended budget. Diesel prices for the last four months of the year averaged \$1.46. CNG came in at \$164,000 over budget as the entire year averaged \$.925 per therm compared to \$.90 in the amended budget. CNG averaged \$.99 per therm over the last four months.

Risk Management

Risk management costs were \$6,141,000 for the fiscal year compared to the amended budget of \$6,322,000. This was \$181,000 (2.9 percent) under budget. This relates primarily to lower-than-anticipated third-party administrators' costs and lower liability claims costs offset by higher legal liability costs.

General and Administrative

General and administrative costs were \$686,000 for the fiscal year compared to the amended budget of \$903,000. This is \$217,000 (24.1 percent) under budget. This reflected across-the-board reductions in all nonessential spending in order to compensate for other overages, particularly in internal bus and rail operations.

Year-End Summary

Operating revenue exceeded the budget by \$1,780,000, driven by stronger-than-expected ridership for PETCO Park and contract bus operations. Expenses came in lower than budget by \$1,204,000, primarily from outside services and purchased transportation. This combines into an overall net subsidy difference of \$2,983,000. The FY 04 amended budget appropriated \$6,816,000 from reserves for FY 04 operations. Upon final audit, the amount under budget can be used to reduce the amount appropriated from reserves.



Paul G. Jablonski
Chief Executive Officer

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JGarde/OCT28-04.32.TLYNCH/9/27/04

Attachment: A. Budget-to-Actual Data

COMBINED MTS OPERATIONS FY04 BUDGET TO ACTUAL COMPARISON

	FY04 AMENDED BUDGET	FY04 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$65,868,000	\$67,696,372	\$1,828,372	2.8%
Advertising	800,000	\$681,306	(118,694)	-14.8%
Contracted Service Revenue	25,000	52,270	27,270	109.1%
Other	459,750	502,543	42,793	9.3%
TOTAL REVENUE	\$67,152,750	\$68,932,491	\$1,779,741	2.7%
EXPENSES:				
<u>Personnel</u>	\$78,924,375	\$78,889,674	(\$34,701)	0.0%
<u>Outside Services:</u>				
Marketing	\$616,575	\$563,039	(\$53,536)	-8.7%
Security	4,557,100	4,468,651	(88,449)	-1.9%
Repair/Maintenance Services	2,980,173	3,264,912	284,739	9.6%
Engines and Transmissions	1,120,000	1,090,945	(29,055)	-2.6%
Other Outside Services	4,653,334	4,068,073	(585,261)	-12.6%
Purchased Transportation	48,499,259	47,853,810	(645,449)	-1.3%
Other Contracted Bus Services	0	0	0	-
Total Outside Services:	\$62,426,441	\$61,309,430	(\$1,117,011)	-1.8%
<u>Materials & Supplies:</u>				
Lubricants	\$172,850	\$132,380	(\$40,470)	-23.4%
Tires/Tubes	626,779	571,375	(55,404)	-8.8%
Other Materials & Supplies	6,570,478	6,727,904	157,426	2.4%
Total Maint. Parts & Supplies:	\$7,370,107	\$7,431,659	\$61,552	0.8%
<u>Energy:</u>				
Diesel Fuel	\$4,516,399	\$4,957,537	\$441,138	9.8%
CNG	6,338,085	6,502,356	164,271	2.6%
Electricity	6,877,583	6,603,671	(273,912)	-4.0%
Total Energy:	\$17,732,067	\$18,063,564	\$331,497	1.9%
<u>Risk Management</u>	\$6,322,299	\$6,140,911	(\$181,388)	-2.9%
<u>General & Administrative</u>	\$903,372	\$685,778	(\$217,594)	-24.1%
TOTAL OPERATING EXPENSES	\$173,678,661	\$172,521,016	(\$1,157,645)	-0.7%
NET OPERATING COST	(\$106,525,911)	(\$103,588,525)	\$2,937,386	-2.8%
Vehicle Lease	(211,641)	(165,631)	46,010	-21.7%
NET ADJUSTED COST	(\$106,737,552)	(\$103,754,156)	\$2,983,396	-2.8%
Farebox Recovery Ratio-Combined	37.9%	39.2%		
Farebox Recovery Ratio-Fixed Route	39.1%	40.3%		
Farebox Recovery Ratio-Paratransit	15.3%	19.2%		

**COMBINED MTS OPERATIONS
FY04 BUDGET TO ACTUAL COMPARISON
SUMMARY BY OPERATOR**

	FY04 AMENDED BUDGET	FY04 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
San Diego Transit	\$23,525,000	\$23,374,565	(\$150,435)	-0.6%
San Diego Trolley	23,659,750	\$24,559,155	899,405	3.8%
Contract Services	16,198,000	\$17,188,026	990,026	6.1%
Chula Vista Transit	2,445,000	\$2,492,050	47,050	1.9%
National City Transit	1,325,000	\$1,318,695	(6,305)	-0.5%
Coronado Ferry	0	0	0	-
TOTAL REVENUE	\$67,152,750	\$68,932,491	\$1,779,741	2.7%
EXPENSES:				
San Diego Transit	\$71,648,009	\$71,625,166	(\$22,843)	0.0%
San Diego Trolley	41,692,975	41,681,562	(11,413)	0.0%
Contract Services	51,065,602	50,254,593	(811,009)	-1.6%
Chula Vista Transit	6,619,195	6,318,635	(300,560)	-4.5%
National City Transit	2,737,213	2,679,383	(57,830)	-2.1%
Coronado Ferry	127,308	127,308	0	0.0%
TOTAL EXPENSES	\$173,890,302	\$172,686,647	(\$1,203,655)	-0.7%
NET SUBSIDY				
San Diego Transit	(\$48,123,009)	(\$48,250,601)	(\$127,592)	0.3%
San Diego Trolley	(18,033,225)	(17,122,407)	910,818	-5.1%
Contract Services	(34,867,602)	(33,066,567)	1,801,035	-5.2%
Chula Vista Transit	(4,174,195)	(3,826,585)	347,610	-8.3%
National City Transit	(1,412,213)	(1,360,688)	51,525	-3.6%
Coronado Ferry	(127,308)	(127,308)	0	0.0%
TOTAL NET SUBSIDY	(\$106,737,552)	(\$103,754,156)	\$2,983,396	-2.8%

**SAN DIEGO TRANSIT CORPORATION
FY04 BUDGET TO ACTUAL COMPARISON**

	FY 04 AMENDED BUDGET	FY04 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$22,600,000	\$22,500,658	(\$99,342)	-0.4%
Advertising	800,000	\$681,306	(118,694)	-14.8%
Contracted Service Revenue	25,000	52,270	27,270	109.1%
Other	100,000	140,331	40,331	40.3%
TOTAL REVENUE	\$23,525,000	\$23,374,565	(\$150,435)	-0.6%
EXPENSES:				
<u>Personnel</u>	\$53,927,519	\$53,974,321	\$46,802	0.1%
<u>Outside Services:</u>				
Marketing	\$222,000	\$220,000	(\$2,000)	-0.9%
Security	963,700	935,082	(28,618)	-3.0%
Repair/Maintenance Services	582,000	528,498	(53,502)	-9.2%
Engines and Transmissions	640,000	672,641	32,641	5.1%
Other Outside Services	1,445,683	1,174,766	(270,917)	-18.7%
Purchased Transportation	0	0	0	-
Other Contracted Bus Services	0	0	0	-
Total Outside Services:	\$3,853,383	\$3,530,987	(\$322,396)	-8.4%
<u>Materials & Supplies:</u>				
Lubricants	\$120,000	\$114,583	(\$5,417)	-4.5%
Tires/Tubes	603,778	543,648	(60,130)	-10.0%
Other Materials & Supplies	3,357,923	3,603,943	246,020	7.3%
Total Maint. Parts & Supplies:	\$4,081,701	\$4,262,174	\$180,473	4.4%
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$2,014,000	\$2,225,700	\$211,700	10.5%
CNG	3,229,000	3,310,212	81,212	2.5%
Facilities Utilities/Electricity	592,300	496,957	(95,343)	-16.1%
Total Energy:	\$5,835,300	\$6,032,869	\$197,569	3.4%
<u>Risk Management</u>	\$3,432,079	\$3,398,712	(\$33,367)	-1.0%
<u>General & Administrative</u>	\$518,027	\$426,103	(\$91,924)	-17.7%
TOTAL OPERATING EXPENSES	\$71,648,009	\$71,625,166	(\$22,843)	0.0%
NET OPERATING COST	(\$48,123,009)	(\$48,250,601)	(\$127,592)	0.3%
Vehicle Lease	0	0	0	-
NET ADJUSTED COST	(\$48,123,009)	(\$48,250,601)	(\$127,592)	0.3%
Farebox Recovery Ratio	31.5%	31.4%		

SAN DIEGO TROLLEY, INC.
FY04 BUDGET TO ACTUAL COMPARISON

	FY04 AMENDED BUDGET	FY04 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$23,300,000	\$24,196,943	\$896,943	3.8%
Advertising	0	0	0	-
Contracted Service Revenue	0	0	0	-
Other	359,750	362,212	2,462	0.7%
TOTAL REVENUE	\$23,659,750	\$24,559,155	\$899,405	3.8%
EXPENSES:				
<u>Personnel</u>	\$22,300,775	\$22,261,990	(\$38,785)	-0.2%
<u>Outside Services:</u>				
Marketing	\$277,575	\$251,846	(\$25,729)	-9.3%
Security	3,543,400	3,502,539	(40,861)	-1.2%
Repair/Maintenance Services	2,222,325	2,592,790	370,465	16.7%
Engines and Transmissions	0	0	0	-
Other Outside Services	1,254,975	1,287,473	32,498	2.6%
Purchased Transportation	0	0	0	-
Other Contracted Bus Services	0	0	0	-
Total Outside Services:	\$7,298,275	\$7,634,648	\$336,373	4.6%
<u>Materials & Supplies:</u>				
Lubricants	\$41,450	\$12,404	(\$29,046)	-70.1%
Tires/Tubes	0	0	0	-
Other Materials & Supplies	3,072,225	2,978,080	(94,145)	-3.1%
Total Maint. Parts & Supplies:	\$3,113,675	\$2,990,484	(\$123,191)	-4.0%
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$235,000	\$253,673	\$18,673	7.9%
CNG	0	0	0	-
Facilities Utilities/Electricity	6,130,500	5,989,831	(140,669)	-2.3%
Total Energy:	\$6,365,500	\$6,243,504	(\$121,996)	-1.9%
<u>Risk Management</u>	\$2,320,225	\$2,356,202	\$35,977	1.6%
<u>General & Administrative</u>	\$294,525	\$194,734	(\$99,791)	-33.9%
TOTAL OPERATING EXPENSES	\$41,692,975	\$41,681,562	(\$11,413)	0.0%
NET OPERATING COST	(\$18,033,225)	(\$17,122,407)	\$910,818	-5.1%
Vehicle Lease	0	0	0	-
NET ADJUSTED COST	(\$18,033,225)	(\$17,122,407)	\$910,818	-5.1%
Farebox Recovery Ratio	55.9%	58.1%		

**MTS CONTRACT SERVICES
FY04 BUDGET TO ACTUAL COMPARISON**

	FY04 AMENDED BUDGET	FY04 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$16,198,000	\$17,188,026	\$990,026	6.1%
Advertising	0	0	0	-
Contracted Service Revenue	0	0	0	-
Other	0	0	0	-
TOTAL REVENUE	\$16,198,000	\$17,188,026	\$990,026	6.1%
EXPENSES:				
<u>Personnel</u>	\$682,000	\$619,856	(\$62,144)	-9.1%
<u>Outside Services:</u>				
Marketing	\$92,000	\$69,335	(\$22,665)	-24.6%
Security	50,000	31,030	(18,970)	-37.9%
Repair/Maintenance Services	0	0	0	-
Engines and Transmissions	382,000	367,145	(14,855)	-3.9%
Other Outside Services	1,267,000	1,062,583	(204,417)	-16.1%
Purchased Transportation	43,620,795	43,024,427	(596,368)	-1.4%
Other Contracted Bus Services	0	0	0	-
Total Outside Services:	\$45,411,795	\$44,554,520	(\$857,275)	-1.9%
<u>Materials & Supplies:</u>				
Lubricants	\$0	\$0	\$0	-
Tires/Tubes	0	0	0	-
Other Materials & Supplies	2,000	0	(2,000)	100.0%
Total Maint. Parts & Supplies:	\$2,000	\$0	(\$2,000)	100.0%
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$1,974,907	\$2,172,219	\$197,312	10.0%
CNG	2,612,300	2,692,468	80,168	3.1%
Facilities Utilities/Electricity	0	0	0	-
Total Energy:	\$4,587,207	\$4,864,687	\$277,480	6.0%
<u>Risk Management</u>	\$144,000	\$31,000	(\$113,000)	-78.5%
<u>General & Administrative</u>	\$27,000	\$18,915	(\$8,085)	-29.9%
TOTAL OPERATING EXPENSES	\$50,854,002	\$50,088,978	(\$765,024)	-1.5%
NET OPERATING COST	(\$34,656,002)	(\$32,900,952)	\$1,755,050	-5.1%
Vehicle Lease	(211,600)	(165,615)	45,985	-21.7%
NET ADJUSTED COST	(\$34,867,602)	(\$33,066,567)	\$1,801,035	-5.2%
Farebox Recovery Ratio	31.9%	34.3%		

CHULA VISTA TRANSIT FY04 BUDGET TO ACTUAL COMPARISON

	FY04 AMENDED BUDGET	FY04 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$2,445,000	\$2,492,050	\$47,050	1.9%
Advertising	0	0	0	-
Contracted Service Revenue	0	0	0	-
Other	0	0	0	-
TOTAL REVENUE	\$2,445,000	\$2,492,050	\$47,050	1.9%
EXPENSES:				
<u>Personnel</u>	\$645,698	\$601,001	(\$44,697)	-6.9%
<u>Outside Services:</u>				
Marketing	\$0	\$0	\$0	-
Security	0	0	0	-
Repair/Maintenance Services	107,408	90,271	(17,137)	-16.0%
Engines and Transmissions	98,000	51,159	(46,841)	-47.8%
Other Outside Services	208,950	119,807	(89,143)	-42.7%
Purchased Transportation	4,751,156	4,702,075	(49,081)	-1.0%
Other Contracted Bus Services	0	0	0	-
Total Outside Services:	\$5,165,514	\$4,963,312	(\$202,202)	-3.9%
<u>Materials & Supplies:</u>				
Lubricants	\$0	\$0	\$0	-
Tires/Tubes	0	0	0	-
Other Materials & Supplies	0	0	0	-
Total Maint. Parts & Supplies:	\$0	\$0	\$0	-
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$84,318	\$99,283	\$14,965	17.7%
CNG	496,785	499,676	2,891	0.6%
Facilities Utilities/Electricity	127,783	96,244	(31,539)	-24.7%
Total Energy:	\$708,886	\$695,203	(\$13,683)	-1.9%
<u>Risk Management</u>	\$61,200	\$27,875	(\$33,325)	-54.5%
<u>General & Administrative</u>	\$37,872	\$31,244	(\$6,628)	-17.5%
TOTAL OPERATING EXPENSES	\$6,619,170	\$6,318,635	(\$300,535)	-4.5%
NET OPERATING COST	(\$4,174,170)	(\$3,826,585)	\$347,585	-8.3%
Vehicle Lease	(25)	25	25	100.0%
NET ADJUSTED COST	(\$4,174,195)	(\$3,826,585)	\$347,610	-8.3%
Farebox Recovery Ratio	37.7%	40.3%		

NATIONAL CITY TRANSIT FY04 BUDGET TO ACTUAL COMPARISON

	FY04 AMENDED BUDGET	FY04 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$1,325,000	\$1,318,695	(\$6,305)	-0.5%
Advertising	0	0	0	-
Contracted Service Revenue	0	0	0	-
Other	0	0	0	-
TOTAL REVENUE	\$1,325,000	\$1,318,695	(\$6,305)	-0.5%
EXPENSES:				
<u>Personnel</u>	\$1,368,383	\$1,432,506	\$64,123	4.7%
<u>Outside Services:</u>				
Marketing	\$25,000	\$21,858	(\$3,142)	-12.6%
Security	0	0	0	-
Repair/Maintenance Services	68,440	53,353	(15,087)	-22.0%
Engines and Transmissions	0	0	0	-
Other Outside Services	476,726	423,444	(53,282)	-11.2%
Purchased Transportation	0	0	0	-
Other Contracted Bus Services	0	0	0	-
Total Outside Services:	\$570,166	\$498,655	(\$71,511)	-12.5%
<u>Materials & Supplies:</u>				
Lubricants	\$11,400	\$5,393	(\$6,007)	-52.7%
Tires/Tubes	23,001	27,727	4,726	20.5%
Other Materials & Supplies	138,330	145,881	7,551	5.5%
Total Maint. Parts & Supplies:	\$172,731	\$179,001	\$6,270	3.6%
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$208,174	\$206,662	(\$1,512)	-0.7%
CNG	0	0	0	-
Facilities Utilities/Electricity	27,000	20,639	(6,361)	-23.6%
Total Energy:	\$235,174	\$227,301	(\$7,873)	-3.3%
<u>Risk Management</u>	\$364,795	\$327,122	(\$37,673)	-10.3%
<u>General & Administrative</u>	\$25,948	\$14,782	(\$11,166)	-43.0%
TOTAL OPERATING EXPENSES	\$2,737,197	\$2,679,367	(\$57,830)	-2.1%
NET OPERATING COST	(\$1,412,197)	(\$1,360,672)	\$51,525	-3.6%
Vehicle Lease	(16)	(16)	0	0.0%
NET ADJUSTED COST	(\$1,412,213)	(\$1,360,688)	\$51,525	-3.6%
Farebox Recovery Ratio	48.4%	49.2%		

CORONADO FERRY FY04 BUDGET TO ACTUAL COMPARISON

	FY 04 AMENDED BUDGET	FY04 ACTUAL	DIFFERENCE OVER (UNDER)	% DIFFERENCE
REVENUE:				
Passenger Fares	\$0	\$0	\$0	-
Advertising	0	\$0	0	-
Contracted Service Revenue	0	0	0	-
Other	0	0	0	-
TOTAL REVENUE	\$0	\$0	\$0	-
EXPENSES:				
<u>Personnel</u>	\$0	\$0	\$0	-
<u>Outside Services:</u>				
Marketing	\$0	\$0	\$0	-
Security	0	0	0	-
Repair/Maintenance Services	0	0	0	-
Engines and Transmissions	0	0	0	-
Other Outside Services	0	0	0	-
Purchased Transportation	127,308	127,308	0	0.0%
Other Contracted Bus Services	0	0	0	-
Total Outside Services:	\$127,308	\$127,308	\$0	0.0%
<u>Materials & Supplies:</u>				
Lubricants	\$0	\$0	\$0	-
Tires/Tubes	0	0	0	-
Other Materials & Supplies	0	0	0	-
Total Maint. Parts & Supplies:	\$0	\$0	\$0	-
<u>Energy:</u>				
Diesel/Gasoline Fuel	\$0	\$0	\$0	-
CNG	0	0	0	-
Facilities Utilities/Electricity	0	0	0	-
Total Energy:	\$0	\$0	\$0	-
<u>Risk Management</u>	\$0	\$0	\$0	-
<u>General & Administrative</u>	\$0	\$0	\$0	-
TOTAL OPERATING EXPENSES	\$127,308	\$127,308	\$0	0.0%
NET OPERATING COST	(\$127,308)	(\$127,308)	\$0	0.0%
Vehicle Lease			0	-
NET ADJUSTED COST	(\$127,308)	(\$127,308)	\$0	0.0%



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Agenda

Item No. 33

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

FIN 310 (PC 30100)

October 28, 2004

Subject:

MTS: OPERATORS BUDGET STATUS REPORT FOR JULY 2004

RECOMMENDATION:

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

Budget Impact

None at this time.

Executive Committee Recommendation

At its meeting on October 21, 2004, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

This report compares operating expenditures compared to budget for July 2004 (Attachment A-1).

TRANSIT OPERATIONS

Attachment A-2 summarizes combined operations. Attachment A-3 provides greater detail on combined operations. Attachments A-4 to A-17 present budget comparisons for each MTS operation.



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.

Revenues

Fare Revenue. Combined fare revenue for July 2004 aggregated \$5,959,000 compared to the approved budget of \$6,004,000, which represents \$45,000 (-0.7 percent) under budget. Rail operations continued their higher-than-anticipated ridership for PETCO Park. Fare revenues for rail operations were \$2,452,000 compared to a \$2,189,000 budget, resulting in a \$263,000 (12 percent) positive revenue variance. Fare revenues associated with bus-related activities (Internal bus operations and contract bus operations) were \$308,000 (-8.1 percent) under budget.

Total passengers for July 2004 were 6,683,000, an increase of 317,000 (5.0 percent) compared to the same prior year period. Rail operations increased 512,000 to 2,703,000 passengers, up 23.4 percent from July 2003. Combined bus passengers for July 2004 totaled 3,980,000 compared to the same prior year period of 4,174,000 (-4.7 percent).

Other Revenue. Other revenue totaled \$83,000 compared to a July 2004 budget of \$107,000. This \$24,000 negative variance is primarily due to July 2004 cash income not received until late August and early September (\$24,000).

Subsidy. Combined subsidy for July 2004 was \$8,779,000 compared to a \$5,997,000 budget. This \$2,782,000 variance is primarily due to rail operations advancing Transportation Development Act (TDA) subsidy in the month of July. This July TDA advance will impact a future month within the fiscal year bringing the total combined actual subsidy in line with the budget.

Expenses

Personnel Costs. Personnel-related costs were on target with actual expenses of \$7,045,000 for the month compared to the budget at \$7,044,000.

Outside Services and Purchased Transportation. Outside services expenses totaled \$5,045,000 compared to a budgetary figure of \$5,258,000, resulting in a positive expense variance of \$213,000 (4.1 percent). A large contributing factor to the positive variance was purchased transportation under budget by \$106,000 (2.5 percent). Paratransit demand for the month was lower due to less-than-anticipated demand. Engine repair and maintenance services contributed a \$129,000 positive expense variance to this category. These expenses fluctuate throughout the year, and the year end expectation is on target with the budget. July 2004 other outside services also contributed \$83,000 to the positive variance. Within this category, legal costs, recruiting-related expenses, and data processing costs were lower than budget. Security expenses were \$105,000 over budget. This expense is directly correlated with the additional trolley ridership relating to PETCO Park.

Materials and Supplies. Total materials and supplies costs were \$1,054,000 for July 2004 compared to the approved budget of \$654,000, resulting in a negative variance of \$400,000 (-61.0 percent). Purchases within rail operations historically have been significant over the first few months of the year, subsiding over the middle portion

of the fiscal year, and very minimal towards the end of the fiscal year. Rail operations for fiscal year 2005 look to follow this historical spending trend and the year end budgetary total is still projected to be on target.

Energy. Total energy costs were \$1,648,000 for the month compared to the budget of \$1,586,000. This negative variance of \$62,000 (-3.9 percent) is primarily the result of diesel fuel rates. Diesel fuel expense for the month aggregated \$503,000 compared to a budget of \$377,000 resulting in a \$126,000 negative variance. Diesel prices for the month averaged \$1.463 per gallon compared to the budgetary rate of \$1.10 per gallon. As rates continue to fluctuate, prediction of these costs is difficult. Compressed natural gas (CNG) expenses totaled \$609,000 compared to a \$579,000 budgetary figure. This over budget expense of \$30,000 (-5.2 percent) is primarily due to CNG prices at \$1.00 versus the \$.90 budgeted rate. In terms of traction power, the average cost per kilowatt-hour remained low at \$.139, resulting in a positive expense variance of \$96,000 in fuel and electricity for MTS facilities.

Attachment A-18 details the impact of diesel fuel and CNG price fluctuations on annual MTS expenditures compared to budget.

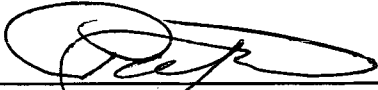
Risk Management. Risk Management costs were \$362,000 for July 2004 compared to a \$467,000 budgetary figure. This is \$105,000 (22.5 percent) under budget. This relates primarily to lower liability claims costs and minimal legal costs. Risk management expenses historically trend low within the first few months of the fiscal year and fluctuate throughout the year. Expenses within the final month of the fiscal year trend higher as year-end accruals ensure fiscal year expense accuracy. Fiscal year 2005 will replicate this historical trend, and the year-end budgetary total is projected to be on target.

General and Administrative. General and administrative costs were \$30,000 for the month compared to the approved budget of \$68,000. This positive expense variance of \$38,000 (56.3 percent) is primarily due to a reduced level of travel, lower communications expenses, and lower dues- and subscriptions-related expenses.

Month-End Summary. Strong performance in operating revenue for rail operations as a result of continued large ridership for PETCO Park kept operating revenue to just under budget (\$69,000), in spite of lower ridership and related lower revenue for internal bus operations. Expenses came in higher than budget by only \$117,000, primarily due to anticipated significant materials and supplies purchases offset by purchased transportation- and risk management-related expenses. Outside of diesel and CNG costs, combined operating expenses are in line with budget. These results combine into an overall net subsidy difference of \$187,000.

OTHER EXPENDITURES

Attachment A-1 summarizes total nonoperating other expenditures. Combined positive variance for other expenditures totaled \$4,000 or 0.2 percent of total other expenditures. Taxicab Administration and San Diego and Arizona Eastern Railway Company contributed \$9,000 and \$3,000, respectively, to the positive variance, while the General Fund was over budget by \$8,000.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tom Lynch, 619.557.4538, Tom.Lynch@sdmts.com

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Attachment: A. Budget Comparisons

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

COMBINED OPERATIONS TRANSIT OPERATORS NET SUBSIDY AND OTHER EXPENDITURES

COMPARISON TO BUDGET - FY 2005

JULY 31, 2004

(in \$000's)

	MONTH			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Transit Operators' Net Subsidy				
Internal Bus Operations	4,263	4,099	(164)	-4.0%
Rail Operations	1,532	1,485	(47)	-3.2%
Contracted Bus Operations - Fixed Route	2,095	2,117	22	1.0%
Contracted Bus Operations - Para Transit	891	855	(36)	-4.2%
Other Operators	387	425	38	8.9%
Total Transit Operators Net Subsidy	9,168	8,981	(187)	2.1%
Other Expenditures				
Administrative Pass Thru	344	344	0	0.0%
Taxicab Administration	74	83	9	11.3%
San Diego and Arizona Eastern	42	45	3	5.6%
Debt Service	0	0	0	-
General Fund	1,358	1,351	(8)	-0.6%
Grand Total Expenditures	10,987	10,804	(183)	-1.7%

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Transit Operators' Net Subsidy				
Internal Bus Operations	4,263	4,099	(164)	-4.0%
Rail Operations	1,532	1,485	(47)	-3.2%
Contracted Bus Operations - Fixed Route	2,095	2,117	22	1.0%
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Total Transit Operators Net Subsidy	9,168	8,981	(187)	2.1%
Other Expenditures				
Administrative Pass Thru	344	344	0	0.0%
Taxicab Administration	74	83	9	11.3%
San Diego and Arizona Eastern	42	45	3	5.6%
Debt Service	0	0	0	-
General Fund	1,358	1,351	(8)	-0.6%
Grand Total Expenditures	10,987	10,804	(183)	-1.7%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

COMBINED OPERATIONS

COMPARISON TO BUDGET - FY 2005

JULY 31, 2004

(in \$000's)

	MONTHLY			%
	ACTUAL	BUDGET	VARIANCE	VARIANCE
Fare Revenue	\$ 5,959	\$ 6,004	\$ (45)	-0.7%
Other Revenue	83	107	(24)	-22.4%
Total Operating Revenue	\$ 6,042	\$ 6,111	\$ (69)	-1.1%
Subsidy	8,779	5,997	2,782	46.4%
Total Revenue	\$ 14,821	\$ 12,108	\$ 2,713	22.4%
Wages	\$ 4,562	\$ 4,517	\$ (45)	-1.0%
Fringes	2,483	2,528	45	1.8%
Services	961	1,069	108	10.1%
Purchased Transportation	4,084	4,189	105	2.5%
Materials	1,054	654	(400)	-61.2%
Energy	1,648	1,586	(62)	-3.9%
Risk Management	362	467	105	22.5%
General and Administrative	30	68	38	55.9%
Vehicle/Facility Lease	26	14	(12)	-85.7%
Total Costs	\$ 15,210	\$ 15,092	\$ (118)	-0.8%
Total Revenue Less Total Costs	\$ (389)	\$ (2,984)	\$ 2,595	-87.0%
Net Subsidy	\$ (9,168)	\$ (8,981)	\$ (187)	-2.1%

	YEAR TO DATE			%
	ACTUAL	BUDGET	VARIANCE	VARIANCE
Fare Revenue	\$ 5,959	\$ 6,004	\$ (45)	-0.7%
Other Revenue	83	107	(24)	-22.4%
Total Operating Revenue	\$ 6,042	\$ 6,111	\$ (69)	-1.1%
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Total Revenue Less Total Costs	\$ (389)	\$ (2,984)	\$ 2,595	-87.0%
Net Subsidy	\$ (9,168)	\$ (8,981)	\$ (187)	-2.1%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

COMBINED OPERATIONS

FINANCIAL COMPARISON TO BUDGET ONE MONTH ENDING JULY 31, 2004

		CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
FY Month:		ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR	BUDGET	REMAINING
REVENUE											
	Passenger Fares	\$ 5,958,926	\$ 6,003,888	\$ (44,962)	-0.7%	\$ 5,958,926	\$ 6,003,888	\$ (44,962)	-0.7%	\$ 68,005,000	\$ 62,046,074
	Advertising	57,900	67,200	(9,300)	-13.8%	57,900	67,200	(9,300)	-13.8%	800,000	742,100
	Contracted Service Revenue	-	2,000	(2,000)	-	-	2,000	(2,000)	-	25,000	25,000
	Other	25,160	38,379	(13,219)	-34.4%	25,160	38,379	(13,219)	-34.4%	470,550	445,390
	Total Operating Revenue	\$ 6,041,986	\$ 6,111,467	\$ (69,481)	-1.1%	\$ 6,041,986	\$ 6,111,467	\$ (69,481)	-1.1%	\$ 69,300,550	\$ 63,258,564
	Subsidy	8,778,684	5,996,659	2,782,025	46.4%	8,778,684	5,996,659	2,782,025	46.4%	76,678,679	67,900,195
	Total Revenue	\$ 14,820,670	\$ 12,108,127	\$ 2,712,543	22.4%	\$ 14,820,670	\$ 12,108,127	\$ 2,712,543	22.4%	\$ 145,979,429	\$ 131,158,759
EXPENSES											
Personnel											
	Wages	\$ 4,561,737	\$ 4,516,623	\$ (45,114)	-1.0%	\$ 4,561,737	\$ 4,516,623	\$ (45,114)	-1.0%	\$ 54,998,885	\$ 50,437,148
	Fringes	2,483,417	2,527,571	44,154	1.7%	2,483,417	2,527,571	44,154	1.7%	29,723,877	27,240,460
	Total Personnel	\$ 7,045,154	\$ 7,044,194	\$ (959)	-0.01%	\$ 7,045,154	\$ 7,044,194	\$ (959)	0.0%	\$ 84,722,762	\$ 77,677,608
Outside Services											
	Security	\$ 500,831	\$ 396,268	\$ (104,563)	-26.4%	\$ 500,831	\$ 396,268	\$ (104,563)	-26.4%	\$ 4,810,038	\$ 4,309,207
	Repair/Maintenance Services	182,782	247,883	65,101	26.3%	182,782	247,883	65,101	26.3%	3,143,404	2,960,622
	Engine and Transmission Rebuild	21,109	84,833	63,724	75.1%	21,109	84,833	63,724	75.1%	1,138,800	1,117,691
	Other Outside Services	256,559	339,743	83,184	24.5%	256,559	339,743	83,184	24.5%	4,731,591	4,475,032
	Purchased Transportation	4,083,611	4,189,447	105,836	2.5%	4,083,611	4,189,447	105,836	2.5%	50,357,810	46,274,199
	Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
	Total Outside Services	\$ 5,044,893	\$ 5,258,174	\$ 213,281	4.1%	\$ 5,044,893	\$ 5,258,174	\$ 213,281	4.1%	\$ 64,181,643	\$ 59,136,750
Materials & Supplies											
	Lubricants	\$ 8,776	\$ 14,791	\$ 6,015	40.7%	\$ 8,776	\$ 14,791	\$ 6,015	40.7%	\$ 176,505	\$ 167,729
	Tires	45,956	51,201	5,245	10.2%	45,956	51,201	5,245	10.2%	614,407	568,451
	Other Materials and Supplies	998,947	588,284	(410,663)	-69.8%	998,947	588,284	(410,663)	-69.8%	6,908,016	5,909,069
	Total Main. Parts and Supplies	\$ 1,053,679	\$ 654,276	\$ (399,403)	-61.0%	\$ 1,053,679	\$ 654,276	\$ (399,403)	-61.0%	\$ 7,698,928	\$ 6,845,249
Energy											
	Diesel Fuel	\$ 503,769	\$ 376,882	\$ (126,887)	-33.7%	\$ 503,769	\$ 376,882	\$ (126,887)	-33.7%	\$ 4,534,413	\$ 4,030,844
	CNG	609,132	578,861	(30,271)	-5.2%	609,132	578,861	(30,271)	-5.2%	6,846,672	6,237,540
	Fuel and Electricity for Facilities	534,959	630,687	95,728	15.2%	534,959	630,687	95,728	15.2%	7,744,021	7,209,062
	Total Energy	\$ 1,647,860	\$ 1,586,430	\$ (61,430)	-3.9%	\$ 1,647,860	\$ 1,586,430	\$ (61,430)	-3.9%	\$ 19,125,106	\$ 17,477,246
Risk Management											
		\$ 361,871	\$ 467,026	\$ 105,155	22.5%	\$ 361,871	\$ 467,026	\$ 105,155	22.5%	\$ 5,762,659	\$ 5,400,788
General and Administrative											
		\$ 29,604	\$ 67,819	\$ 38,215	56.3%	\$ 29,604	\$ 67,819	\$ 38,215	56.3%	\$ 848,339	\$ 818,735
Vehicle/Facility Lease											
		\$ 26,394	\$ 14,300	\$ (12,094)	-84.6%	\$ 26,394	\$ 14,300	\$ (12,094)	-84.6%	\$ 192,216	\$ 165,822
	TOTAL EXPENSES	\$ 15,209,454	\$ 15,092,219	\$ (117,234)	-0.8%	\$ 15,209,454	\$ 15,092,219	\$ (117,234)	-0.8%	\$ 182,531,652	\$ 167,322,199
	Total Revenue Less Total Costs	\$ (388,784)	\$ (2,984,093)	\$ 2,595,309	87.0%	\$ (388,784)	\$ (2,984,093)	\$ 2,595,309	87.0%	\$ (36,552,223)	\$ (36,163,439)
	NET SUBSIDY	\$ (9,167,468)	\$ (8,980,752)	\$ (186,716)	-2.1%	\$ (9,167,468)	\$ (8,980,752)	\$ (186,716)	-2.1%	\$ (113,231,102)	\$ (104,063,635)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

INTERNAL BUS OPERATIONS (SAN DIEGO TRANSIT CORPORATION)

COMPARISON TO BUDGET - FY 2005
JULY 31, 2004
(in \$000's)

	MONTH			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 1,862	\$ 2,047	\$ (185)	-9.0%
Other Revenue	82	77	5	6.5%
Total Operating Revenue	\$ 1,944	\$ 2,124	\$ (180)	-8.5%
Subsidy	4,100	4,100	-	0.0%
Total Revenue	\$ 6,044	\$ 6,224	\$ (180)	-2.9%
Wages	\$ 2,656	\$ 2,630	\$ (26)	-1.0%
Fringes	2,123	2,147	24	1.1%
Services	223	302	79	26.2%
Purchased Transportation	-	-	-	-
Materials	382	373	(9)	-2.4%
Energy	598	483	(115)	-23.8%
Risk Management	209	250	41	16.4%
General and Administrative	16	38	22	57.9%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 6,207	\$ 6,223	\$ 16	0.3%
Total Revenue Less Total Costs	\$ (163)	\$ 1	\$ (164)	-16400.0%
Net Subsidy	\$ (4,263)	\$ (4,099)	\$ (164)	-4.0%

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 1,862	\$ 2,047	\$ (185)	-9.0%
Other Revenue	82	77	5	6.5%
Total Operating Revenue	\$ 1,944	\$ 2,124	\$ (180)	-8.5%
Subsidy	4,100	4,100	-	0.0%
Total Revenue	\$ 6,044	\$ 6,224	\$ (180)	-2.9%
Wages	\$ 2,656	\$ 2,630	\$ (26)	-1.0%
Fringes	2,123	2,147	24	1.1%
Services	223	302	79	26.2%
Purchased Transportation	-	-	-	-
Materials	382	373	(9)	-2.4%
Energy	598	483	(115)	-23.8%
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General and Administrative	16	38	22	57.9%
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Total Costs	\$ 6,207	\$ 6,223	\$ 16	0.3%
Total Revenue Less Total Costs	\$ (163)	\$ 1	\$ (164)	-16400.0%
Net Subsidy	\$ (4,263)	\$ (4,099)	\$ (164)	-4.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

INTERNAL BUS OPERATIONS (SAN DIEGO TRANSIT CORPORATION)

FINANCIAL COMPARISON TO BUDGET ONE MONTH ENDING JULY 31, 2004

FY Month:	CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
	ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR	BUDGET	REMAINING
REVENUE										
Passenger Fares	\$ 1,862,163	\$ 2,047,000	\$ (184,837)	-9.0%	\$ 1,862,163	\$ 2,047,000	\$ (184,837)	-9.0%	\$ 22,740,000	\$ 20,877,837
Advertising	57,900	67,200	(9,300)	-13.8%	57,900	67,200	(9,300)	-13.8%	800,000	742,100
Contracted Service Revenue	-	2,000	(2,000)	-	-	2,000	(2,000)	-	25,000	25,000
Other	23,862	7,500	16,362	218.2%	23,862	7,500	16,362	218.2%	100,000	76,138
Total Operating Revenue	\$ 1,943,925	\$ 2,123,700	\$ (179,775)	-8.5%	\$ 1,943,925	\$ 2,123,700	\$ (179,775)	-8.5%	\$ 23,665,000	\$ 21,721,075
Subsidy	4,100,066	4,100,066	-	0.0%	4,100,066	4,100,066	-	-	49,754,448	45,654,382
Total Revenue	\$ 6,043,991	\$ 6,223,766	\$ (179,775)	-2.9%	\$ 6,043,991	\$ 6,223,766	\$ (179,775)	-2.9%	\$ 73,419,448	\$ 67,375,457
EXPENSES										
Personnel										
Wages	\$ 2,655,739	\$ 2,630,126	\$ (25,613)	-1.0%	\$ 2,655,739	\$ 2,630,126	\$ (25,613)	-1.0%	\$ 31,260,250	\$ 28,604,511
Fringes	2,123,206	2,147,407	24,201	1.1%	2,123,206	2,147,407	24,201	1.1%	25,206,202	23,082,996
Total Personnel	\$ 4,778,944	\$ 4,777,533	\$ (1,411)	0.0%	\$ 4,778,944	\$ 4,777,533	\$ (1,411)	0.0%	\$ 56,466,452	\$ 51,687,508
Outside Services										
Security	\$ 76,564	\$ 84,141	\$ 7,577	9.0%	\$ 76,564	\$ 84,141	\$ 7,577	9.0%	\$ 1,009,688	\$ 933,124
Repair/Maintenance Services	11,944	48,629	36,685	75.4%	11,944	48,629	36,685	75.4%	574,345	562,401
Engine and Transmission Rebuild	12,221	53,233	41,012	77.0%	12,221	53,233	41,012	77.0%	638,800	626,579
Other Outside Services	122,517	115,999	(6,518)	-5.6%	122,517	115,999	(6,518)	-5.6%	1,391,977	1,269,460
Purchased Transportation	-	-	-	-	-	-	-	-	-	-
Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
Total Outside Services	\$ 223,246	\$ 302,002	\$ 78,756	26.1%	\$ 223,246	\$ 302,002	\$ 78,756	26.1%	\$ 3,614,810	\$ 3,391,564
Materials & Supplies										
Lubricants	\$ 8,776	\$ 10,233	\$ 1,457	14.2%	\$ 8,776	\$ 10,233	\$ 1,457	14.2%	\$ 120,530	\$ 111,754
Tires	45,956	49,034	3,078	6.3%	45,956	49,034	3,078	6.3%	588,407	542,451
Other Materials and Supplies	327,638	313,811	(13,827)	-4.4%	327,638	313,811	(13,827)	-4.4%	3,471,966	3,144,328
Total Main. Parts and Supplies	\$ 382,371	\$ 373,078	\$ (9,293)	-2.5%	\$ 382,371	\$ 373,078	\$ (9,292)	-2.5%	\$ 4,180,903	\$ 3,798,533
Energy										
Diesel Fuel	\$ 241,266	\$ 153,386	\$ (87,880)	-57.3%	\$ 241,266	\$ 153,386	\$ (87,880)	-57.3%	\$ 1,807,061	\$ 1,565,795
CNG	308,725	284,313	(24,412)	-8.6%	308,725	284,313	(24,412)	-8.6%	3,348,798	3,040,073
Fuel and Electricity for Facilities	47,874	45,783	(2,091)	-4.6%	47,874	45,783	(2,091)	-4.6%	549,400	501,526
Total Energy	\$ 597,865	\$ 483,482	\$ (114,383)	-23.7%	\$ 597,865	\$ 483,482	\$ (114,383)	-23.7%	\$ 5,705,259	\$ 5,107,394
Risk Management	\$ 209,186	\$ 249,900	\$ 40,714	16.3%	\$ 209,186	\$ 249,900	\$ 40,714	16.3%	\$ 2,998,798	\$ 2,789,612
General and Administrative	\$ 15,704	\$ 37,771	\$ 22,067	58.4%	\$ 15,704	\$ 37,771	\$ 22,067	58.4%	\$ 453,226	\$ 437,522
Vehicle/facility Lease	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
TOTAL EXPENSES	\$ 6,207,315	\$ 6,223,766	\$ 16,451	0.3%	\$ 6,207,315	\$ 6,223,766	\$ 16,451	0.3%	\$ 73,419,448	\$ 67,212,133
Total Revenue Less Total Costs	\$ (163,324)	\$ -	\$ (163,324)	-	\$ (163,324)	\$ -	\$ (163,324)	-	\$ -	\$ 163,324
NET SUBSIDY	\$ (4,263,390)	\$ (4,100,066)	\$ (163,324)	-4.0%	\$ (4,263,390)	\$ (4,100,066)	\$ (163,324)	-4.0%	\$ (49,754,448)	\$ (45,491,058)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RAIL OPERATIONS (SAN DIEGO TROLLEY INCORPORATED)

COMPARISON TO BUDGET - FY 2005 JULY 31, 2004 (in \$000's)

	MONTH			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 2,452	\$ 2,189	\$ 263	12.0%
Other Revenue	2	31	(29)	-93.5%
Total Operating Revenue	\$ 2,454	\$ 2,220	\$ 234	10.5%
Subsidy	4,310	1,486	2,824	190.0%
Total Revenue	\$ 6,764	\$ 3,706	\$ 3,058	82.5%
Wages	\$ 1,713	\$ 1,681	\$ (32)	-1.9%
Fringes	335	354	19	5.4%
Services	630	605	(25)	-4.1%
Purchased Transportation	-	-	-	-
Materials	670	267	(403)	-150.9%
Energy	505	595	90	15.1%
Risk Management	121	178	57	32.0%
General and Administrative	12	25	13	52.0%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 3,986	\$ 3,705	\$ (281)	-7.6%
Total Revenue Less Total Costs	\$ 2,778	\$ 1	\$ 2,777	277700.0%
Net Subsidy	\$ (1,532)	\$ (1,485)	\$ (47)	-3.2%

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 2,452	\$ 2,189	\$ 263	12.0%
Other Revenue	2	31	(29)	-93.5%
Total Operating Revenue	\$ 2,454	\$ 2,220	\$ 234	10.5%
Subsidy	4,310	1,486	2,824	190.0%
Total Revenue	\$ 6,764	\$ 3,706	\$ 3,058	82.5%
Wages	\$ 1,713	\$ 1,681	\$ (32)	-1.9%
Fringes	335	354	19	5.4%
Services	630	605	(25)	-4.1%
Purchased Transportation	-	-	-	-
Materials	670	267	(403)	-150.9%
Energy	505	595	90	15.1%
Risk Management	121	178	57	32.0%
General and Administrative	12	25	13	52.0%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 3,986	\$ 3,705	\$ (281)	-7.6%
Total Revenue Less Total Costs	\$ 2,778	\$ 1	\$ 2,777	277700.0%
Net Subsidy	\$ (1,532)	\$ (1,485)	\$ (47)	-3.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RAIL OPERATIONS (SAN DIEGO TROLLEY INCORPORATED)

FINANCIAL COMPARISON TO BUDGET ONE MONTH ENDING JULY 31, 2004

FY Month: 1	CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
	ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR	BUDGET	REMAINING
REVENUE										
Passenger Fares	\$ 2,452,237	\$ 2,189,425	\$ 262,812	12.0%	\$ 2,452,237	\$ 2,189,425	\$ 262,812	12.0%	\$ 24,500,000	\$ 22,047,763
Advertising	-	-	-	-	-	-	-	-	-	-
Contracted Service Revenue	-	-	-	-	-	-	-	-	-	-
Other	1,298	30,879	(29,581)	-95.8%	1,298	30,879	(29,581)	-95.8%	370,550	369,252
Total Operating Revenue	\$ 2,453,534	\$ 2,220,304	\$ 233,230	10.5%	\$ 2,453,534	\$ 2,220,304	\$ 233,230	10.5%	\$ 24,870,550	\$ 22,417,016
Subsidy	4,309,680	1,485,532	2,824,148	190.1%	4,309,680	1,485,532	2,824,148	190.1%	21,261,175	16,951,495
Total Revenue	\$ 6,763,214	\$ 3,705,836	\$ 3,057,378	82.5%	\$ 6,763,214	\$ 3,705,836	\$ 3,057,378	82.5%	\$ 46,131,725	\$ 39,368,511
EXPENSES										
<u>Personnel</u>										
Wages	\$ 1,713,165	\$ 1,680,861	\$ (32,304)	-1.9%	\$ 1,713,165	\$ 1,680,861	\$ (32,304)	-1.9%	\$ 21,227,675	\$ 19,514,510
Fringes	334,597	354,331	19,734	5.6%	334,597	354,331	19,734	5.6%	4,207,675	3,873,078
Total Personnel	\$ 2,047,762	\$ 2,035,192	\$ (12,570)	-0.6%	\$ 2,047,762	\$ 2,035,192	\$ (12,570)	-0.6%	\$ 25,435,350	\$ 23,387,588
<u>Outside Services</u>										
Security	\$ 423,365	\$ 310,127	\$ (113,238)	-36.5%	\$ 423,365	\$ 310,127	\$ (113,238)	-36.5%	\$ 3,745,350	\$ 3,321,985
Repair/Maintenance Services	164,066	190,754	26,688	14.0%	164,066	190,754	26,688	14.0%	2,391,475	2,227,409
Engine and Transmission Rebuild	-	-	-	-	-	-	-	-	-	-
Other Outside Services	42,771	104,544	61,773	59.1%	42,771	104,544	61,773	59.1%	1,350,475	1,307,704
Purchased Transportation	-	-	-	-	-	-	-	-	-	-
Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
Total Outside Services	\$ 630,203	\$ 605,425	\$ (24,778)	-4.1%	\$ 630,203	\$ 605,425	\$ (24,778)	-4.1%	\$ 7,487,300	\$ 6,857,097
<u>Materials & Supplies</u>										
Lubricants	\$ -	\$ 3,558	\$ 3,558	-	\$ -	\$ 3,558	\$ 3,558	-	\$ 43,975	\$ 43,975
Tires	-	-	-	-	-	-	-	-	-	-
Other Materials and Supplies	670,038	263,640	(406,398)	-154.1%	670,038	263,640	(406,398)	-154.1%	3,306,050	2,636,012
Total Main. Parts and Supplies	\$ 670,038	\$ 267,198	\$ (402,840)	-150.8%	\$ 670,038	\$ 267,198	\$ (402,840)	-150.8%	\$ 3,350,025	\$ 2,679,987
<u>Energy</u>										
Diesel Fuel	\$ 26,442	\$ 23,576	\$ (2,866)	-12.2%	\$ 26,442	\$ 23,576	\$ (2,866)	-12.2%	\$ 281,575	\$ 255,133
CNG	-	-	-	-	-	-	-	-	-	-
Fuel and Electricity for Facilities	478,734	571,116	92,382	16.2%	478,734	571,116	92,382	16.2%	7,028,325	6,549,591
Total Energy	\$ 505,176	\$ 594,692	\$ 89,516	15.1%	\$ 505,176	\$ 594,692	\$ 89,516	15.1%	\$ 7,309,900	\$ 6,804,724
<u>Risk Management</u>										
	\$ 121,220	\$ 178,048	\$ 56,828	31.9%	\$ 121,220	\$ 178,048	\$ 56,828	31.9%	\$ 2,232,225	\$ 2,111,005
<u>General and Administrative</u>										
	\$ 11,795	\$ 25,281	\$ 13,486	53.3%	\$ 11,795	\$ 25,281	\$ 13,486	53.3%	\$ 316,925	\$ 305,130
<u>Vehicle/facility Lease</u>										
	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
TOTAL EXPENSES	\$ 3,986,193	\$ 3,705,836	\$ (280,357)	-7.6%	\$ 3,986,193	\$ 3,705,836	\$ (280,357)	-7.6%	\$ 46,131,725	\$ 42,145,532
Total Revenue Less Total Costs	\$ 2,777,021	\$ -	\$ 2,777,021	-	\$ 2,777,021	\$ -	\$ 2,777,021	-	\$ -	\$ (2,777,021)
NET SUBSIDY	\$ (1,532,659)	\$ (1,485,532)	\$ (47,127)	-3.2%	\$ (1,532,659)	\$ (1,485,532)	\$ (47,127)	-3.2%	\$ (21,261,175)	\$ (19,728,516)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACT SERVICES - FIXED ROUTE

COMPARISON TO BUDGET - FY 2005

JULY 31, 2004

(in \$000's)

	MONTHLY			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 1,293	\$ 1,306	\$ (13)	-1.0%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 1,293	\$ 1,306	\$ (13)	-1.0%
Subsidy	-	-	-	-
Total Revenue	\$ 1,293	\$ 1,306	\$ (13)	-1.0%
Wages	\$ 36	\$ 36	\$ -	0.0%
Fringes	-	-	-	-
Services	45	81	36	44.4%
Purchased Transportation	2,907	2,947	40	1.4%
Materials	-	-	-	-
Energy	400	358	(42)	-11.7%
Risk Management	-	-	-	-
General and Administrative	-	1	1	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 3,388	\$ 3,423	\$ 35	1.0%
Total Revenue Less Total Costs	\$ (2,095)	\$ (2,117)	\$ 22	1.0%
Net Subsidy	\$ (2,095)	\$ (2,117)	\$ 22	1.0%

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 1,293	\$ 1,306	\$ (13)	-1.0%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 1,293	\$ 1,306	\$ (13)	-1.0%
Subsidy	-	-	-	-
Total Revenue	\$ 1,293	\$ 1,306	\$ (13)	-1.0%
Wages	\$ 36	\$ 36	\$ -	0.0%
Fringes	-	-	-	-
Services	45	81	36	44.4%
Purchased Transportation	2,907	2,947	40	1.4%
Materials	-	-	-	-
Energy	400	358	(42)	-11.7%
Risk Management	-	-	-	-
General and Administrative	-	1	1	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 3,388	\$ 3,423	\$ 35	1.0%
Total Revenue Less Total Costs	\$ (2,095)	\$ (2,117)	\$ 22	1.0%
Net Subsidy	\$ (2,095)	\$ (2,117)	\$ 22	1.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACT SERVICES - FIXED ROUTE

FINANCIAL COMPARISON TO BUDGET ONE MONTH ENDING JULY 31, 2004

FY Month: <u>1</u>	CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
	ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR	BUDGET	REMAINING
REVENUE										
Passenger Fares	\$ 1,293,360	\$ 1,306,000	\$ (12,640)	-1.0%	\$ 1,293,360	\$ 1,306,000	\$ (12,640)	-1.0%	\$ 15,200,000	\$ 13,906,640
Advertising	-	-	-	-	-	-	-	-	-	-
Contracted Service Revenue	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	\$ 1,293,360	\$ 1,306,000	\$ (12,640)	-1.0%	\$ 1,293,360	\$ 1,306,000	\$ (12,640)	-1.0%	\$ 15,200,000	\$ 13,906,640
Subsidy	-	-	-	-	-	-	-	-	-	-
Total Revenue	\$ 1,293,360	\$ 1,306,000	\$ (12,640)	-1.0%	\$ 1,293,360	\$ 1,306,000	\$ (12,640)	-1.0%	\$ 15,200,000	\$ 13,906,640
EXPENSES										
Personnel										
Wages	\$ 35,600	\$ 36,400	\$ 800	2.2%	\$ 35,600	\$ 36,400	\$ 800	2.2%	\$ 438,000	\$ 402,400
Fringes	-	-	-	-	-	-	-	-	-	-
Total Personnel	\$ 35,600	\$ 36,400	\$ 800	2.2%	\$ 35,600	\$ 36,400	\$ 800	2.2%	\$ 438,000	\$ 402,400
Outside Services										
Security	\$ 902	\$ 2,000	\$ 1,098	54.9%	\$ 902	\$ 2,000	\$ 1,098	54.9%	\$ 45,000	\$ 44,098
Repair/Maintenance Services	-	-	-	-	-	-	-	-	-	-
Engine and Transmission Rebuild	8,888	31,600	22,712	71.9%	8,888	31,600	22,712	71.9%	387,000	378,112
Other Outside Services	35,128	46,750	11,622	24.9%	35,128	46,750	11,622	24.9%	758,200	723,072
Purchased Transportation	2,907,138	2,947,484	40,346	1.4%	2,907,138	2,947,484	40,346	1.4%	35,407,000	32,499,862
Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
Total Outside Services	\$ 2,952,056	\$ 3,027,834	\$ 75,778	2.5%	\$ 2,952,056	\$ 3,027,834	\$ 75,778	2.5%	\$ 36,597,200	\$ 33,645,144
Materials & Supplies										
Lubricants	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
Tires	-	-	-	-	-	-	-	-	-	-
Other Materials and Supplies	-	-	-	-	-	-	-	-	-	-
Total Main. Parts and Supplies	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
Energy										
Diesel Fuel	\$ 145,585	\$ 107,680	\$ (37,905)	-35.2%	\$ 145,585	\$ 107,680	\$ (37,905)	-35.2%	\$ 1,294,800	\$ 1,149,215
CNG	253,987	250,561	(3,426)	-1.4%	253,987	250,561	(3,426)	-1.4%	2,968,000	2,714,013
Fuel and Electricity for Facilities	-	-	-	-	-	-	-	-	-	-
Total Energy	\$ 399,572	\$ 358,241	\$ (41,331)	-11.5%	\$ 399,572	\$ 358,241	\$ (41,331)	-11.5%	\$ 4,262,800	\$ 3,863,228
Risk Management										
	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
General and Administrative										
	\$ 464	\$ 1,150	\$ 686	59.7%	\$ 464	\$ 1,150	\$ 686	59.7%	\$ 14,200	\$ 13,736
Vehicle/facility Lease										
	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ 20,000	\$ 20,000
TOTAL EXPENSES	\$ 3,387,692	\$ 3,423,625	\$ 35,933	1.0%	\$ 3,387,692	\$ 3,423,625	\$ 35,933	1.0%	\$ 41,332,200	\$ 37,944,508
Total Revenue Less Total Costs	\$ (2,094,332)	\$ (2,117,625)	\$ 23,293	1.1%	\$ (2,094,332)	\$ (2,117,625)	\$ 23,293	1.1%	\$ (26,132,200)	\$ (24,037,868)
NET SUBSIDY	\$ (2,094,332)	\$ (2,117,625)	\$ 23,293	1.1%	\$ (2,094,332)	\$ (2,117,625)	\$ 23,293	1.1%	\$ (26,132,200)	\$ (24,037,868)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACT SERVICES - PARATRANSIT

COMPARISON TO BUDGET - FY 2005

JULY 31, 2004

(in \$000's)

	MONTH			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 50	\$ 133	\$ (83)	-62.4%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 50	\$ 133	\$ (83)	-62.4%
Subsidy	-	-	-	-
Total Revenue	\$ 50	\$ 133	\$ (83)	-62.4%
Wages	\$ 23	\$ 23	\$ -	0.0%
Fringes	-	-	-	-
Services	38	45	7	15.6%
Purchased Transportation	775	824	49	5.9%
Materials	-	-	-	-
Energy	79	73	(6)	-8.2%
Risk Management	-	9	9	-
General and Administrative	-	-	-	-
Vehicle/Facility Lease	26	14	(12)	-85.7%
Total Costs	\$ 941	\$ 988	\$ 47	4.8%
Total Revenue Less Total Costs	\$ (891)	\$ (855)	\$ (36)	-4.2%
Net Subsidy	\$ (891)	\$ (855)	\$ (36)	-4.2%

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 50	\$ 133	\$ (83)	-62.4%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 50	\$ 133	\$ (83)	-62.4%
Subsidy	-	-	-	-
Total Revenue	\$ 50	\$ 133	\$ (83)	-62.4%
Wages	\$ 23	\$ 23	\$ -	0.0%
Fringes	-	-	-	-
Services	38	45	7	15.6%
Purchased Transportation	775	824	49	5.9%
Materials	-	-	-	-
Energy	79	73	(6)	-8.2%
Risk Management	-	9	9	-
General and Administrative	-	-	-	-
Vehicle/Facility Lease	26	14	(12)	-85.7%
Total Costs	\$ 941	\$ 988	\$ 47	4.8%
Total Revenue Less Total Costs	\$ (891)	\$ (855)	\$ (36)	-4.2%
Net Subsidy	\$ (891)	\$ (855)	\$ (36)	-4.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACT SERVICES - PARATRANSIT

FINANCIAL COMPARISON TO BUDGET ONE MONTH ENDING JULY 31, 2004

FY Month: 1	CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
	ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR	BUDGET	REMAINING
REVENUE										
Passenger Fares	\$ 49,948	\$ 133,100	\$ (83,152)	-62.5%	\$ 49,948	\$ 133,100	\$ (83,152)	-62.5%	\$ 1,640,000	\$ 1,590,052
Advertising	-	-	-	-	-	-	-	-	-	-
Contracted Service Revenue	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	\$ 49,948	\$ 133,100	\$ (83,152)	-62.5%	\$ 49,948	\$ 133,100	\$ (83,152)	-62.5%	\$ 1,640,000	\$ 1,590,052
Subsidy	-	-	-	-	-	-	-	-	-	-
Total Revenue	\$ 49,948	\$ 133,100	\$ (83,152)	-62.5%	\$ 49,948	\$ 133,100	\$ (83,152)	-62.5%	\$ 1,640,000	\$ 1,590,052
EXPENSES										
Personnel										
Wages	\$ 23,000	\$ 23,000	\$ -	0.0%	\$ 23,000	\$ 23,000	\$ -	0.0%	\$ 276,900	\$ 253,900
Fringes	-	-	-	-	-	-	-	-	-	-
Total Personnel	\$ 23,000	\$ 23,000	\$ -	0.0%	\$ 23,000	\$ 23,000	\$ -	0.0%	\$ 276,900	\$ 253,900
Outside Services										
Security	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
Repair/Maintenance Services	-	-	-	-	-	-	-	-	-	-
Engine and Transmission Rebuild	-	-	-	-	-	-	-	-	-	-
Other Outside Services	37,535	44,950	7,415	16.5%	37,535	44,950	7,415	16.5%	561,500	523,965
Purchased Transportation	775,498	824,331	48,833	5.9%	775,498	824,331	48,833	5.9%	9,933,063	9,157,565
Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
Total Outside Services	\$ 813,033	\$ 869,281	\$ 56,248	6.5%	\$ 813,033	\$ 869,281	\$ 56,248	6.5%	\$ 10,494,563	\$ 9,681,530
Materials & Supplies										
Lubricants	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
Tires	-	-	-	-	-	-	-	-	-	-
Other Materials and Supplies	-	-	-	-	-	-	-	-	-	-
Total Main. Parts and Supplies	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
Energy										
Diesel Fuel	\$ 78,510	\$ 72,532	\$ (5,978)	-8.2%	\$ 78,510	\$ 72,532	\$ (5,978)	-8.2%	\$ 870,501	\$ 791,991
CNG	-	-	-	-	-	-	-	-	-	-
Fuel and Electricity for Facilities	-	-	-	-	-	-	-	-	-	-
Total Energy	\$ 78,510	\$ 72,532	\$ (5,978)	-8.2%	\$ 78,510	\$ 72,532	\$ (5,978)	-8.2%	\$ 870,501	\$ 791,991
Risk Management										
	\$ -	\$ 9,078	\$ 9,078	-	\$ -	\$ 9,078	\$ 9,078	-	\$ 108,936	\$ 108,936
General and Administrative										
	\$ 126	\$ 450	\$ 324	72.0%	\$ 126	\$ 450	\$ 324	72.0%	\$ 5,800	\$ 5,674
Vehicle/facility Lease										
	\$ 26,394	\$ 14,300	\$ (12,094)	-84.6%	\$ 26,394	\$ 14,300	\$ (12,094)	-84.6%	\$ 172,200	\$ 145,806
TOTAL EXPENSES	\$ 941,063	\$ 988,641	\$ 47,578	4.8%	\$ 941,063	\$ 988,641	\$ 47,578	4.8%	\$ 11,928,899	\$ 10,987,836
Total Revenue Less Total Costs	\$ (891,115)	\$ (855,541)	\$ (35,574)	-4.2%	\$ (891,115)	\$ (855,541)	\$ (35,574)	-4.2%	\$ (10,288,899)	\$ (9,397,784)
NET SUBSIDY	\$ (891,115)	\$ (855,541)	\$ (35,574)	-4.2%	\$ (891,115)	\$ (855,541)	\$ (35,574)	-4.2%	\$ (10,288,899)	\$ (9,397,784)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CHULA VISTA TRANSIT - CONSOLIDATED TRANSIT

COMPARISON TO BUDGET - FY 2005

JULY 31, 2004

(in \$000's)

	MONTH			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 196	\$ 214	\$ (18)	-8.4%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 196	\$ 214	\$ (18)	-8.4%
Subsidy	310	322	(12)	-3.7%
Total Revenue	\$ 506	\$ 536	\$ (30)	-5.6%
Wages	\$ 42	\$ 52	\$ 10	19.2%
Fringes	-	-	-	-
Services	9	15	6	40.0%
Purchased Transportation	390	407	17	4.2%
Materials	-	-	-	-
Energy	66	60	(6)	-10.0%
Risk Management	-	-	-	-
General and Administrative	-	2	2	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 507	\$ 536	\$ 29	5.4%
Total Revenue Less Total Costs	\$ (1)	\$ -	\$ (1)	100.0%
Net Subsidy	\$ (311)	\$ (322)	\$ 11	3.4%

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 196	\$ 214	\$ (18)	-8.4%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 196	\$ 214	\$ (18)	-8.4%
Subsidy	310	322	(12)	-3.7%
Total Revenue	\$ 506	\$ 536	\$ (30)	-5.6%
Wages	\$ 42	\$ 52	\$ 10	19.2%
Fringes	-	-	-	-
Services	9	15	6	40.0%
Purchased Transportation	390	407	17	4.2%
Materials	-	-	-	-
Energy	66	60	(6)	-10.0%
Risk Management	-	-	-	-
General and Administrative	-	2	2	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 507	\$ 536	\$ 29	5.4%
Total Revenue Less Total Costs	\$ (1)	\$ -	\$ (1)	100.0%
Net Subsidy	\$ (311)	\$ (322)	\$ 11	3.4%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CHULA VISTA TRANSIT - CONSOLIDATED TRANSIT

FINANCIAL COMPARISON TO BUDGET ONE MONTH ENDING JULY 31, 2004

FY Month:	CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
	ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR	BUDGET	REMAINING
REVENUE										
Passenger Fares	\$ 196,400	\$ 213,780	\$ (17,380)	-8.1%	\$ 196,400	\$ 213,780	\$ (17,380)	-8.1%	\$ 2,550,000	\$ 2,353,600
Advertising	-	-	-	-	-	-	-	-	-	-
Contracted Service Revenue	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	\$ 196,400	\$ 213,780	\$ (17,380)	-8.1%	\$ 196,400	\$ 213,780	\$ (17,380)	-8.1%	\$ 2,550,000	\$ 2,353,600
Subsidy	310,311	321,561	(11,250)	-3.5%	310,311	321,561	(11,250)	-3.5%	4,283,240	3,972,929
Total Revenue	\$ 506,711	\$ 535,341	\$ (28,630)	-5.3%	\$ 506,711	\$ 535,341	\$ (28,630)	-5.3%	\$ 6,833,240	\$ 6,326,529
EXPENSES										
Personnel										
Wages	\$ 41,829	\$ 52,236	\$ 10,407	19.9%	\$ 41,829	\$ 52,236	\$ 10,407	19.9%	\$ 668,060	\$ 626,231
Fringes	-	-	-	-	-	-	-	-	-	-
Total Personnel	\$ 41,829	\$ 52,236	\$ 10,407	19.9%	\$ 41,829	\$ 52,236	\$ 10,407	19.9%	\$ 668,060	\$ 626,231
Outside Services										
Security	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
Repair/Maintenance Services	6,772	7,500	728	9.7%	6,772	7,500	728	9.7%	107,584	100,812
Engine and Transmission Rebuild	-	-	-	-	-	-	-	-	113,000	113,000
Other Outside Services	1,715	7,500	5,785	77.1%	1,715	7,500	5,785	77.1%	191,439	189,724
Purchased Transportation	390,048	406,705	16,657	4.1%	390,048	406,705	16,657	4.1%	4,886,623	4,496,575
Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
Total Outside Services	\$ 398,535	\$ 421,705	\$ 23,170	5.5%	\$ 398,535	\$ 421,705	\$ 23,170	5.5%	\$ 5,298,646	\$ 4,900,111
Materials & Supplies										
Lubricants	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
Tires	-	-	-	-	-	-	-	-	-	-
Other Materials and Supplies	-	-	-	-	-	-	-	-	-	-
Total Main. Parts and Supplies	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
Energy										
Diesel Fuel	\$ 11,497	\$ 5,500	\$ (5,997)	-109.0%	\$ 11,497	\$ 5,500	\$ (5,997)	-109.0%	\$ 109,976	\$ 98,479
CNG	46,420	43,800	(2,620)	-6.0%	46,420	43,800	(2,620)	-6.0%	527,624	481,204
Fuel and Electricity for Facilities	8,351	10,600	2,249	21.2%	8,351	10,600	2,249	21.2%	128,046	119,695
Total Energy	\$ 66,268	\$ 59,900	\$ (6,368)	-10.6%	\$ 66,268	\$ 59,900	\$ (6,368)	-10.6%	\$ 765,646	\$ 699,378
Risk Management	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ 62,700	\$ 62,700
General and Administrative	\$ 79	\$ 1,500	\$ 1,421	94.7%	\$ 79	\$ 1,500	\$ 1,421	94.7%	\$ 38,188	\$ 38,109
Vehicle/facility Lease	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
TOTAL EXPENSES	\$ 506,711	\$ 535,341	\$ 28,630	5.3%	\$ 506,711	\$ 535,341	\$ 28,630	5.3%	\$ 6,833,240	\$ 6,326,529
Total Revenue Less Total Costs	\$ 0	\$ -	\$ 0	-	\$ 0	\$ -	\$ 0	-	\$ -	\$ (0)
NET SUBSIDY	\$ (310,311)	\$ (321,561)	\$ 11,250	3.5%	\$ (310,311)	\$ (321,561)	\$ 11,250	3.5%	\$ (4,283,240)	\$ (3,972,929)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

NATIONAL CITY TRANSIT

COMPARISON TO BUDGET - FY 2005

JULY 31, 2004

(in \$000's)

	MONTH			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 105	\$ 115	\$ (10)	-8.7%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 105	\$ 115	\$ (10)	-8.7%
Subsidy	59	90	(31)	-34.4%
Total Revenue	\$ 164	\$ 205	\$ (41)	-20.0%
Wages	\$ 92	\$ 94	\$ 2	2.1%
Fringes	26	26	-	0.0%
Services	17	21	4	19.0%
Purchased Transportation	-	-	-	-
Materials	1	14	13	92.9%
Energy	-	18	18	-
Risk Management	31	30	(1)	-3.3%
General and Administrative	1	2	1	50.0%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 168	\$ 205	\$ 37	18.0%
Total Revenue Less Total Costs	\$ (4)	\$ -	\$ (4)	100.0%
Net Subsidy	\$ (63)	\$ (90)	\$ 27	30.0%

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 105	\$ 115	\$ (10)	-8.7%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 105	\$ 115	\$ (10)	-8.7%
Subsidy	59	90	(31)	-34.4%
Total Revenue	\$ 164	\$ 205	\$ (41)	-20.0%
Wages	\$ 92	\$ 94	\$ 2	2.1%
Fringes	26	26	-	0.0%
Services	17	21	4	19.0%
Purchased Transportation	-	-	-	-
Materials	1	14	13	92.9%
Energy	-	18	18	-
Risk Management	31	30	(1)	-3.3%
General and Administrative	1	2	1	50.0%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 168	\$ 205	\$ 37	18.0%
Total Revenue Less Total Costs	\$ (4)	\$ -	\$ (4)	100.0%
Net Subsidy	\$ (63)	\$ (90)	\$ 27	30.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

NATIONAL CITY TRANSIT

FINANCIAL COMPARISON TO BUDGET ONE MONTH ENDING JULY 31, 2004

FY Month:	CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
	ACTUAL	BUDGET	VARIANCE	% VAR	ACTUAL	BUDGET	VARIANCE	% VAR	BUDGET	REMAINING
REVENUE										
Passenger Fares	\$ 104,818	\$ 114,583	\$ (9,765)	-8.5%	\$ 104,818	\$ 114,583	\$ (9,765)	-8.5%	\$ 1,375,000	\$ 1,270,182
Advertising	-	-	-	-	-	-	-	-	-	-
Contracted Service Revenue	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	\$ 104,818	\$ 114,583	\$ (9,765)	-8.5%	\$ 104,818	\$ 114,583	\$ (9,765)	-8.5%	\$ 1,375,000	\$ 1,270,182
Subsidy	58,627	89,500	(30,873)	-34.5%	58,627	89,500	(30,873)	-34.5%	1,380,016	1,321,389
Total Revenue	\$ 163,445	\$ 204,084	\$ (40,638)	-19.9%	\$ 163,445	\$ 204,084	\$ (40,638)	-19.9%	\$ 2,755,016	\$ 2,591,571
EXPENSES										
<u>Personnel</u>										
Wages	\$ 92,405	\$ 94,000	\$ 1,595	1.7%	\$ 92,405	\$ 94,000	\$ 1,595	1.7%	\$ 1,128,000	\$ 1,035,595
Fringes	25,614	25,833	219	0.8%	25,614	25,833	219	0.8%	310,000	284,386
Total Personnel	\$ 118,019	\$ 119,833	\$ 1,815	1.5%	\$ 118,019	\$ 119,833	\$ 1,815	1.5%	\$ 1,438,000	\$ 1,319,981
<u>Outside Services</u>										
Security	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ 10,000	\$ 10,000
Repair/Maintenance Services	-	1,000	1,000	-	-	1,000	1,000	-	70,000	70,000
Engine and Transmission Rebuild	-	-	-	-	-	-	-	-	-	-
Other Outside Services	16,893	20,000	3,107	15.5%	16,893	20,000	3,107	15.5%	478,000	461,107
Purchased Transportation	-	-	-	-	-	-	-	-	-	-
Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
Total Outside Services	\$ 16,893	\$ 21,000	\$ 4,107	19.6%	\$ 16,893	\$ 21,000	\$ 4,107	19.6%	\$ 558,000	\$ 541,107
<u>Materials & Supplies</u>										
Lubricants	\$ -	\$ 1,000	\$ 1,000	-	\$ -	\$ 1,000	\$ 1,000	-	\$ 12,000	\$ 12,000
Tires	-	2,167	2,167	-	-	2,167	2,167	-	26,000	26,000
Other Materials and Supplies	1,271	10,833	9,562	88.3%	1,271	10,833	9,562	88.3%	130,000	128,729
Total Main. Parts and Supplies	\$ 1,271	\$ 14,000	\$ 12,729	90.9%	\$ 1,271	\$ 14,000	\$ 12,729	90.9%	\$ 168,000	\$ 166,729
<u>Energy</u>										
Diesel Fuel	\$ 469	\$ 14,208	\$ 13,739	96.7%	\$ 469	\$ 14,208	\$ 13,739	96.7%	\$ 170,500	\$ 170,031
CNG	-	188	188	-	-	188	188	-	2,250	2,250
Fuel and Electricity for Facilities	-	3,188	3,188	-	-	3,188	3,188	-	38,250	38,250
Total Energy	\$ 469	\$ 17,583	\$ 17,114	97.3%	\$ 469	\$ 17,583	\$ 17,114	97.3%	\$ 211,000	\$ 210,531
<u>Risk Management</u>										
	\$ 31,465	\$ 30,000	\$ (1,465)	-4.9%	\$ 31,465	\$ 30,000	\$ (1,465)	-4.9%	\$ 360,000	\$ 328,535
<u>General and Administrative</u>										
	\$ 1,436	\$ 1,667	\$ 231	13.9%	\$ 1,436	\$ 1,667	\$ 231	13.9%	\$ 20,000	\$ 18,564
<u>Vehicle/facility Lease</u>										
	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ 16	\$ 16
TOTAL EXPENSES	\$ 169,553	\$ 204,084	\$ 34,531	16.9%	\$ 169,553	\$ 204,084	\$ 34,531	16.9%	\$ 2,755,016	\$ 2,585,464
Total Revenue Less Total Costs	\$ (6,107)	\$ -	\$ (6,107)	-	\$ (6,107)	\$ -	\$ (6,107)	-	\$ -	\$ 6,107
NET SUBSIDY	\$ (64,734)	\$ (89,500)	\$ 24,766	27.7%	\$ (64,734)	\$ (89,500)	\$ 24,766	27.7%	\$ (1,380,016)	\$ (1,315,282)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CORONADO FERRY

COMPARISON TO BUDGET - FY 2005

JULY 31, 2004

(in \$000's)

	MONTH			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Subsidy	-	-	-	-
Total Revenue	\$ -	\$ -	\$ -	-
Wages	\$ -	\$ -	\$ -	-
Fringes	-	-	-	-
Services	-	-	-	-
Purchased Transportation	11	11	-	0.0%
Materials	-	-	-	-
Energy	-	-	-	-
Risk Management	-	-	-	-
General and Administrative	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 11	\$ 11	\$ -	0.0%
Total Revenue Less Total Costs	\$ (11)	\$ (11)	\$ -	0.0%
Net Subsidy	\$ (11)	\$ (11)	\$ -	0.0%

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Subsidy	-	-	-	-
Total Revenue	\$ -	\$ -	\$ -	-
Wages	\$ -	\$ -	\$ -	-
Fringes	-	-	-	-
Services	-	-	-	-
Purchased Transportation	11	11	-	0.0%
Materials	-	-	-	-
Energy	-	-	-	-
Risk Management	-	-	-	-
General and Administrative	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 11	\$ 11	\$ -	0.0%
Total Revenue Less Total Costs	\$ (11)	\$ (11)	\$ -	0.0%
Net Subsidy	\$ (11)	\$ (11)	\$ -	0.0%

FINANCIAL COMPARISON TO BUDGET
ONE MONTH ENDING JULY 31, 2004

A-17

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Fiscal Year 2005

Energy Impact on Operations

Average annual cost per \$0.01 increase in price

Diesel	CNG
34,360	74,720

Annual budgetary impact (increased cost) at annual average prices

Diesel		CNG	
Average Annual Price	Annual Budgetary Impact	Average Annual Price	Annual Budgetary Impact
1.10	-	0.90	-
1.15	171,800	0.92	149,400
1.20	343,600	0.94	298,900
1.25	515,400	0.96	448,300
1.30	687,200	0.98	597,800
1.35	859,000	1.00	747,200
1.40	1,030,800	1.02	896,700
1.45	1,202,500	1.04	1,046,100
1.50	1,374,300	1.06	1,195,500
1.55	1,546,100	1.08	1,345,000
1.60	1,717,900	1.10	1,494,400

* Note: July 2004 average diesel price (\$1.463) and average CNG price (\$1.000)

** Budget rates for Diesel and CNG are \$1.10 and \$0.90 respectively



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Agenda

Item No. 34

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

FIN 310 (PC 30100)

October 28, 2004

Subject:

MTDB: CAPITAL IMPROVEMENT PROGRAM BUDGET ADJUSTMENT

RECOMMENDATION:

That the Board of Directors forward a recommendation to the San Diego Association of Governments' (SANDAG's) Transportation Committee to approve the reprogramming of existing Federal Transit Administration (FTA) grants to apply them toward indicated priority projects.

Budget Impact

None with the indicated recommendation. Funding is already programmed.

DISCUSSION:

The FTA performs a triennial audit of all transit agencies that receive federal funding. The FTA completed the most recent audit in July 2004 and submitted a series of findings as part of the process. Finding No. 3 indicated that MTDB has approximately 27 open grants varying in age (eight to ten years). Many of the grants contained residual amounts from projects that have been completed, but were never closed out as part of the grants management process.

Part of the FTA's recommended Corrective Action Plan included an internal review of various grants to determine the extent to which funds could be utilized in other categories for priority projects that were either not previously funded or required supplemental funding to accelerate completion.



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.

Our initial review of existing grants has determined that there appears to be a total of \$1,210,639 from completed projects that qualifies for reprogramming. Three of the specific projects that have been identified to receive the reprogrammed funds are as follows:

<u>Project</u>	<u>Funding Level</u>
1. U-2 Light Rail Vehicle Traction Motor Replacement.....	\$ 358,145
2. U-2 Car Body Repair/Repainting.....	\$ 380,000
3. Mills Building Office Renovations.....	\$ 250,000
Total:	\$ 988,145

These are high-priority projects that should move forward as soon as possible. The balance of remaining funds amounts to approximately \$222,494. The residual amount, as indicated, will be applied toward additional priority projects including the Comprehensive Operational Analysis (COA). Approximately \$400,000 in additional funds is needed for the COA. SANDAG has received notification of the receipt of a Federal State Partnership Planning Grant in the amount of \$240,000 for this project. The \$60,000 (20%) match requirement may be in-kind or in cash. Staff is working to determine the best way to match these funds. This in turn will impact the amount remaining to be reprogrammed from the above balance from old FTA grants for the COA. We anticipate that we will come back to the MTD Board at the November Board meeting with final amounts for the transfer.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Susan Brown, 619.699.1913, sbr@sandag.org

JGarde
OCT28-04.34.SBROWN
10/20/04



Metropolitan Transit System

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Agenda

Item No. 35

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

OPS 920.1, 960.5
OPS 970.5 (PC 30101)
(PC 30102, 30103)

October 28, 2004

Subject:

MTS: OPERATIONS STATUS REPORTS FOR AUGUST 2004

RECOMMENDATION:

That the Board of Directors receive the August 2004 operation status reports for San Diego Transit Corporation (SDTC) (Attachment A), San Diego Trolley, Inc. (SDTI) (Attachment B), and Metropolitan Transit System (MTS) Contract Services (Attachment C).

Budget Impact

None at this time.

DISCUSSION:

These reports are designed to provide a snapshot of SDTC's, SDTI's, and MTS Contract Services' performances for August 2004. This report will address operating performance trends.

Paul C. Jablonski
Chief Executive Officer

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

JGarde/OCT28.04.35.SHAFNER/10-18-04

Attachments: A. SDTC's Operations Status Report
B. SDTI's Operations Status Report
C. MTS Contract Services' Operations Status Report

Board Only



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

This report about the status of San Diego Transit Corporation (SDTC) operations through August 2004 provides an overview of service quality based on various performance indicators and a discussion of ridership and productivity.

SERVICE QUALITY

Service Reliability

The trip completion rate for August 2004 was 99.63 percent. This result represents a slight increase over July (99.60 percent) and a continuation of the improvement trend that began during the last half of FY 2004 due largely to increased bus availability.

Schedule Adherence

Recent improvements in system on-time performance have stabilized, with late departures remaining unchanged at 14.3% from July to August. However, an increase in the reported level of early departures caused the overall on-time performance rate to decline from 83.1 percent to 82.2 percent. This result is likely due to sampling variance and should be considered minor given month-to-month fluctuations.

A further step in improvement is expected in January when the results of the second round of adjustments associated with SDTC's new comprehensive Ride Check Program will be implemented. These changes will correct consistently late weekend trips.

Customer Service

Total customer complaints increased slightly from 21.67 per 100,000 passengers in July to 22.46 per 100,000 passengers in August. The rates for both months in FY 2005 showed significant declines from the year earlier period. Total complaints by month are presented on page A-3. Note that with this report, total customer complaints are reported, whereas previous reports have included only operator-related customer complaints.

System Safety

In August, SDTC experienced a total collision accident rate of 2.08 per 100,000 miles, down substantially from the rate of 2.74 per 100,000 miles in July. The trend continues downward from the rate of 3.75 in FY 2004. Page A-4 provides monthly data on accident rates.

RIDERSHIP AND PRODUCTIVITY

Ridership

Total system ridership was 1,995,070 in August, a 6.1 percent decline when compared to the same month in 2003. When adjusted for the truncation of Route 34 from downtown San Diego to Old Town, which became effective on February 1, 2004, the rate of decline was 5.3 percent. MTS's new Planning and Performance Monitoring Department is evaluating ridership trends to determine the causes not already identified (primarily adjustments in the level of service provided and the impacts of fare increases at the beginning of the last two fiscal years). Ridership trends by route and fare component are presented on page A-5.

Productivity

The number of passengers carried per revenue mile of service decreased from 2.42 in July to 2.28 in August, and the number of passengers carried per revenue hour decreased from 29.10 to 27.61. Despite the ridership decline previously reported, these results appear to be more influenced by increases in the revenue miles and hours between the two months caused by such phenomena as the difference in the numbers of weekdays of service, the increase in the number of trips completed, and the Chargers Express service provided for two home games in August. Monthly trends of these rates on a year-to-date basis over the past three years are presented on page A-6.

SDTC also tracks two cost-effectiveness measures: (1) the farebox recovery ratio (the percentage of costs recovered from farebox receipts), and (2) the subsidy amount per passenger served. The results for FY 2004 for these measures will be presented in the next report when the data will be available.

PREVENTIVE MAINTENANCE PROGRAM

The Preventive Maintenance (PM) Program began on January 7, 2004; it is a comprehensive overhaul program where buses are removed from service and thoroughly inspected for all mechanical and cosmetic deficiencies. These deficiencies are completely repaired prior to the bus being returned to service.

As of October 19, 2004, SDTC had completed 185 buses (68 percent of the fleet). The anticipated completion date of the PM Program is December 31, 2004.

Mean Distance Between Service Interruptions

The National Transit Database (NTD) requires a report of revenue vehicle system failures. Per the NTD, a revenue vehicle system failure (RVSF) is defined as a vehicle system failure that is mechanical and that affects the vehicle as follows:

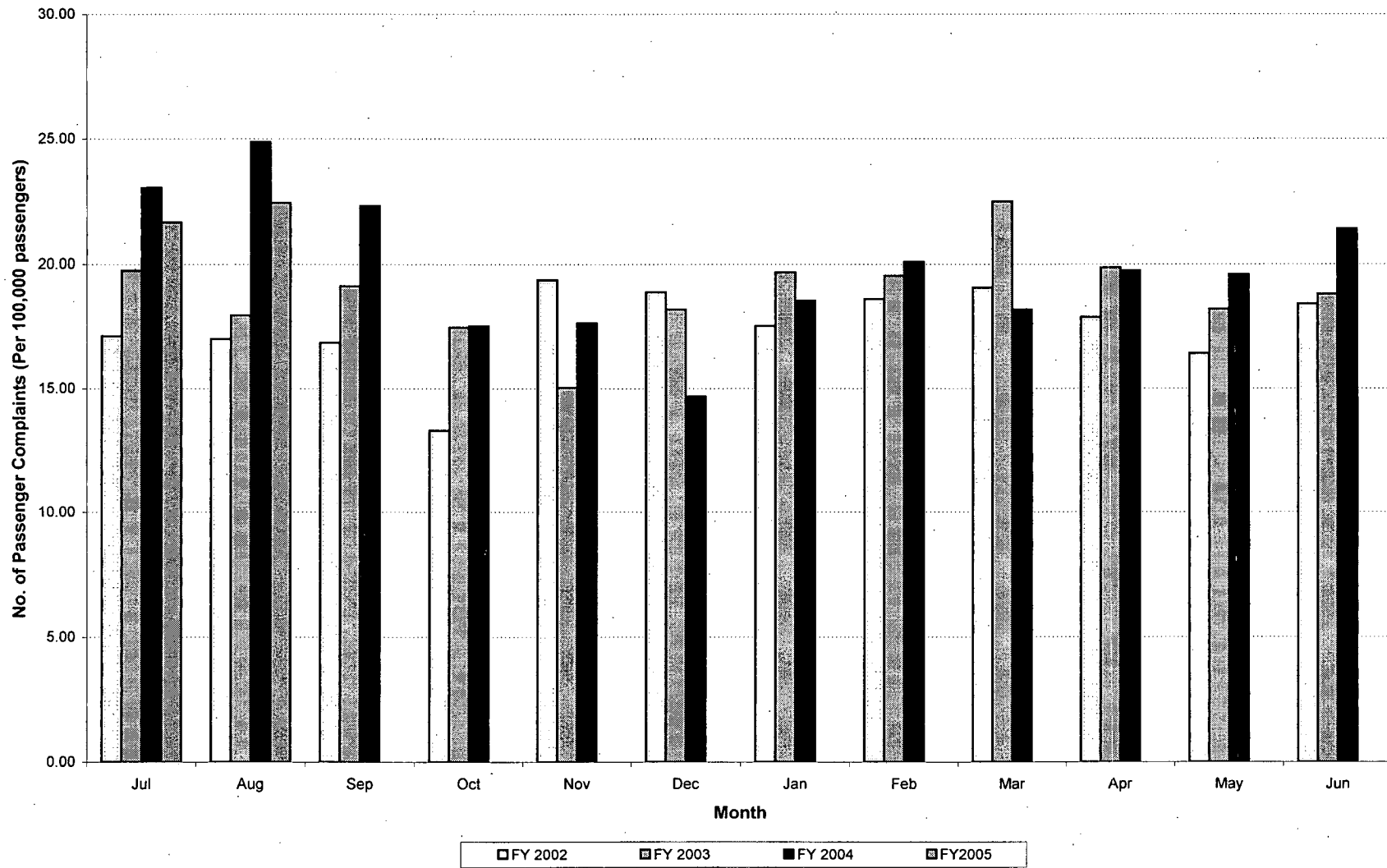
- The vehicle does not complete its scheduled revenue trip; or
- The vehicle does not start its next scheduled revenue trip.

The NTD requires an annual report of RVSFs. SDTC is following these guidelines and equates NTD's definition of RVSFs to service interruptions that impact our customers. Since August 1, 2004, our Mean Distance Between Service Interruptions (MDBSI) reporting structure easily accomplishes that reporting goal by ongoing data distinction. A service interruption is defined as a failure of some mechanical element of the revenue vehicle (bus) that prevents the vehicle from completing a scheduled revenue trip or from starting the next scheduled revenue trip. In other words, a service interruption will result if service to our customers or a schedule is impacted. A bus exchange due to a mechanical system failure is not recorded as a service interruption if it occurs at a layover point or while deadheading and does not impact our customers or schedules. In the month of August, SDTC had 76 service interruptions; the MDBSI was 13,751 miles.

Mean Distance Between Failures (MDBF)

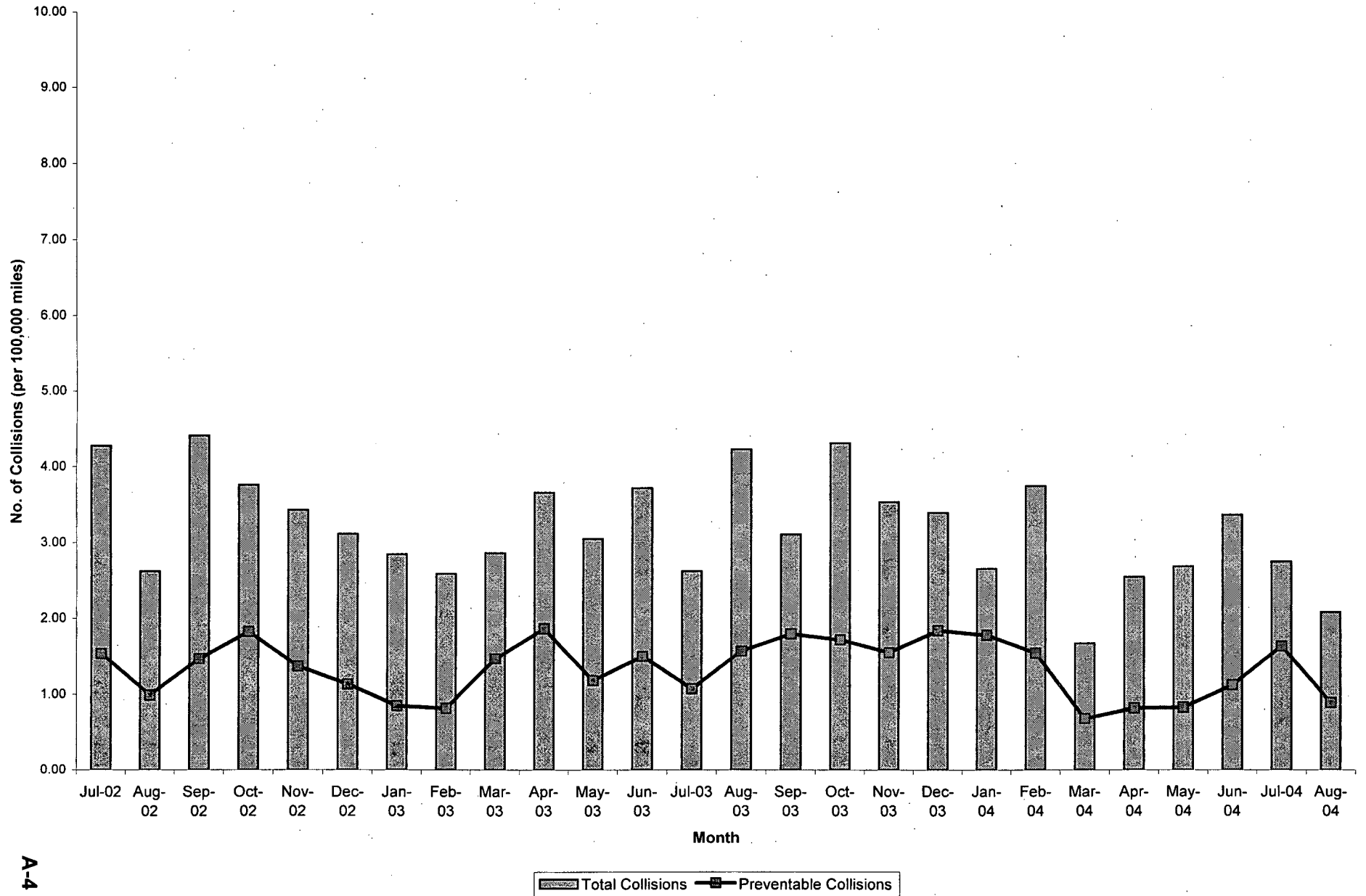
In the month of August, SDTC's fleet had 191 failures (includes both service interruption and non-service interruption-type failures). This equates to an MDBF of 5,472 miles. In contrast, the MDBF for buses that had been through the PM Program was 6,922 miles, and the MDBF for non-PM Program buses was 4,233 miles. August's MDBF of 5,472 miles declined from July's 5,616 miles.

SDTC Total Passenger Complaints (FY2002 - Present)



Attachment A

SDTC Summary of Collision Accidents: FY2003 - Present



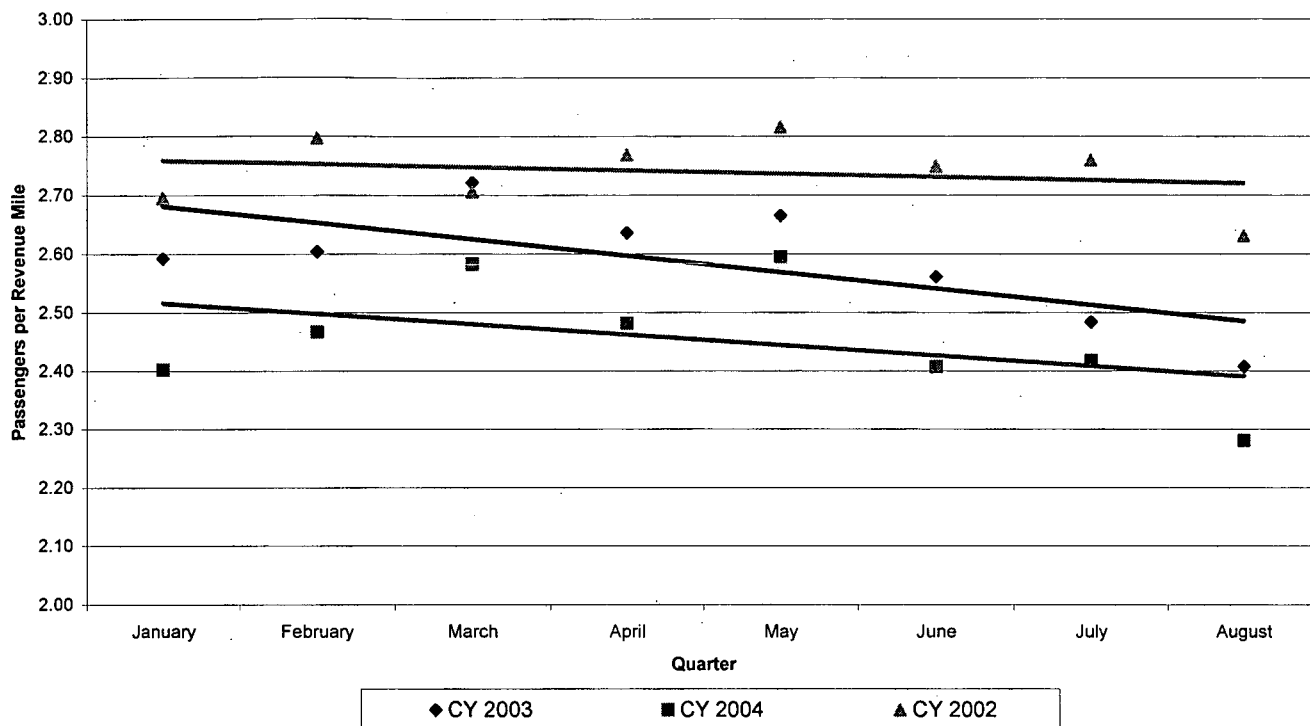
Route	Description	Month			Fiscal Year		
		Aug-04	Aug-03	Change	FY 2005	FY 2004	Change
1	Downtown/EI Cajon	72,030	75,096	-4.1%	143,260	148,315	-3.4%
2	Downtown/University Heights	134,049	150,497	-10.9%	270,700	300,442	-9.9%
3	Mission Hills, Euclid Ave	116,872	124,144	-5.9%	242,645	251,469	-3.5%
4	Downtown/Lomita Village	57,045	73,476	-22.4%	121,946	158,163	-22.9%
5	UTC/College Grove	77,567	93,088	-16.7%	171,508	192,115	-10.7%
6	Old Town/North Park/32nd & Harbor	64,527	64,819	-0.5%	131,727	124,894	5.5%
7	Downtown/La Mesa	264,090	298,331	-11.5%	527,964	618,727	-14.7%
9	Old Town/Pacific Beach	43,727	48,061	-9.0%	88,080	97,984	-10.1%
11	SDSU/Skyline Hills	185,801	185,919	-0.1%	384,785	383,936	0.2%
13	Fashion Valley/Euclid Ave	49,188	49,866	-1.4%	97,788	105,564	-7.4%
15	Downtown/EI Cajon	103,570	104,867	-1.2%	207,901	214,830	-3.2%
16	Hillcrest/Euclid Ave	34,812	41,714	-16.5%	71,775	87,524	-18.0%
20	Downtown/North County Fair	99,681	103,822	-4.0%	204,343	209,861	-2.6%
25	Downtown/Clairemont	69,481	76,991	-9.8%	143,326	154,521	-7.2%
26	Old Town/Point Loma	22,425	35,383	-36.6%	47,097	70,458	-33.2%
27	Fashion Valley/Clairemont Mesa	36,290	43,513	-16.6%	73,706	91,113	-19.1%
28	Old Town/Point Loma	23,771	14,694	61.8%	49,459	29,682	66.6%
30	Downtown/Scripps Ranch	67,152	64,829	3.6%	133,849	131,296	1.9%
34	Downtown/UCSD	145,174	171,954	-15.6%	296,599	350,974	-15.5%
35	Old Town/Ocean Beach	57,854	42,095	37.4%	108,748	84,800	28.2%
40	Downtown/Fletcher Hills	3,362	2,748	22.3%	6,873	6,209	10.7%
41	La Jolla/Fashion Valley	81,335	73,575	10.5%	162,961	156,326	4.2%
44	Old Town/Clairemont	41,381	46,797	-11.6%	89,788	99,880	-10.1%
50	Downtown/UTC	22,059	25,477	-13.4%	44,727	53,312	-16.1%
51	Trolley		n/a		8,133		n/a
70	Downtown/69th & University Ave	4,290	7,118	-39.7%	8,494	16,637	-48.9%
72	Special Events - Padres		71	n/a		341	n/a
73	Special Events - Chargers	2,580	2194	n/a	2,580	2,194	n/a
75	Special Events - Charter	396		n/a	396		n/a
76	Marketing	157	195	n/a	991	200	n/a
77	Coaster			n/a			n/a
81	Old Town/Grossmont Trolley	36,842	28,722	28.3%	72,301	58,995	22.6%
115	Downtown/EI Cajon	61,070	55,717	9.6%	121,226	113,161	7.1%
150	Downtown/UTC	11,275	14,097	-20.0%	21,859	26,884	-18.7%
210	Downtown/Mira Mesa	5,217	4,984	4.7%	9,920	9,742	1.8%
System Total		1,995,070	2,124,854	-6.1%	4,067,455	4,350,549	-6.5%
*	System Total Without Special Routes	1,991,937	2,122,394	-6.1%	4,055,355	4,347,814	-6.7%
*	System Total Without Special Routes and Rte 34	1,846,763	1,950,440	-5.3%	3,758,756	3,996,840	-6.0%

Fare Component	Month			Fiscal Year to Date		
	Aug-04	Aug-03	Change	FY 2005	FY 2004	Change
S and D Pass	570,162	605,884	-5.9%	1,155,429	1,221,482	-5.4%
Ready Pass	429,856	447,919	-4.0%	864,404	908,148	-4.8%
Adult Cash	358,181	394,815	-9.3%	706,937	794,529	-11.0%
Transfers	330,415	372,751	-11.4%	663,273	748,765	-11.4%
Youth Pass	99,393	97,649	1.8%	243,748	256,967	-5.1%
Free	92,848	90,881	2.2%	196,580	185,175	6.2%
Day Pass	59,936	58,345	2.7%	122,521	120,607	1.6%
S and D Cash	43,212	42,118	2.6%	90,286	85,065	6.1%
Tokens	10,003	12,683	-21.1%	22,769	27,391	-16.9%
Tickets	1,064	712	49.4%	1,508	1,323	14.0%
System Total	1,995,070	2,123,757	-6.1%	4,067,455	4,349,452	-6.5%
System Total Without Special Routes	1,991,937	2,122,394	-6.1%	4,055,355	4,347,814	-6.7%
System Total Without Special Routes and Rte 34	1,846,763	1,950,440	-5.3%	3,758,756	3,996,840	-6.0%

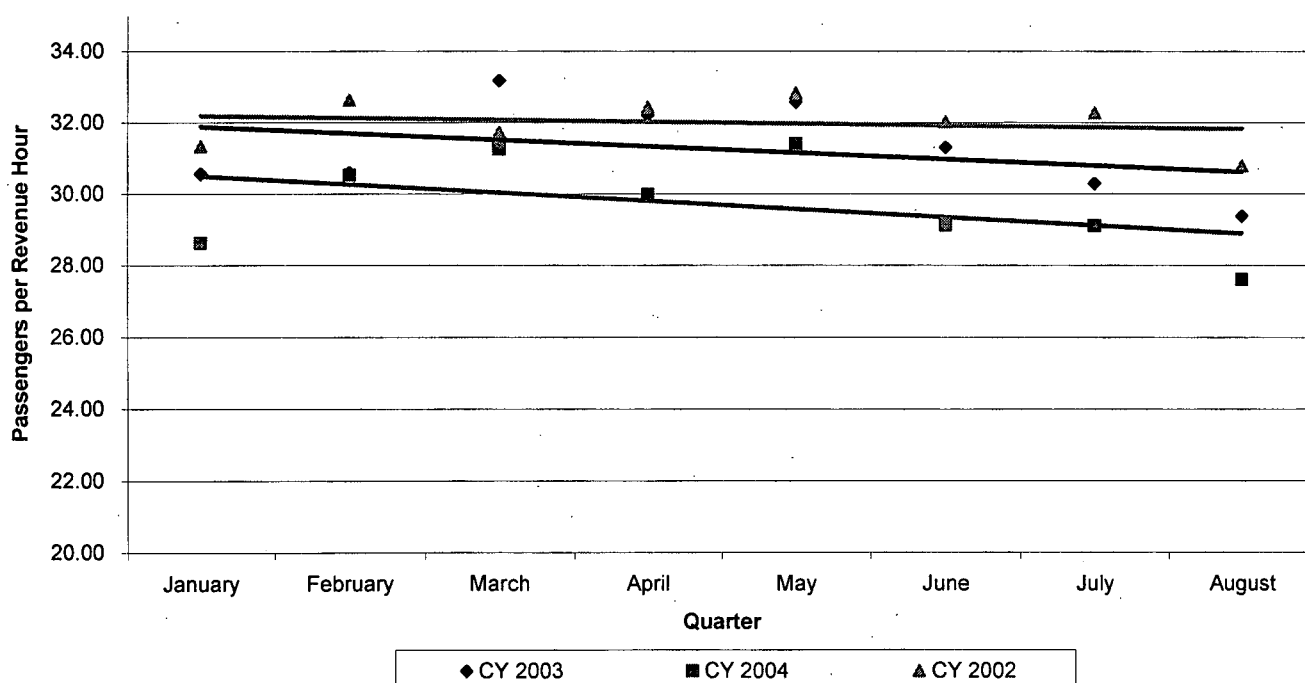
A-5

SDTC Service Effectiveness

SDTC Passengers Per Revenue Mile



SDTC Passengers Per Revenue Hour



Schedule E

AUGUST 2004
SDTC MDBF REPORT
(Mean Distance Between Failure)

Total Miles:	1,045,102	
Non-PM Miles:		435,959
PM Miles:		609,143
 Total Failures ¹ :	 191	
Non-PM:		103
PMs:		88
 MDBF:	 5,472	
Non-PM MDBF:		4,233
PM MDBF:		6,922

¹ A Failure is defined as the failure of some mechanical element of a bus, regardless of whether it results in a service interruption to our customers. Failures are responded to by the Maintenance Department and by stand-by Operators. Standards were tightened in January 2004 by Claire Spielberg in an effort to get a more clearly defined synopsis of San Diego Transit's fleet.

Schedule F

AUGUST 2004
SDTC MDBSI REPORT
(Mean Distance Between Service Interruptions)

Total Miles:	1,045,102	
Non-PM Miles:		435,959
PM Miles:		609,143
 Total Service Interruptions ² :	 76	
Non-PM:		33
PM:		43
 MDBSI:	 13,751	
Non-PM MDBSI:		13,211
PM MDBSI:		14,166

²Service Interruptions are defined as the failure of some mechanical element of the revenue vehicle (bus) that prevents the vehicle from completing a scheduled revenue trip or from starting the next scheduled revenue trip. In other words, a Service Interruption will result if service to our customers or a schedule is impacted.

SAN DIEGO TROLLEY, INC.

TRANSPORTATION DEPARTMENT SUMMARY

RIDERSHIP

During the month of August, according to statistical information provided by the San Diego Association of Governments (SANDAG), average daily ridership was fixed at 88,118. This represents an increase of 1.1% in comparison to July (88,118 vs. 87,186). Ridership increased on weekdays (+281) and Saturdays (+15,678), but decreased on Sundays (-10,745). Additionally, the average weekday ridership was fixed at 93,792.

When the current total monthly ridership level is compared with the same reporting period last fiscal year (2,731,675 vs. 2,122,004), an increase of 28.7% is realized.

Note: In August there were 13 Padres home games played, as opposed to 16 during the month of July. The top 50 all-time highest daily ridership was achieved twice due to Street Scene ridership, 211,875 on Friday, August 27, and 130,164 on Saturday, August 28.

SPECIAL EVENT SERVICE

Padres Baseball

During the month of August, SDTI provided service to 13 Padres home games at PETCO Park. At this point in the season, game attendance is up 59% (2,216,226 vs. 1,392,302) and ridership is up 292% (499,424 vs. 127,419), representing 22.5% of the gate when compared to the same period last year. Revenue from manual ticket sales also increased 390% (\$977,464 vs. \$199,558) when compared to the same period last year.

Chargers Preseason Football

The San Diego Chargers played two exhibition games at Qualcomm Stadium during the month of August. Total game attendance was 68,640 and ridership was 7,951, representing 11.6% of the gate. In comparison to the first two pre-season games of 2003, attendance is down 24.5% and ridership is down 36.3%. Revenue collected at the ticket booth was down 43% (\$19,426 vs. 34,015 in 2003).

Street Scene 2004

Street Scene was held on Friday and Saturday, August 27-28, 2004, in the three large parking lots just east of PETCO Park. Attendance for this annual two-day music festival was estimated at just over 100,000. Additionally, corresponding ridership was estimated at 31,951, or 31.5% of the gate. A detailed post-event report was presented at the October 7, 2004, Board meeting.

PERFORMANCE

During the month of August, there were 10,316 regular train trips scheduled and 10,313 were operated, representing a schedule adherence of 99.9%. Of the trips operated, 678 trains were delayed in excess of five minutes. Excluding contractor-related delays and those associated with multiple wheelchair use, the adjusted number of late trains was 161 with an on-time performance level of 98.4%. See *Monthly Performance Statistics* report for the month of August (A-3).

ACCIDENTS

LRV/Truck/Automobile: Total = 2

On August 22, 2004, at 3:29 p.m., a motorist traveling east on C Street, in downtown San Diego, made an abrupt left turn and was struck by eastbound Train No. 10 at the intersection of First Avenue and C Street. No injuries were reported and only minor damage was sustained by the automobile and the light rail vehicle (LRV). The accident was considered to be unavoidable.

On August 30, 2004, at 5:55 p.m., a motorist failed to stop at a stop sign and was struck by eastbound Train No. 56 at the intersection of State and C Streets. No injuries were reported. The automobile suffered considerable damage during the collision; however, LRV 2006 sustained only minor damage. The accident was considered to be unavoidable.

LRV/Pedestrian: Total = 0

LRV/Other: Total = 0

Personal Injuries/Medical Problems: Total = 23

Of the 23 injuries reported, 13 were slips, trips, falls, or other injuries occurring on trains or transit property. There were five incidents involving a personal medical problem that was not trolley-related and five incidents involving SDTI employee or security officer injuries.

Summary

During FY 2005 (commencing July 1, 2004) there have been 485,150 train miles operated. The total number of accidents in this fiscal year to date is three, representing 0.61 accidents per 100,000 miles operated.

LIFT SERVICE

In August, there were 7,085 wheelchairs carried compared to 7,138 in July. During the August reporting period, there were three failures (0.04 of total uses) and 245 delays due to excessive boarding/deboarding time involving multiple wheelchairs. In August, 144 wheelchair passengers were bypassed due to insufficient room on board. There were four consecutive bypasses.

SAN DIEGO TROLLEY, INC.

LRV MAINTENANCE DEPARTMENT SUMMARY

LIGHT RAIL VEHICLES

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

	<u>Actual</u>	<u>Goal</u>
Car Miles Between Service Failures	47,361	46,556

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

- Seven electronic failures.
- One disc brake problem.
- Five main breaker problems.
- One blower failure.

Miscellaneous Other Activity

The following miscellaneous activities occurred during the month of August:

- Monthly safety classes were held involving all LRV personnel.
- LRV in-house training classes I, III, and IV began this month.
- The SD100 LRV sanding/buffing program continues.
- LRV Painting Program
- The LRV painting contract resumed in August, with LRV 1057 scheduled as the first car to receive full paint and body restoration. The total number of LRVs painted to date is 25.

SAN DIEGO TROLLEY, INC.

WAYSIDE MAINTENANCE DEPARTMENT SUMMARY

WAYSIDE/SIGNALS

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

- Monthly public address system inspection was completed and repairs made.
- Substation inspections and preventative maintenance were completed.
- Station lighting was inspected and repairs were made.
- Weekly safety meetings were held for all shifts.

R. J. DONOVAN WAYSIDE CREW

- Performed weed abatement at two locations on the Orange Line.

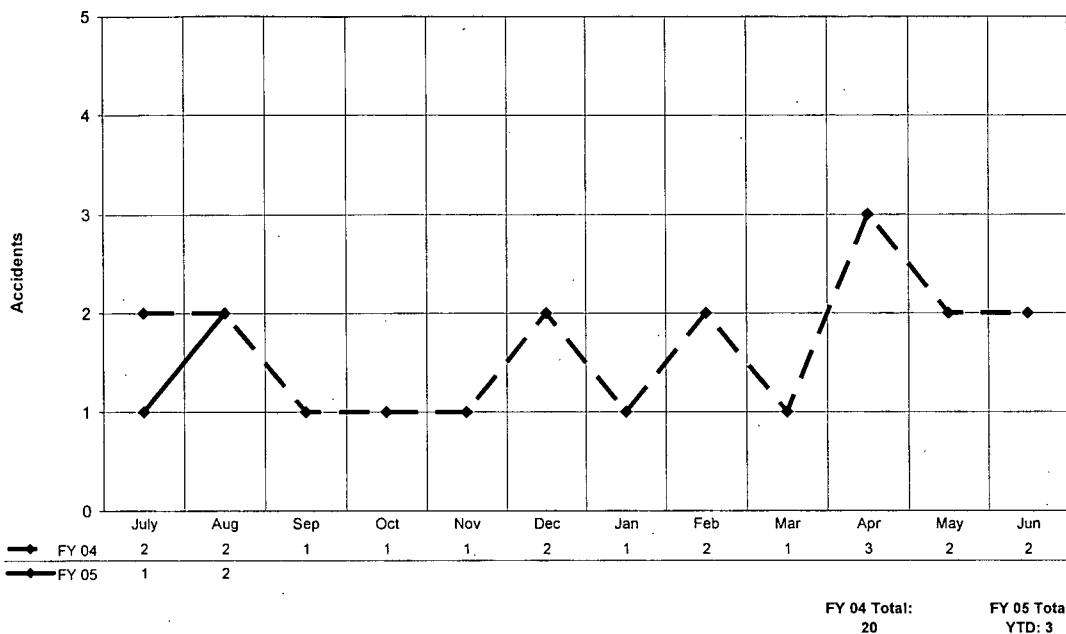
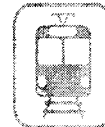
TRACK

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

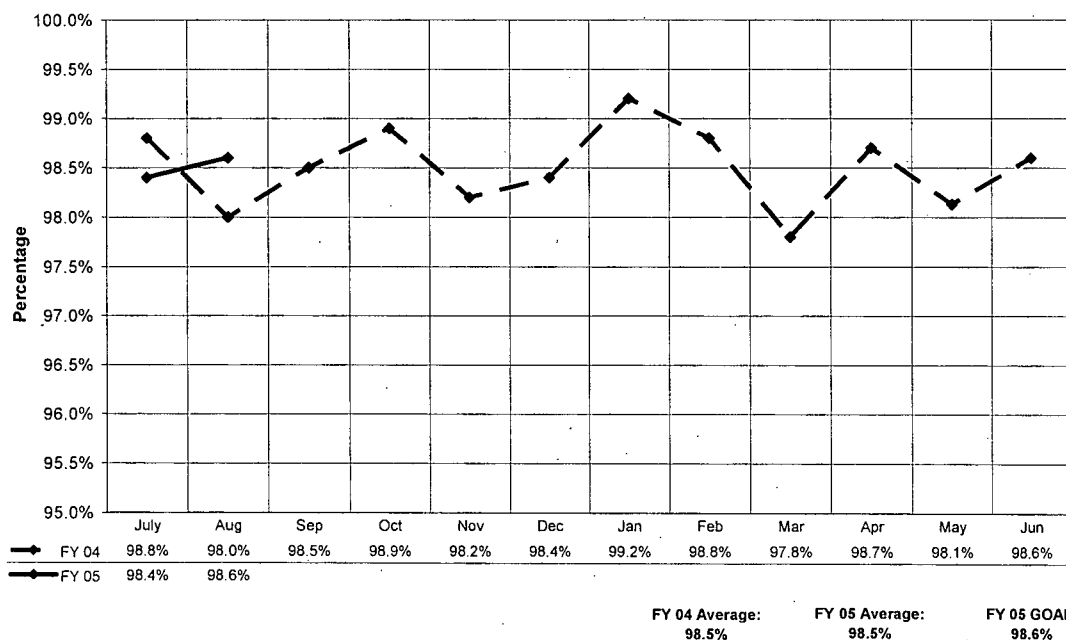
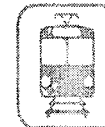
- A total of six crossties were replaced.
- Switch frogs were welded by a contractor at various locations.



San Diego Trolley Transportation Department LRV/Auto/Pedestrian Accidents

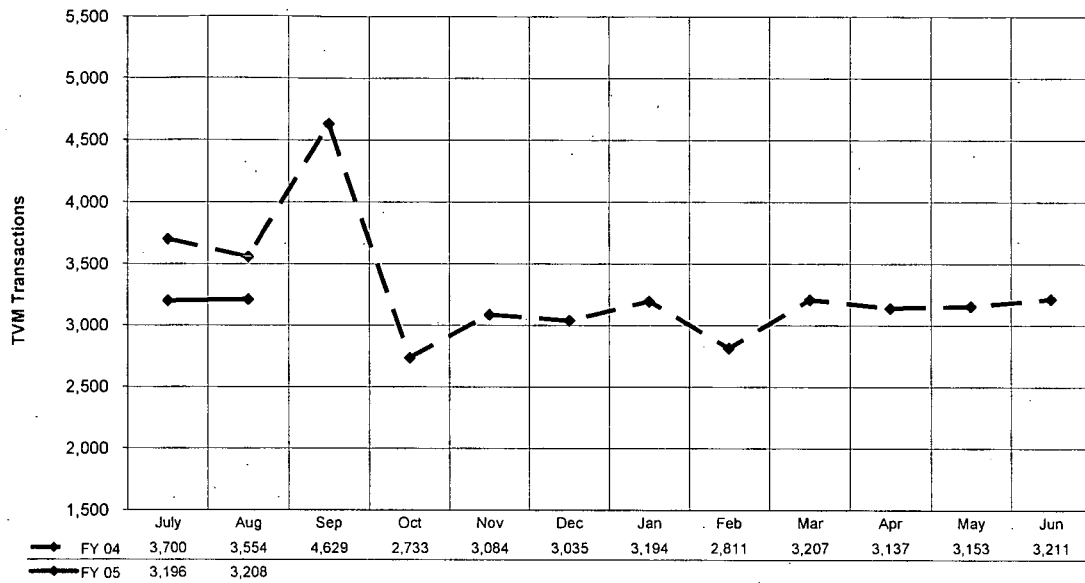
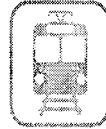


San Diego Trolley Transportation Department On-Time Performance





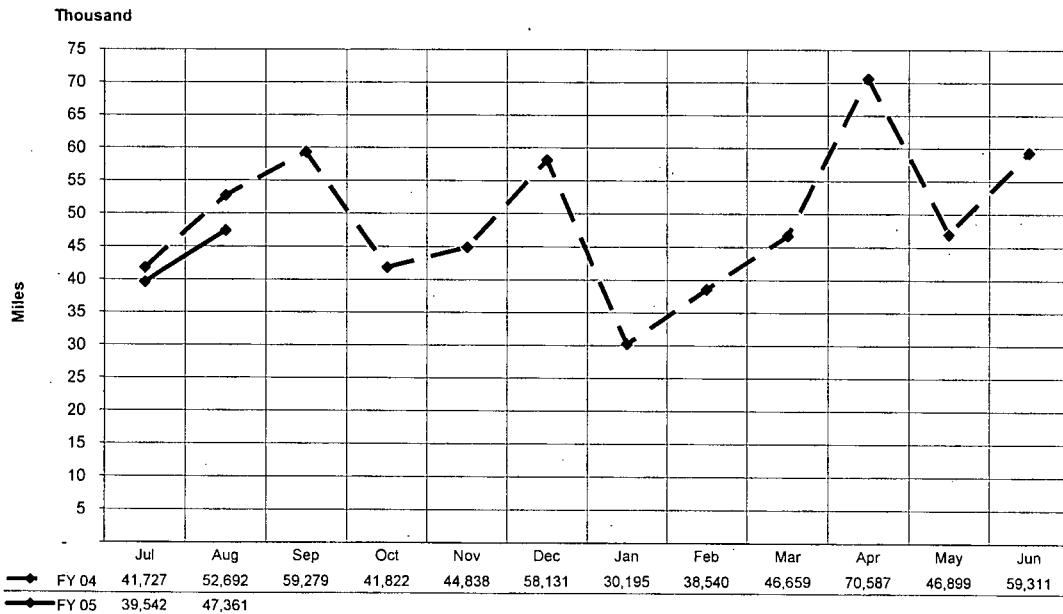
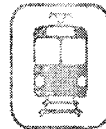
San Diego Trolley Revenue Department TVM Transactions Between Failures



FY 04 Average: 3,287
FY 05 Average YTD: 3,202



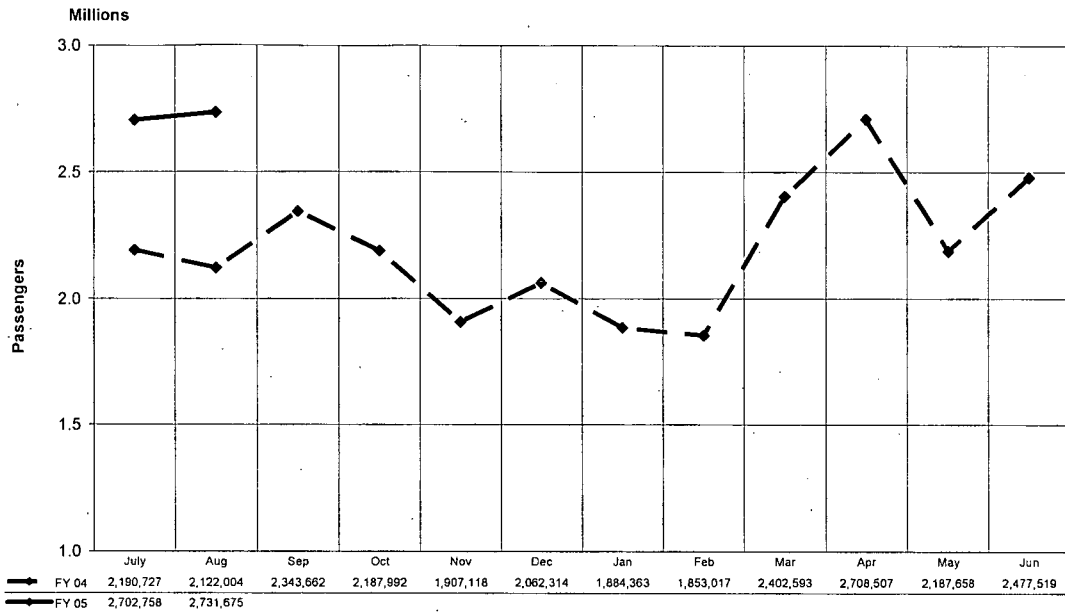
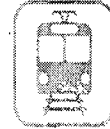
San Diego Trolley LRV Maintenance Department Car Miles Between Service Failures



FY 04 Total: 49,223
FY 05 Total YTD: 43,452



San Diego Trolley Revenue Department Ridership



FY 04 Total: 26,327,474
FY 05 Total YTD: 5,434,433

MTS CONTRACT SERVICES

OPERATIONS STATUS REPORT AUGUST 2004

Shown below are a few highlights summarizing the financial performance, ridership trends, and operating performance indicator trends covering the past two-year period and July and August 2004.

Ridership

- Ridership for August 2004 was up 2.8 percent compared to August 2003. Total passengers carried on all **MTS Contract Services** for August 2004 was **1,538,603** compared to **1,496,394** in August 2003.
- Page C-3 reflects the monthly ridership trend over the past two fiscal years and page C-4 reflects the passengers per revenue mile over the past two years. The ridership trend has been generally positive since about February 2004. The South Central services operated by ATC/Vancom continued the positive ridership trends since February 2004, with particular gains in South Bay and Central San Diego.

Despite the fare increases on July 1, 2004, and the service reductions on selected MTS Contract Services in September 2003 and February 2004, the average weekday ridership overall appears to be equivalent to August 2003.

Passengers per revenue mile trends, shown on page C-5, show a relatively flat performance trend since fall of 2002.

On-time Performance

The FY 03 and FY 04 charts are shown on pages C-7 and C-8 through June 2004. Data for the MTS Contract Services is compiled quarterly to ensure a valid statistical sample. This will be updated in the September 2004 report.





Miles Between Mechanical Failures

Miles between mechanical failures are shown on pages C-9 and C-10. The goal has been to achieve greater than 7,000 miles between mechanical failures. Only the larger fixed-route operating contracts have the performance incentives and penalties in this performance area. August 2004 miles between mechanical failures for all MTS Contract Services was 9,040 compared to 9,167 in August 2003 and 8,920 in July 2004.

Accidents

Accidents are shown on pages C-11 and C-12. These include all types of accidents, including preventable, nonpreventable, injury, and property damage. The goal is to achieve below four accidents per 100,000 miles. Both South Central (ATC/Vancom) and East County have significant monthly mileage and reflect a more consistent rate. The smaller operations were combined and are shown on the chart. For August 2004, the MTS Contract Services combined has averaged 2.9 accidents per 100,000 miles, meeting our goal.

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

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

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

Customer Service/Complaints

While there is no specific standard or goal, staff watches this category closely for trends. Customer comment cards are included on all MTS Contract Services buses and are received daily at the MTS offices. Pages C-13, C-14, and C-15 show the customer complaints per 100,000 passengers carried for fixed-route services and Americans with Disabilities Act (ADA) paratransit services. These two charts have very different trends as ADA paratransit services have much higher complaints relative to the number of passengers carried. The fixed-route services have been in the range of 4 to 10 complaints per 100,000 passengers while the ADA complaints have been in the range of 50 to 200 complaints per 100,000 passengers. These charts are updated quarterly and will be updated for the September 2004 operations report

Completed Trips

Completed trips are a significant factor in the reliability of service. It is one of three primary performance incentives for the contractors operating fixed-route services. The August 2004 completed trips ratio (see pages C-16 and C-17) was 99.98 percent, slightly ahead of the FY 04 total of 99.95 percent. This compares to the August 2003 average of 99.95 percent. Use of standby buses on the South Bay, Central, and East County services operated by ATC/Vancom and Laidlaw Transit Services, since July 2002, have been very successful at reducing lost service. These standby buses are used frequently to respond to late buses due to wheelchair boardings and alightings, heavy traffic congestion, or mechanical failures impacting the service.

EHurwi/

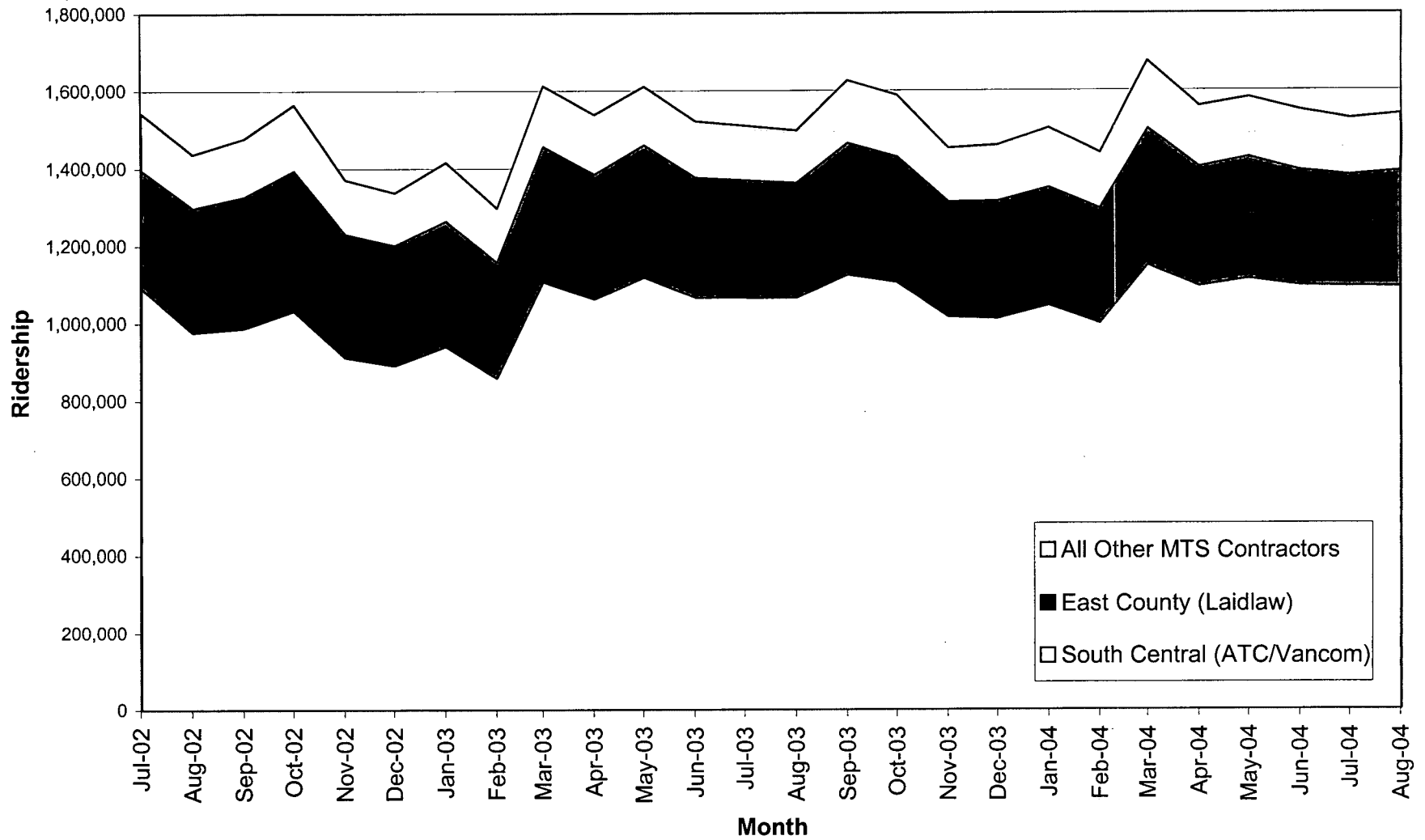
AUGUST 2004 MCS OPERATIONS REPORT.EHURWI.MCS.10.19.04

10/19/04

Attachments: MTS Contract Services Ridership
MTS Contract Services Passengers per Revenue Mile
MTS Contract Services Fixed Route/Flex On-Time Performance
MTS Contract Services Miles Between Mechanical Failures
MTS Contract Services Accidents Per 100,000 miles
MTS Contract Services Complaints Per 100,000 passenger trips
MTS Contract Services Completed Trips



MTS Contract Services Ridership



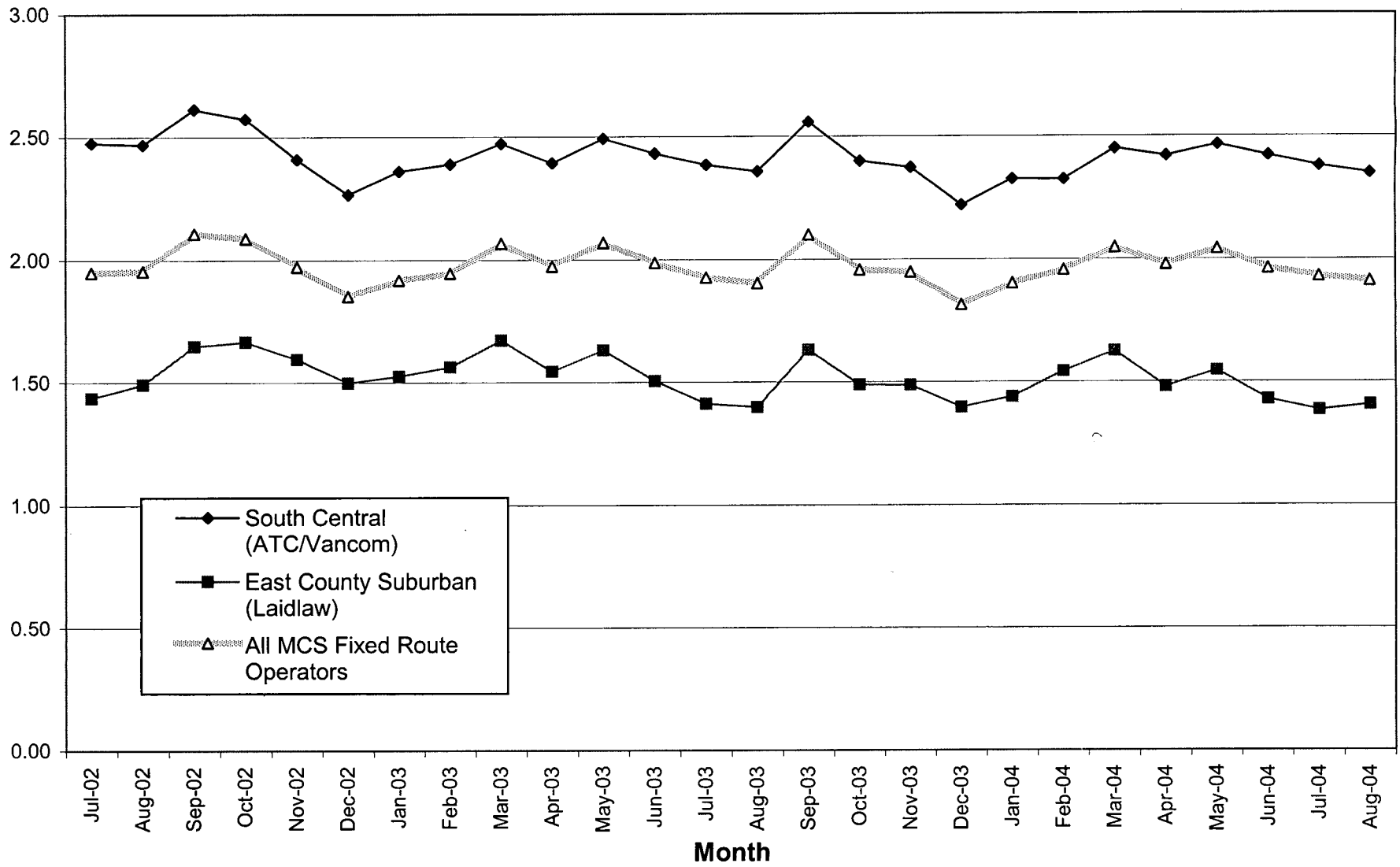


MTS Contract Services Ridership

Fiscal Year 2003													FY03 Total
Contractor	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	
South Central (ATC/Vancom)	980,580	976,114	987,364	1,032,355	911,152	890,148	940,040	857,713	1,107,264	1,061,813	1,118,461	1,065,709	11,928,713
East County (Laidlaw)	308,575	320,847	338,426	361,585	318,646	311,207	323,495	300,510	348,458	322,276	340,179	309,212	3,903,416
Flex 961-965 (Southland)	32,152	28,726	37,817	44,019	37,170	35,025	37,662	34,200	39,949	37,464	37,481	35,595	437,260
Flex 800 Series (Laidlaw)	15,397	14,952	15,526	17,159	14,888	15,108	16,296	14,270	16,308	15,312	16,374	14,619	186,209
Poway (Laidlaw)	24,324	21,397	24,647	27,545	23,107	21,361	23,380	21,115	23,718	24,237	25,589	22,919	283,339
Express (Coach USA)	22,334	23,027	22,129	25,127	19,756	19,851	23,018	20,460	22,780	23,177	21,367	21,011	264,037
Fixed Route Subtotal	1,383,362	1,385,063	1,425,909	1,507,790	1,324,719	1,292,700	1,363,891	1,248,268	1,558,477	1,484,279	1,559,451	1,469,065	17,002,974
DART (Southland)	2,477	2,258	1,279	1,366	1,158	1,114	1,139	1,024	1,194	1,179	1,237	1,123	16,548
SVCC (Laidlaw)	15,705	16,460	15,143	17,670	15,063	12,522	16,323	15,578	16,884	17,296	15,205	16,815	190,664
Paratransit-ADA (Laidlaw)	29,424	28,760	31,177	34,057	26,414	26,681	30,825	28,452	32,103	31,181	31,294	30,294	360,662
Demand Response Subtotal	47,606	47,478	47,599	53,093	42,635	40,317	48,287	45,054	50,181	49,656	47,736	48,232	567,874
Rural Bus (Laidlaw)	3,268	3,625	3,326	3,563	3,383	3,568	3,651	3,459	3,928	3,671	3,956	3,485	42,883
All Other Contractors Subtotal	145,081	139,205	151,044	170,506	140,939	135,230	152,294	138,558	156,864	153,517	152,503	145,861	1,781,602
Grand Total	1,434,236	1,436,166	1,476,834	1,564,446	1,370,737	1,336,585	1,415,829	1,296,781	1,612,586	1,537,606	1,611,143	1,520,782	17,613,731
Fiscal Year 2004													FY04 Total
Contractor	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	
South Central (ATC/Vancom)	1,091,880	1,065,037	1,124,871	1,104,896	1,015,850	1,011,588	1,045,585	998,999	1,148,646	1,094,723	1,112,865	1,096,130	12,911,070
East County (Laidlaw)	303,992	296,207	338,622	323,345	296,061	302,187	303,345	295,365	351,395	306,862	314,340	296,289	3,728,010
Flex 961-965 (Southland)	33,695	30,030	47,498	47,856	41,779	43,373	43,307	40,068	50,654	44,841	43,270	42,404	508,775
Flex 800 Series (Laidlaw)	14,037	13,244	14,570	15,923	13,601	13,996	15,530	14,014	16,132	14,162	14,958	14,985	175,152
Poway (Laidlaw)	23,302	20,571	24,413	22,535	19,660	20,468	22,569	20,490	25,497	22,112	22,905	21,494	266,016
Express (Coach USA)	21,965	20,350	21,969	20,965	16,783	19,086	20,223	19,124	23,189	21,199	19,789	21,349	245,991
Fixed Route Subtotal	1,488,871	1,445,439	1,571,943	1,535,520	1,403,734	1,410,698	1,450,559	1,388,060	1,615,513	1,503,899	1,528,127	1,492,651	17,835,014
DART (Southland)	1,133	1,060	1,176	1,156	952	1,150	1,195	1,061	1,309	1,117	1,093	1,119	13,521
SVCC (Laidlaw)	18,421	18,431	18,764	18,947	15,918	15,056	17,817	18,034	20,817	18,854	17,588	19,505	218,152
Paratransit-ADA (Laidlaw)	31,128	27,908	30,874	28,565	26,817	27,731	28,310	26,607	32,566	29,614	28,936	30,008	349,064
Demand Response Subtotal	50,682	47,399	50,814	48,668	43,687	43,937	47,322	45,702	54,692	49,585	47,617	50,632	580,737
Rural Bus (Laidlaw)	3,337	3,556	3,623	3,652	3,387	3,749	4,703	4,457	5,516	5,456	5,475	5,328	52,239
All Other Contractors Subtotal	147,018	135,150	162,887	159,599	138,897	144,609	153,654	143,855	175,680	157,355	154,014	156,192	1,828,910
Grand Total	1,542,890	1,496,394	1,626,380	1,587,840	1,450,808	1,458,384	1,502,584	1,438,219	1,675,721	1,558,940	1,581,219	1,548,611	18,467,990
Fiscal Year 2005													FY05 Total
Contractor	Jul-04	Aug-04											
South Central (ATC/Vancom)	1,093,585	1,093,182											2,186,767
East County (Laidlaw)	286,405	297,065											583,470
Flex 961-965 (Southland)	38,889	39,666											78,555
Flex 800 Series (Laidlaw)	13,253	14,182											27,435
Poway (Laidlaw)	20,644	18,423											39,067
Express (Coach USA)	20,517	21,871											42,388
Fixed Route Subtotal	1,473,293	1,484,389											2,957,682
DART (Southland)	947	947											1,894
SVCC (Laidlaw)	19,128	20,730											39,858
Paratransit-ADA (Laidlaw)	27,861	27,314											55,175
Demand Response Subtotal	47,936	48,991											96,927
Rural Bus (Laidlaw)	5,462	5,253											10,715
All Other Contractors Subtotal	145,081	139,205											284,286
Grand Total	1,526,691	1,538,633											3,065,324



MTS Contract Services Passengers per Revenue Mile



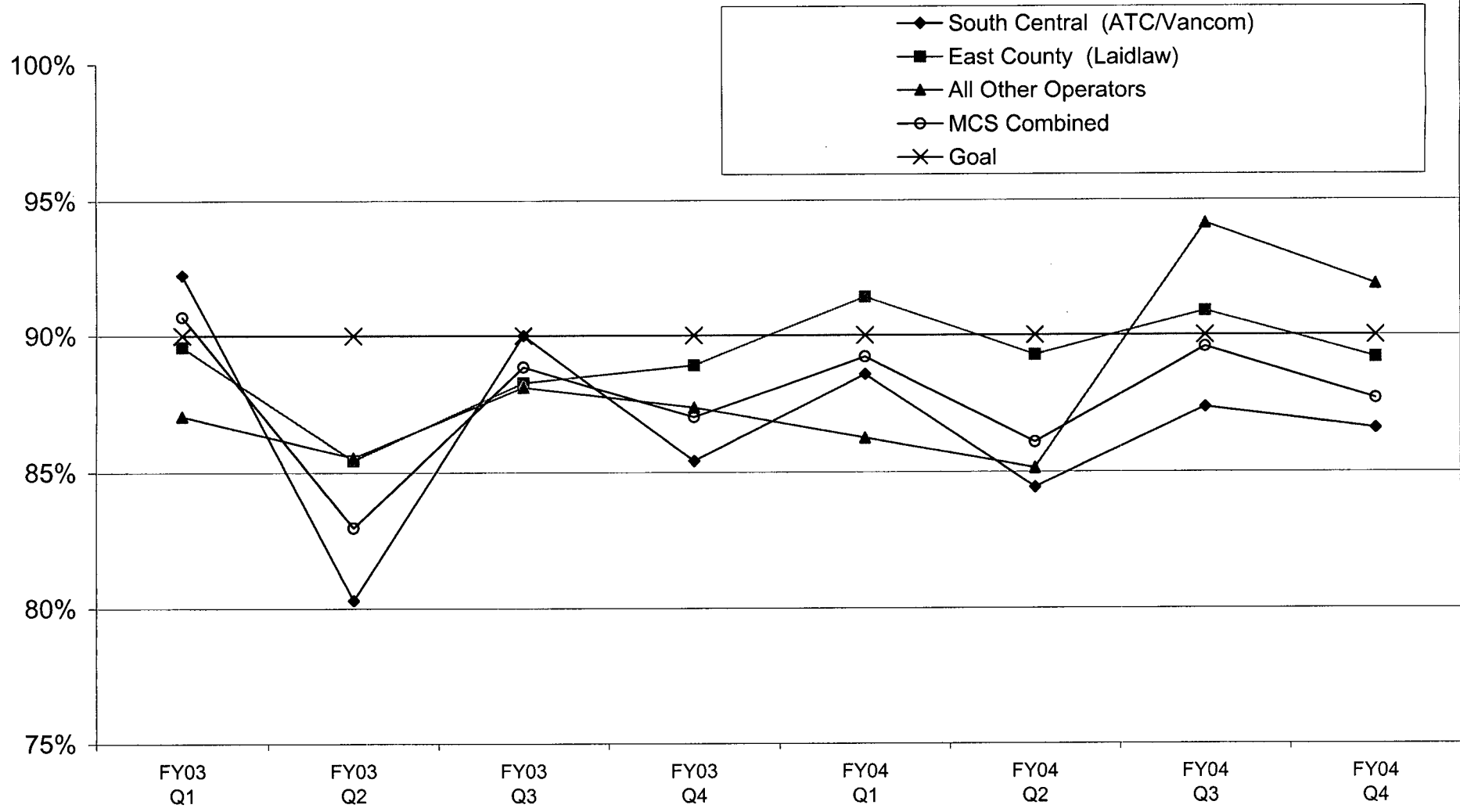


**Board/Management Indicators
MTS Contract Services
Passengers per Revenue Mile
Comparison by Fiscal Year and Month**

Fiscal Year 2003													FY03 Total
Contractor	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	
South Central (ATC/Vancom)	2.47	2.47	2.61	2.57	2.41	2.27	2.36	2.39	2.47	2.39	2.49	2.43	2.45
East County (Laidlaw)	1.44	1.49	1.65	1.67	1.60	1.50	1.53	1.56	1.67	1.54	1.63	1.50	1.56
Flex 961-965 (Yellow Cab)	1.17	1.05	1.38	1.41	1.33	1.22	1.26	1.24	1.36	1.26	1.35	1.30	1.28
Flex 800 Series (Laidlaw)	1.04	1.03	1.15	1.16	1.09	1.06	1.10	1.10	1.18	1.08	1.16	1.07	1.10
Poway (Laidlaw)	0.87	0.77	0.92	0.97	0.89	0.79	0.84	0.83	0.86	0.88	0.93	0.86	0.87
Express (Coach USA)	0.78	0.81	0.85	0.84	0.76	0.72	0.81	0.83	0.84	0.81	0.78	0.76	0.80
Fixed Route Subtotal	1.95	1.95	2.11	2.09	1.97	1.85	1.92	1.94	2.07	1.97	2.07	1.99	1.99
DART (Yellow Cab)	0.24	0.23	0.24	0.23	0.24	0.23	0.20	0.20	0.21	0.23	0.23	0.23	0.23
SVCC (Laidlaw)	1.28	1.15	1.32	1.34	1.42	1.28	1.43	1.44	1.51	1.48	1.39	1.50	1.37
Paratransit-ADA (Laidlaw)	0.12	0.12	0.11	0.12	0.12	0.10	0.11	0.10	0.11	0.11	0.11	0.11	0.11
Demand Response Subtotal	0.17	0.17	0.16	0.17	0.18	0.15	0.16	0.16	0.16	0.16	0.16	0.17	0.16
Rural Bus (Laidlaw)	0.24	0.28	0.26	0.26	0.31	0.33	0.30	0.32	0.37	0.34	0.34	0.33	0.30
Overall Total	1.43	1.44	1.50	1.50	1.49	1.36	1.37	1.38	1.50	1.44	1.51	1.47	1.45
Fiscal Year 2004													FY04 Total
Contractor	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	
South Central (ATC/Vancom)	2.38	2.36	2.56	2.40	2.37	2.22	2.33	2.33	2.45	2.42	2.46	2.42	2.39
East County (Laidlaw)	1.41	1.40	1.63	1.49	1.49	1.40	1.44	1.54	1.63	1.48	1.55	1.43	1.49
Flex 961-965 (YC/Southland)	1.17	1.08	1.45	1.35	1.38	1.27	1.31	1.34	1.42	1.31	1.38	1.24	1.31
Flex 800 Series (Laidlaw)	0.95	0.96	1.03	1.07	1.07	0.97	1.11	1.39	1.38	1.27	1.40	1.34	1.14
Poway (Laidlaw)	0.85	0.76	0.91	0.84	0.77	0.74	0.83	0.87	0.94	0.86	0.91	0.83	0.84
Express (Coach USA)	0.76	0.74	0.80	0.71	0.67	0.65	0.73	0.76	0.78	0.73	0.76	0.74	0.74
Fixed Route Subtotal	1.93	1.90	2.10	1.96	1.95	1.82	1.90	1.96	2.05	1.98	2.04	1.96	1.96
DART (YC/Southland)	0.21	0.21	0.23	0.22	0.23	0.24	0.25	0.25	0.25	0.23	0.22	0.24	0.23
SVCC (Laidlaw)	1.56	1.63	1.62	1.54	1.62	1.39	1.59	1.68	1.60	1.56	1.59	1.60	1.58
Paratransit-ADA (Laidlaw)	0.11	0.11	0.11	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12
Demand Response Subtotal	0.17	0.18	0.17	0.19	0.18	0.18	0.19	0.19	0.19	0.19	0.19	0.19	0.18
Rural Bus (Laidlaw)	0.24	0.20	0.24	0.22	0.20	0.09	0.12	0.10	0.11	0.10	0.11	0.10	0.12
Overall Total	1.43	1.44	1.54	1.49	1.48	1.37	1.42	1.44	1.49	1.44	1.50	1.44	1.46
Fiscal Year 2005													FY05 Total
Contractor	Jul-04	Aug-04											
South Central (ATC/Vancom)	2.38	2.35											2.36
East County (Laidlaw)	1.38	1.41											1.39
Flex 961-965 (YC/Southland)	1.18	1.15											1.17
Flex 800 Series (Laidlaw)	1.23	1.28											1.25
Poway (Laidlaw)	0.81	0.71											0.76
Express (Coach USA)	0.75	0.76											0.75
Fixed Route Subtotal	1.93	1.91											1.92
DART (YC/Southland)	0.23	0.24											0.23
SVCC (Laidlaw)	1.39	1.39											1.39
Paratransit-ADA (Laidlaw)	0.12	0.11											0.11
Demand Response Subtotal	0.19	0.19											0.19
Rural Bus (Laidlaw)	0.10	0.10											0.10
Overall Total	1.42	1.41											1.42



MTS Contract Services Fixed Route/Flex On-Time Performance





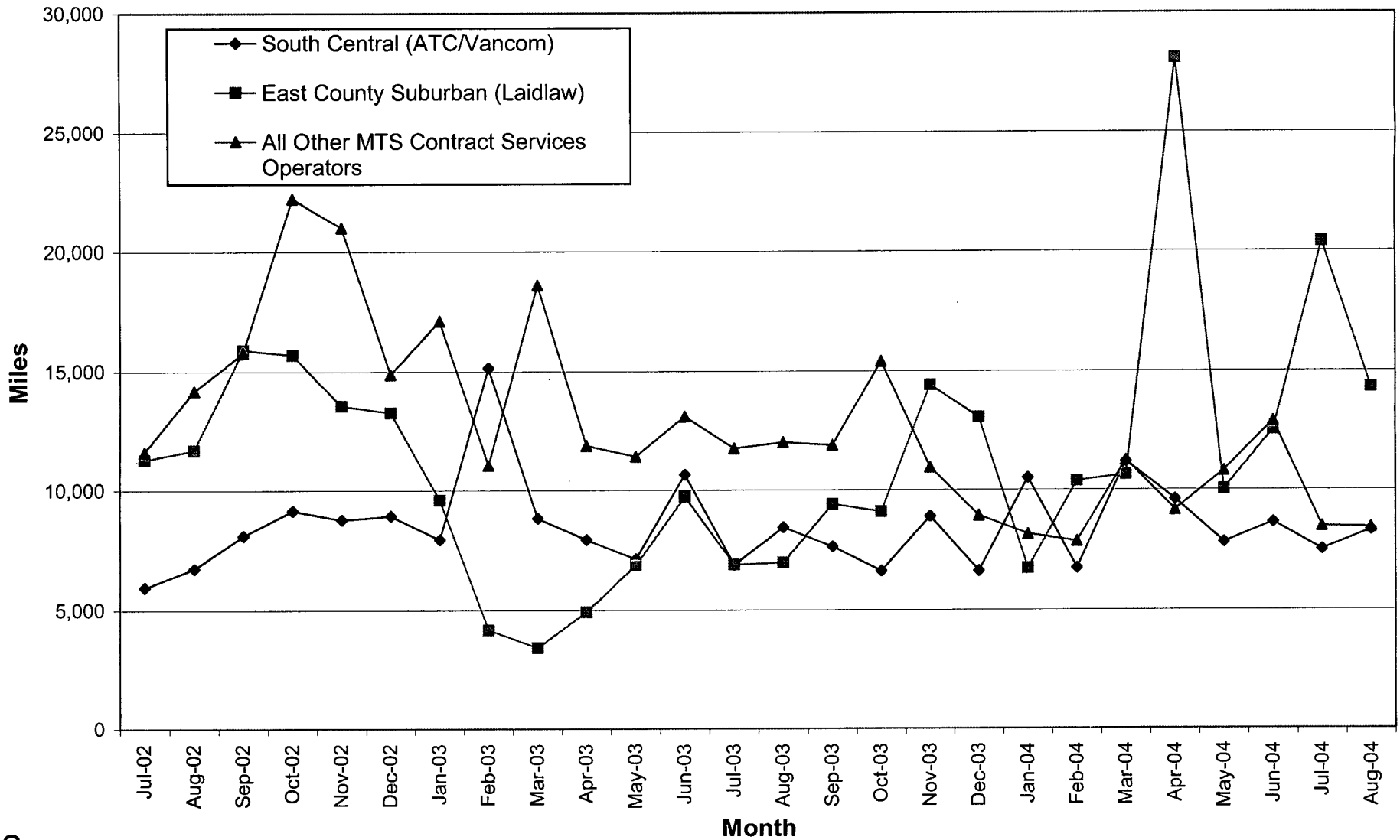
Board/Management Indicators
On-Time Performance
MTS Contract Services Fixed Route/Flex
Comparison by Fiscal Year and Quarter

Contractor	FY03 Q1	FY03 Q2	FY03 Q3	FY03 Q4	On-Time FY03	FY04 Q1	FY04 Q2	FY04 Q3	FY04 Q4	On-Time FY04
South Central (ATC/Vancom)	92.2%	80.3%	90.0%	85.4%	87.4%	88.6%	84.4%	87.4%	86.6%	86.8%
East County (Laidlaw)	89.6%	85.4%	88.3%	88.9%	88.2%	90.6%	88.2%	90.5%	89.2%	89.8%
Flex 961-965 (YC/Southland)	100.0%	100.0%	100.0%	97.9%	99.5%	91.0%	94.7%	97.6%	93.6%	94.1%
Poway (Laidlaw)	83.2%	84.7%	89.2%	90.9%	86.8%	84.0%	79.7%	88.2%	88.0%	84.9%
Express (Coach USA)	89.3%	89.1%	88.9%	90.9%	89.8%	80.7%	78.4%	95.8%	100.0%	84.5%
Flex 851, 853, 874	100.0%	100.0%	72.7%	85.7%	95.7%	83.3%	94.1%	100.0%	92.3%	93.2%
Contract Services Combined	91.3%	83.5%	89.2%	87.6%	88.1%	88.9%	85.7%	89.2%	87.7%	88.0%
Goal	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%

Definition: Total number of checks on-time / total number of checks taken



MTS Contract Services Miles Between Mechanical Failures





**Board/Management Indicators
MTS Contract Services
Miles Between Mechanical Failures
Comparison by Fiscal Year and Month**

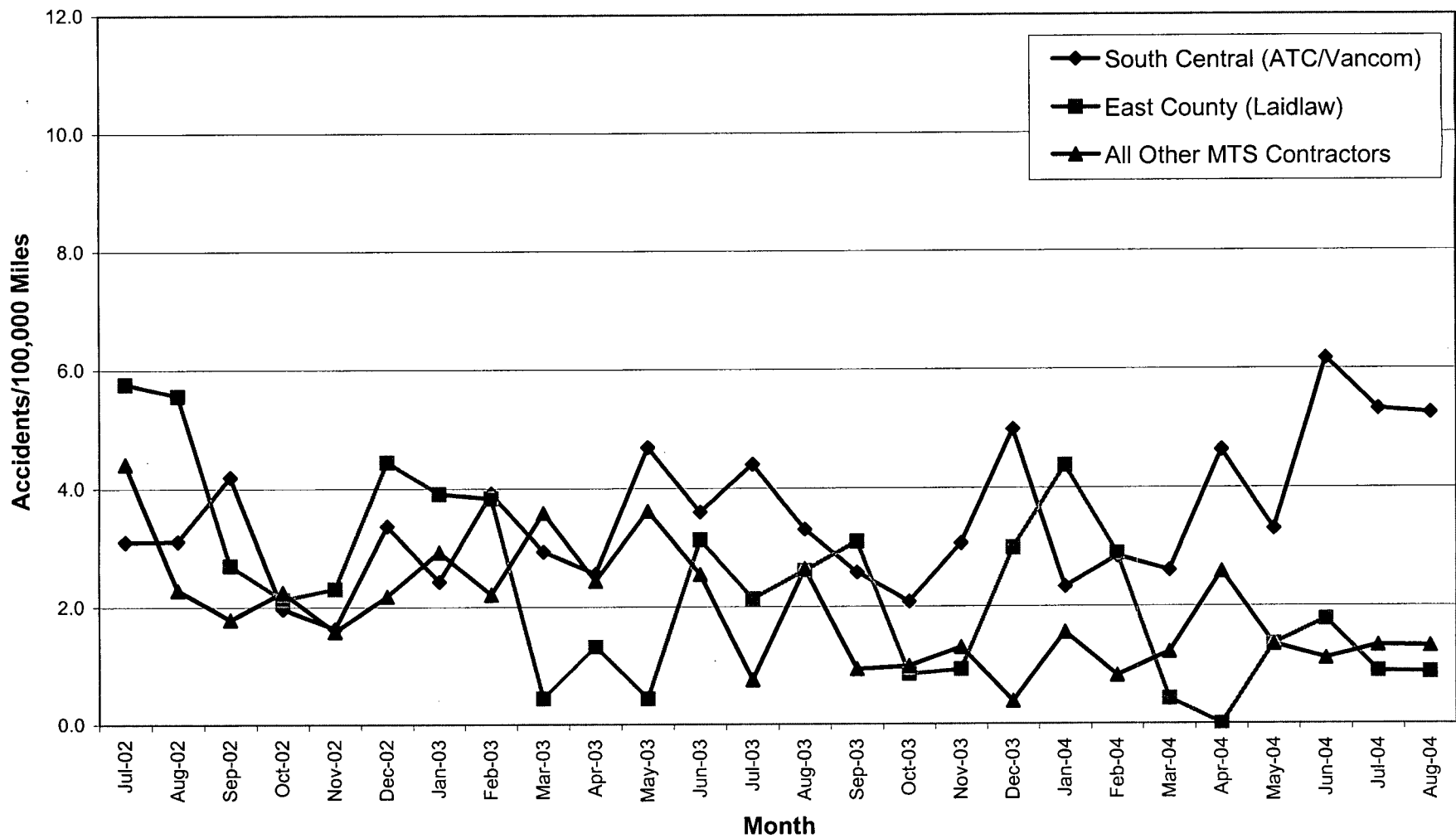
Fiscal Year 2003													FY03
Contractor	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Average
South Central (ATC/Vancom)	5,942	6,728	8,109	9,150	8,772	8,929	7,949	15,140	8,831	7,939	7,117	10,651	8,300
East County (Laidlaw)	11,294	11,685	15,889	15,687	13,537	13,255	9,591	4,174	3,425	4,926	6,862	9,723	7,851
Flex 961-965 (Yellow Cab)	4,636	6,468	8,071	12,279	6,593	16,861	11,718	16,069	5,718	17,526	10,879	5,357	8,375
Flex 800 Series (Laidlaw)	5,470	3,983	2,155	5,435	14,896	5,261	4,047	4,766	5,059	3,892	15,500	4,998	4,773
Poway (Laidlaw)	14,734	9,787	14,155	30,353	13,771	5,745	4,918	9,009	29,279	14,684	9,718	9,430	10,824
Express (Coach USA)	29,876	59,679	54,320	62,468	54,258	57,670	59,752	25,766	56,963	19,917	19,012	19,145	49,330
Fixed Route Average	7,531	8,427	9,751	11,447	10,729	10,584	8,753	8,614	6,579	7,231	7,659	10,171	8,670
DART (Yellow Cab)	12,907	12,508	7,618	4,162	7,143	7,243	7,668	6,924	7,547	7,750	7,636	7,469	20,147
SVCC (Laidlaw)	7,943	8,211	14,869	17,068	13,955	12,803	15,134	14,274	14,806	15,384	14,588	14,839	34,363
Paratransit-ADA (Laidlaw)	11,984	17,833	22,125	22,843	24,755	15,104	22,803	11,544	23,911	11,438	10,628	15,380	15,888
Demand Response Average	11,695	17,299	23,116	23,981	26,023	15,686	23,748	11,635	24,836	11,561	11,070	16,055	16,246
Rural Bus (Laidlaw)	20,873	5,125	6,689	19,641	9,026	8,699	9,406	3,361	4,363	16,641	6,111	8,241	7,622
Overall Average	8,466	9,638	11,683	13,780	12,646	11,658	10,888	9,141	8,418	8,186	8,374	11,323	10,007
Fiscal Year 2004													FY04
Contractor	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Average
South Central (ATC/Vancom)	6,880	8,448	7,635	6,608	8,897	6,608	10,508	6,737	11,196	9,599	7,810	8,644	8,056
East County (Laidlaw)	6,889	6,971	9,410	9,090	14,401	13,042	6,724	10,377	10,638	28,092	10,027	12,508	9,919
Flex 961-965 (YC/Southland)	4,849	5,438	5,465	6,916	8,803	2,678	4,311	3,156	4,173	5,012	2,852	6,698	4,454
Flex 800 Series (Laidlaw)	2,021	842	2,198	8,136	14,068	2,637	1,272	3,816	4,474	1,069	3,047	4,266	2,162
Poway (Laidlaw)	14,491	28,641	28,508	4,050	5,382	7,324	9,633	8,406	5,773	5,506	3,374	27,650	7,810
Express (Coach USA)	29,153	55,128	55,466	59,375	50,693	59,088	56,592	25,364	60,807	19,510	17,708	19,573	48,325
Fixed Route Average	6,994	7,431	8,179	7,530	10,484	7,329	8,323	7,394	10,387	9,777	7,522	9,787	8,255
DART (YC/Southland)	7,710	7,316	7,788	8,212	6,499	3,819	7,471	6,676	8,145	7,627	7,147	7,483	11,214
SVCC (Laidlaw)	15,678	14,904	15,119	16,224	13,002	14,091	14,774	14,234	16,684	7,983	14,539	16,077	30,215
Paratransit-ADA (Laidlaw)	15,265	20,961	12,696	24,520	12,234	27,791	20,470	12,753	15,836	29,334	44,596	16,893	18,216
Demand Reponse Average	15,946	20,582	13,236	23,927	12,776	26,650	21,455	13,371	16,594	26,049	46,673	16,852	18,548
Rural Bus (Laidlaw)	5,688	23,954	18,696	6,579	2,534	2,445	1,882	2,531	5,586	3,276	4,246	6,347	3,697
Overall Average	8,297	9,167	9,366	9,161	10,407	8,226	8,613	7,653	11,119	10,612	9,224	10,706	9,273
Fiscal Year 2005													FY05
Contractor	Jul-04	Aug-04											Average
South Central (ATC/Vancom)	7,509	8,322											7,897
East County (Laidlaw)	20,392	14,303											16,783
Flex 961-965 (YC/Southland)	3,218	3,339											3,278
Flex 800 Series (Laidlaw)	2,465	1,400											1,780
Poway (Laidlaw)	27,224	6,901											10,966
Express (Coach USA)	55,808	9,763											19,064
Fixed Route Average	8,809	8,170											8,475
DART (YC/Southland)	2,894	6,621											6,204
SVCC (Laidlaw)	6,103	21,703											13,337
Paratransit-ADA (Laidlaw)	11,923	15,379											13,426
Demand Reponse Average	11,321	16,464											13,421
Rural Bus (Laidlaw)	4,425	4,716											4,564
Overall Average	8,920	9,040											8,980

Note:

Smaller contractors may have zero mechanical failures in a month -- in these months, the total number of miles for that month is reported. Because of this reporting method, monthly averages will appear lower than the annual average.



MTS Contract Services Accidents per 100,000 Miles





MTS Contract Services
Accidents per 100,000 Miles

Accidents per 100,000 Total Miles -- Fiscal Year 2003

FY03

Contractor	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Total
South Central (ATC/Vancom)	3.1	3.1	4.2	2.0	1.6	3.4	2.4	3.9	2.9	2.6	4.7	3.6	3.1
East County (Laidlaw)	5.8	5.6	2.7	2.1	2.3	4.4	3.9	3.8	0.4	1.3	0.4	3.1	3.0
Flex 961-965 (Southland)	0.0	3.1	9.3	0.0	0.0	5.9	0.0	0.0	8.7	0.0	0.0	0.0	2.2
Flex 800 Series (Laidlaw)	0.0	0.0	13.3	0.0	6.7	0.0	0.0	0.0	6.6	6.4	0.0	0.0	2.7
Poway (Laidlaw)	0.0	3.4	0.0	0.0	0.0	3.5	6.8	3.7	3.4	0.0	3.4	0.0	2.0
Express (Coach USA)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed Route Average	3.3	3.5	3.7	1.7	1.7	3.5	2.7	3.4	2.4	1.9	3.0	2.9	2.8
DART (Southland)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
SVCC (Laidlaw)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.0	0.0	0.0	0.0	6.7	2.3
Paratransit-ADA (Laidlaw)	6.7	2.0	1.2	2.9	2.2	2.4	3.8	2.1	3.9	3.4	5.1	3.0	3.3
Demand Response Average	6.2	1.9	1.1	2.7	2.0	2.3	3.6	2.8	3.7	3.2	4.8	3.0	3.1
Rural Bus (Laidlaw)	4.8	14.6	0.0	10.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.1	3.6
All Other MTS Contractors Average	4.4	2.3	1.8	2.2	1.6	2.2	2.9	2.2	3.6	2.4	3.6	2.5	2.7
All Operators Average	4.2	3.3	2.9	2.1	1.7	3.1	2.9	3.1	2.8	2.3	3.5	3.1	2.9

Accidents per 100,000 Total Miles -- Fiscal Year 2004

FY04

Contractor	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Total
South Central (ATC/Vancom)	4.4	3.3	2.6	2.1	3.1	5.0	2.3	2.8	2.6	4.6	3.3	6.2	3.5
East County (Laidlaw)	2.1	2.6	3.1	0.8	0.9	3.0	4.4	2.9	0.4	0.0	1.4	1.8	2.0
Flex 961-965 (Southland)	0.0	0.0	2.6	2.4	2.8	2.5	5.2	0.0	2.4	2.5	2.7	0.0	2.0
Flex 800 Series (Laidlaw)	0.0	13.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7.8	8.2	0.0	2.3
Poway (Laidlaw)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.6	0.3
Express (Coach USA)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed Route Average	3.1	2.9	2.4	1.5	2.2	3.8	2.7	2.4	1.7	2.9	2.5	4.2	2.7
DART (Southland)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.1	0.0	0.0	1.1
SVCC (Laidlaw)	0.0	6.7	0.0	0.0	0.0	0.0	6.8	0.0	0.0	0.0	0.0	6.2	1.7
Paratransit-ADA (Laidlaw)	1.1	3.2	1.1	1.3	1.7	0.3	1.6	1.4	1.7	3.4	1.6	1.2	1.6
Demand Response Average	1.1	3.3	1.1	1.2	1.6	0.3	1.8	1.3	1.6	3.5	1.5	1.5	1.6
Rural Bus (Laidlaw)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
All Other MTS Contractors Average	0.8	2.6	0.9	1.0	1.3	0.4	1.6	0.8	1.2	2.6	1.4	1.1	1.3
All Operators Average	2.5	2.9	2.0	1.4	2.0	2.7	2.4	2.0	1.6	3.0	2.2	3.3	2.3

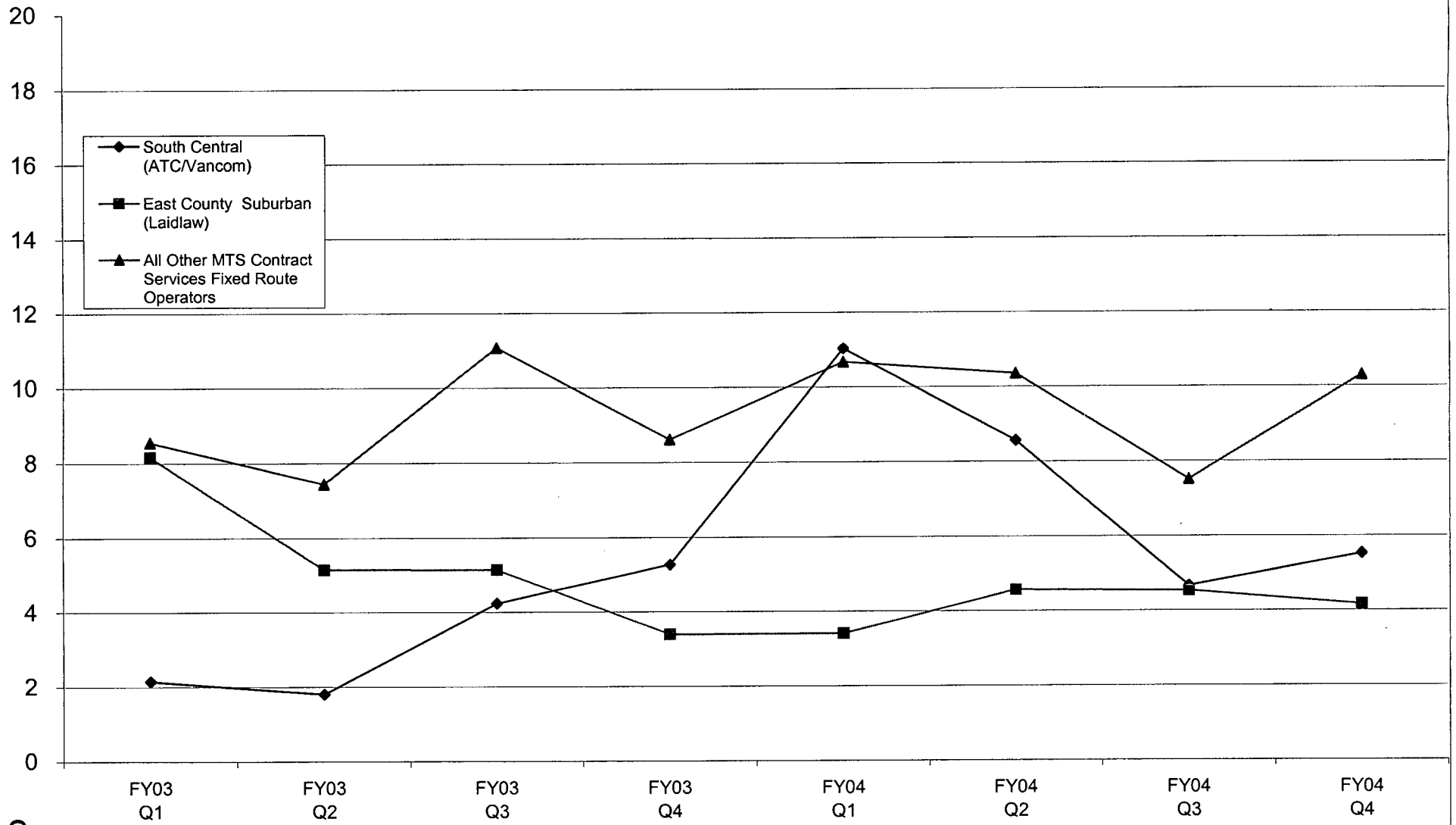
Accidents per 100,000 Total Miles -- Fiscal Year 2005

FY05

Contractor	Jul-04	Aug-04	Total
South Central (ATC/Vancom)	5.3	5.3	5.3
East County (Laidlaw)	0.9	0.9	0.9
Flex 961-965 (Southland)	0.0	0.0	0.0
Flex 800 Series (Laidlaw)	0.0	0.0	0.0
Poway (Laidlaw)	0.0	0.0	0.0
Express (Coach USA)	0.0	5.1	2.6
Fixed Route Average	3.4	3.7	3.5
DART (Southland)	0.0	0.0	0.0
SVCC (Laidlaw)	0.0	9.2	5.0
Paratransit-ADA (Laidlaw)	1.9	0.7	1.3
Demand Response Average	1.8	1.2	1.5
Rural Bus (Laidlaw)	1.7	0.0	0.9
All Other MTS Contractors Average	1.3	1.3	1.3
All Operators Average	2.9	2.9	2.9

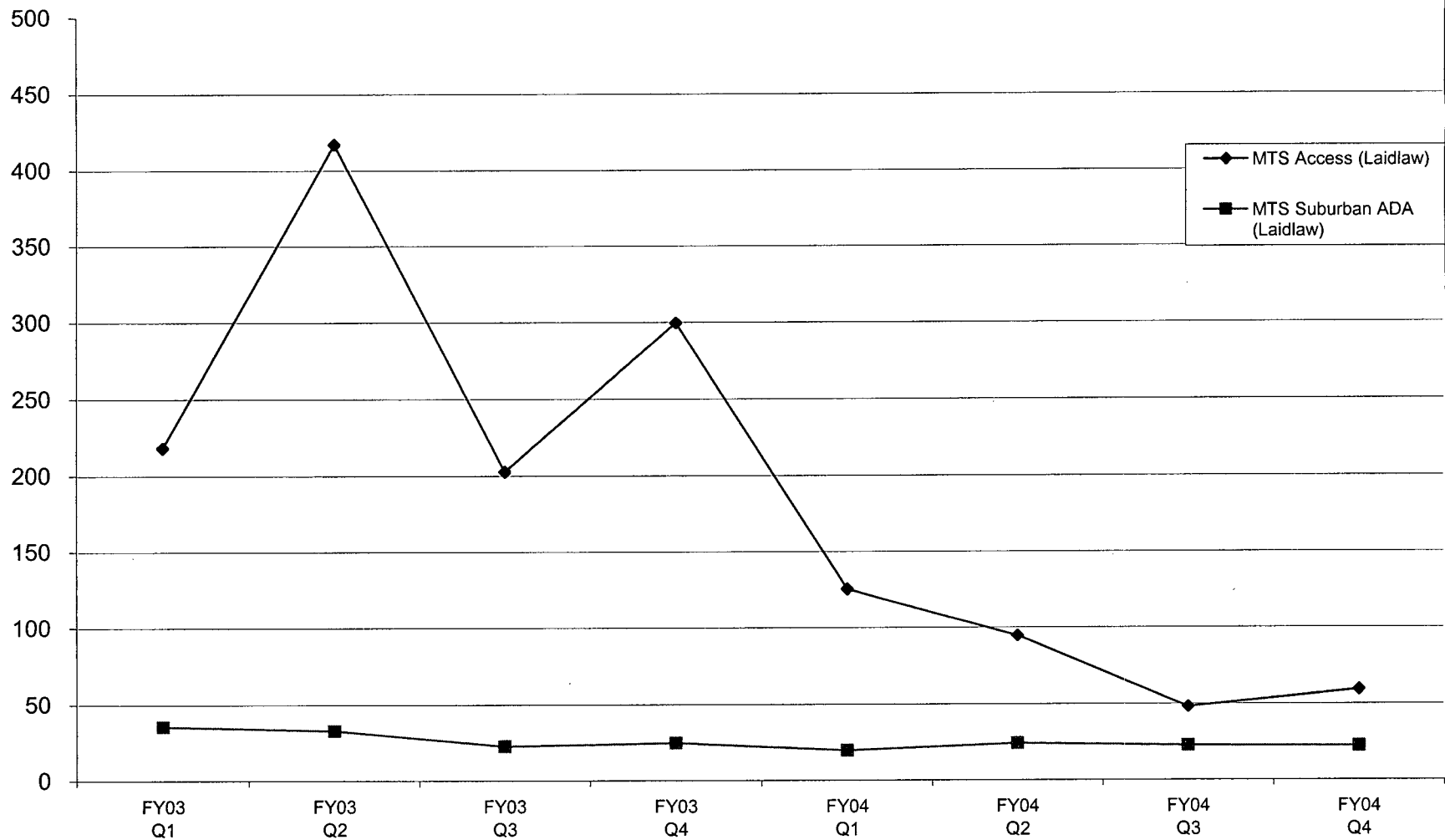


**MTS Contract Services
Fixed Route
Complaints per 100,000 Passenger Trips**





**MTS Contract Services
ADA Paratransit
Complaints per 100,000 Passenger Trips**





Board/Management Indicators
MTS Contract Services
Complaints per 100,000 Passenger Trips
Comparison by Fiscal Year and Quarter

FIXED ROUTE

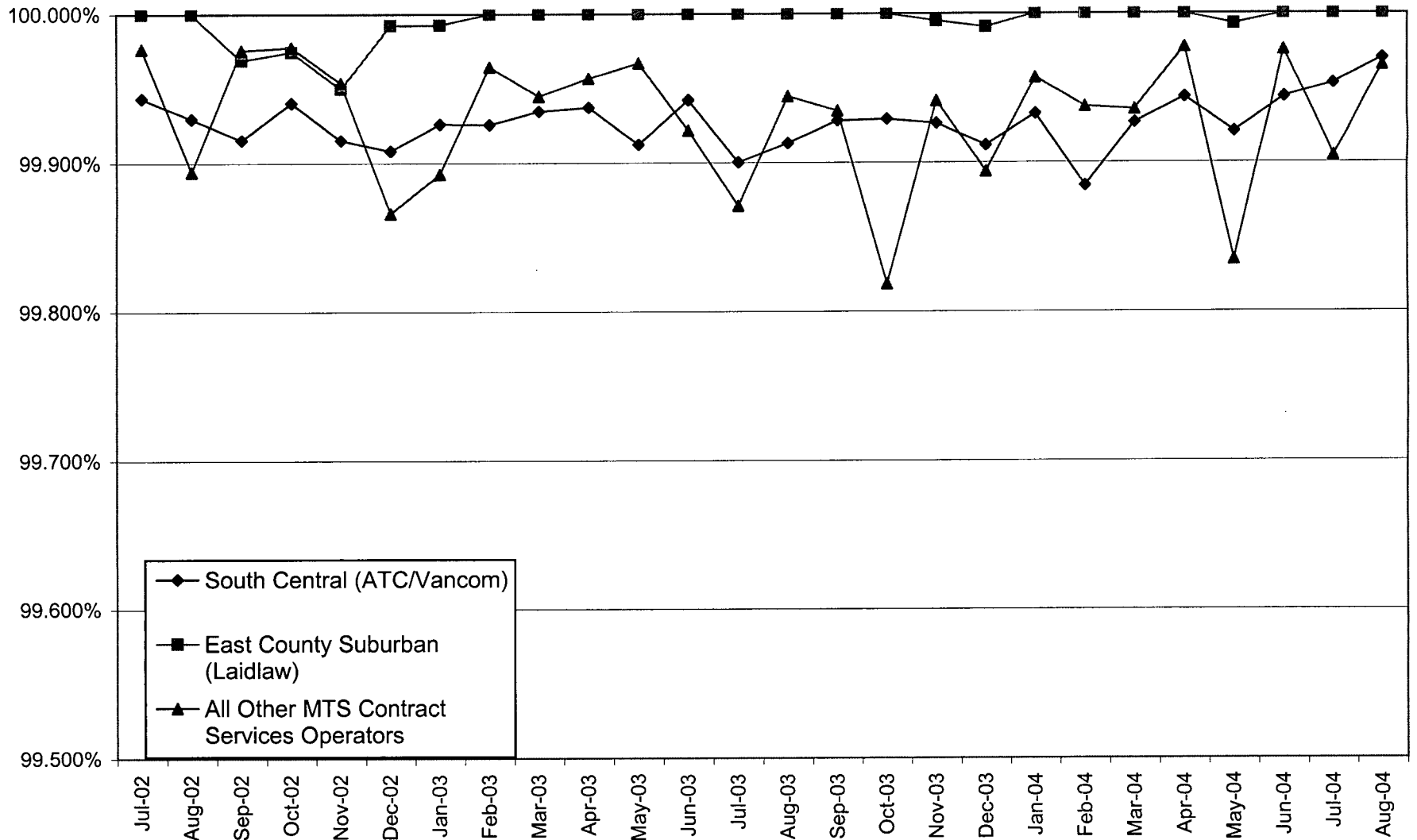
Complaints / 100,000 Passenger Trips	FY03 Q1	FY03 Q2	FY03 Q3	FY03 Q4	Total FY03	FY04 Q1	FY04 Q2	FY04 Q3	FY04 Q4	Total FY04
South Central (ATC/Vancom)	2.1	1.8	4.2	5.3	3.4	11.0	8.6	4.7	5.5	7.4
East County Suburban (Laidlaw)	8.2	5.1	5.1	3.4	5.5	3.4	4.6	4.5	4.2	4.2
Flex 961-965 (YC/Southland)	3.0	6.0	1.8	5.4	4.1	11.7	12.0	3.7	13.8	10.2
Poway (Laidlaw)	7.0	4.2	4.3	5.5	5.2	10.3	3.2	4.4	12.0	7.5
Express (Coach USA)	17.8	13.9	16.6	18.3	16.7	15.6	19.4	22.4	16.0	18.3
Flex 851, 853, 874 (Laidlaw)	4.1	4.0	2.0	0.0	2.5	0.0	0.0	2.2	4.5	1.7
DART (YC/Southland)	33.3	82.5	59.6	0.0	42.3	0.0	0.0	0.0	0.0	0.0
Rural (Laidlaw)	19.6	28.5	36.2	81.0	42.0	76.1	64.9	40.9	6.2	42.1
SVCC (Laidlaw)	8.5	0.0	34.8	0.0	11.0	0.0	2.0	0.0	0.0	0.5
All Other FR MTS Contract Services Operat	8.5	7.4	11.1	8.6	8.9	10.7	10.3	7.5	10.3	9.7

PARATRANSIT

Complaints / 100,000 Passenger Trips	FY03 Q1	FY03 Q2	FY03 Q3	FY03 Q4	Total FY03	FY04 Q1	FY04 Q2	FY04 Q3	FY04 Q4	Total FY04
ADA Paratransit (Laidlaw)	218.1	416.9	202.6	299.4	283.0	125.5	94.6	48.2	59.4	82.4
ADA Suburban (Laidlaw)	35.5	32.7	22.5	24.5	28.6	19.5	23.9	22.5	22.0	21.9
Total ADA	149.0	268.5	132.4	190.8	184.4	83.6	66.2	37.7	44.0	58.0



MTS Contract Services Completed Trips Percentage





Board/Management Indicators
MTS Contract Services
Fixed Route Completed Trips
Comparison by Fiscal Year and Month

Fiscal Year 2003													FY03
Contractor	Jul-02	Aug-02	Sep-02	Oct-02	Nov-02	Dec-02	Jan-03	Feb-03	Mar-03	Apr-03	May-03	Jun-03	Total
South Central (ATC/Vancom)	99.943%	99.930%	99.915%	99.940%	99.915%	99.908%	99.926%	99.926%	99.935%	99.937%	99.912%	99.942%	99.928%
East County (Laidlaw)	100.000%	100.000%	99.969%	99.975%	99.950%	99.993%	99.993%	100.000%	100.000%	100.000%	100.000%	100.000%	99.990%
Flex 961-965 (Yellow Cab)	100.000%	99.930%	99.953%	99.957%	99.936%	99.958%	99.901%	99.978%	99.918%	99.941%	99.939%	99.855%	99.938%
Flex 800 Series (Laidlaw)	100.000%	100.000%	100.000%	100.000%	100.000%	99.426%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	99.951%
Poway (Laidlaw)	99.882%	99.705%	100.000%	100.000%	100.000%	99.940%	99.705%	99.936%	100.000%	100.000%	100.000%	100.000%	99.930%
Express (Coach USA)	100.000%	99.897%	100.000%	100.000%	99.886%	100.000%	100.000%	99.880%	99.892%	99.897%	100.000%	100.000%	99.955%
All Other MTS Contract Services Operators	99.977%	99.894%	99.976%	99.978%	99.954%	99.866%	99.893%	99.964%	99.945%	99.957%	99.967%	99.922%	99.941%
MTS Contract Services Combined Total	99.964%	99.942%	99.939%	99.956%	99.931%	99.923%	99.937%	99.952%	99.951%	99.955%	99.941%	99.953%	99.946%
Fiscal Year 2004													FY04
Contractor	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Total
South Central (ATC/Vancom)	99.900%	99.913%	99.928%	99.929%	99.926%	99.912%	99.933%	99.884%	99.927%	99.944%	99.921%	99.944%	99.922%
East County (Laidlaw)	100.000%	100.000%	100.000%	100.000%	99.995%	99.991%	100.000%	100.000%	100.000%	100.000%	99.993%	100.000%	99.998%
Flex 961-965 (YC/Southland)	99.802%	99.898%	99.883%	99.712%	99.915%	99.869%	99.942%	99.914%	99.910%	100.000%	99.737%	99.979%	99.879%
Flex 800 Series (Laidlaw)	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	100.000%	99.912%	100.000%	99.913%	100.000%	100.000%	99.988%
Poway (Laidlaw)	100.000%	100.000%	100.000%	99.942%	99.936%	99.882%	99.940%	100.000%	99.936%	99.933%	100.000%	99.933%	99.958%
Express (Coach USA)	99.793%	100.000%	100.000%	99.901%	100.000%	99.882%	100.000%	100.000%	100.000%	100.000%	99.886%	100.000%	99.955%
All Other MTS Contract Services Operators	99.871%	99.944%	99.935%	99.819%	99.941%	99.894%	99.957%	99.937%	99.936%	99.978%	99.835%	99.976%	99.917%
MTS Contract Services Combined Total	99.929%	99.946%	99.953%	99.936%	99.951%	99.935%	99.958%	99.929%	99.952%	99.967%	99.934%	99.966%	99.946%
Fiscal Year 2005													FY05
Contractor	Jul-04	Aug-04											Total
South Central (ATC/Vancom)	99.953%	99.970%											99.961%
East County (Laidlaw)	100.000%	100.000%											100.000%
Flex 961-965 (YC/Southland)	99.847%	99.958%											99.903%
Flex 800 Series (Laidlaw)	99.929%	100.000%											99.965%
Poway (Laidlaw)	100.000%	99.933%											99.966%
Express (Coach USA)	100.000%	100.000%											100.000%
All Other MTS Contract Services Operators	99.905%	99.965%											99.935%
MTS Contract Services Combined Total	99.962%	99.979%											99.971%



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Agenda

Item No. 36

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

ADM 124 (PC 30100)

October 28, 2004

Subject:

MTS: PLANNING DEPARTMENT REORGANIZATION STATUS UPDATE

RECOMMENDATION:

That the Board of Directors receive this report for information.

Budget Impact

None. The San Diego Association of Governments (SANDAG) has agreed to fund the three planning positions at MTS. All other positions are funded in the MTS and San Diego Transit Corporation (SDTC) FY 05 budgets.

Executive Committee Recommendation

At its meeting on October 21, 2004, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

The reestablishment of the MTS Planning and Performance Monitoring Department is nearly complete.

This department, which was once consolidated under MTDB, was eliminated under the SANDAG consolidation. After the consolidation, staff proposed the responsibility for service planning should return to the operating groups; SANDAG agreed and will provide funding for three positions. The remaining six positions were transferred from the SDTC and Multimodal Operations departments of MTS.



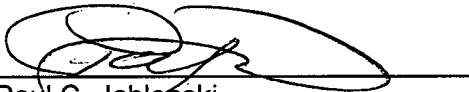
Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB 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.

The MTS Planning and Performance Monitoring Department will perform service planning, system monitoring and analysis, and data collection, consistent with SANDAG's Policy No. 18: Regional Transit Service Planning (Attachment A). Primary functions under this department include:

- conducting the MTS Comprehensive Operational Analysis;
- developing service and schedule changes to optimize the transit system;
- route and system-wide performance trend analyses;
- monthly, quarterly, and annual performance monitoring and reporting;
- data reporting to support local, state, and federal programs;
- data collection and market research;
- community liaison on service and planning matters; and
- working with SANDAG, North County Transit District (NCTD), and other agencies on regional transportation planning projects.

Discussions are also underway with SANDAG staff relative to Federal 5307 funds used for planning activities. With a number of planning activities assigned to MTS, some sharing of these funds is appropriate.

The position of Director of Planning was posted, and three applications were received. Interviews were conducted, and Conan Cheung was selected for the position. Six of the nine planners have moved into their new offices and are functioning well. The remaining planners are scheduled to move in the next few weeks, as current office occupants are relocated. Having all of the planners at one location and working under one director will greatly enhance their level of cooperation and overall effectiveness.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Paul Jablonski, 619.557.4583, paul.jablonski@sdmts.com

JGarde
OCT28-04.36.JSTUMBO
10/13/04

Attachments: A. SANDAG Policy No. 18: Regional Transit Service Planning
B. Organizational Chart

DRAFT



BOARD POLICY NO. 018

REGIONAL TRANSIT SERVICE PLANNING

This policy specifies the transit service planning responsibilities of the consolidated agency and the transit agencies, and outlines a framework for transit service planning. Figure 1.1 includes flow charts, based on the framework, that document the processes for transit planning and the delivery of services for new services and adjustments to existing services.

This policy will allow the transit system to quickly and efficiently respond to changes in travel demand and operating/fiscal environment, while ensuring that the system is adjusted and developed consistent with longer range regional transportation and land use goals as incorporated into the Regional Comprehensive Plan, the Regional Transportation Plan, and the Regional Short-Range Transit Plan (SRTP). As a result, transit service revisions that relate directly to implementation of regional goals (regionally significant service changes) are generally those that:

- Support regional travel demand corridors that cross transit agency jurisdictional boundaries;
- Significantly affect inter-jurisdictional trip making (i.e., are inconsistent with the guidelines contained in the SRTP; for example, would be found to potentially have a detrimental impact on geographic connections, timed transfers, and the frequency/service span consistency of such services); and
- Require additional regional operating funds above the overall transit agency-adopted budget and projected budget capacity.

1. Agency Responsibilities – Consolidated agency and transit agency responsibilities are described below and further specified in Figure 1.2. There is an inherent overlap of responsibilities between the consolidated agency and transit agencies in conducting transit service planning, as exhibited in Figure 1.2. Therefore, all transit service planning responsibilities should be conducted, whenever possible, in coordination and consultation between the consolidated agency and transit agencies.

- 1.1 Consolidated Agency Responsibilities – carried out in collaboration with the transit agencies:

- 1.1.1 Preparation of long-range transit plans as part of the Regional Transportation Plan (RTP).

- 1.1.2 Annual preparation of a five-year SRTP that: (1) defines the existing transit system; (2) evaluates existing services and programs; (3) identifies service gaps and deficiencies; (4) establishes parameters for short-range (0-5 years) new service development, as well as regionally significant and all other service adjustments; (5) defines a methodology for evaluating proposals for new service; (6) identifies and prioritizes regional and subarea transit planning studies; and (7) evaluates and prioritizes new services for implementation, including the adoption of an annual Regional Service Implementation Plan. The consolidated agency will initially maintain the existing service concepts upon which the service is based in order to preserve and improve mobility. FY 2003 budgeted revenue hours/miles will be considered as minimum levels of service for each Transit Board and will assume net service levels to be added upon completion of the Oceanside to Escondido and Mission Valley East rail projects. If future funding shortfalls occur, necessitating cutbacks in service, then there will be a regionwide process of examination of service levels, protecting a "lifeline" system of services.
- 1.1.3 Conduct regional and subarea planning studies as prioritized in the SRTP, RTP (Regional Transportation Plan), and RCP (Regional Comprehensive Plan).
- 1.1.4 Develop proposals for regionally significant service adjustments in response to changes in regional travel demand, to address regional service gaps and deficiencies, and to implement plans and programs identified in long-range Regional Transportation and Regional Comprehensive Plans.
- 1.1.5 Develop proposals for new services to be included in the Regional Service Implementation Plan.
- 1.1.6 Ensure that all new services and service adjustments are consistent with the SRTP.
- 1.1.7 Coordinate with transit agencies to provide community outreach and conduct market research.
- 1.1.8 Conduct regional performance monitoring to provide input into the SRTP and other short-range transit studies. The regional performance monitoring will be based on the type of service and type of service area. Any net service reduction in a specific transit agency area resulting from the service evaluation process that takes that Board below its FY 03 service level (pursuant to Section 1.1.2) will be reprogrammed to that transit agency service area for other improvements up to the FY 03 base level of service.
- 1.1.9 Provide technical assistance to transit operators for local route planning.

- 1.1.10 Develop a public input process and hold required public hearings for service changes. The consolidated agency should ensure that the public input process for public hearings on service changes would be conducted in a manner to facilitate public input from the affected area.
- 1.1.11 Develop a Regional Fare Policy that incorporates a uniform fare structure, a transfer policy, and agreement for revenue sharing of regional tickets, tokens, and passes, while also allowing the consolidated agency to adopt specialized fare procedures for travel within each operator's service area. Additionally, adopt the Comprehensive Fare Ordinance setting forth all fares for all operators, including their special fares.
- 1.2 Transit Agencies Responsibilities – carried out in collaboration with the consolidated agency:
 - 1.2.1 Develop service and schedule adjustments to ensure system optimization and to respond to immediate operational issues (e.g., detours, overcrowding, on-time performance, and minor out-of-direction routing changes).
 - 1.2.2 Conduct local transit studies and analyses within the transit agency's service area in response to changes in local travel demand, to address service gaps and deficiencies, to develop service reductions/efficiencies, to address operating budget deficits, and to implement plans developed in the SRTP.
 - 1.2.3 Develop proposals for new services to be included in the Regional Service Implementation Plan (RSIP).
 - 1.2.4 Develop proposals to reallocate unproductive resources to implement unfunded services identified as high priority in the RSIP or consistent with SRTP guidelines.
 - 1.2.5 Coordinate with consolidated agency to provide community outreach and conduct market research.
 - 1.2.6 Develop operating plans for special event transit service and service contingencies.
 - 1.2.7 Monitor existing operations and services to provide input into service analysis and short-range transit studies.
 - 1.2.8 Conduct bus stop location planning.
 - 1.2.9 Service implementation, including scheduling, run-cutting, operations, contract services, service management, and labor contract administration.
 - 1.2.10 Provide input on long- and short-range transit plans, and regional performance monitoring.

2. **Transit Service Planning Framework** – This framework allows the transit system to quickly and efficiently respond to changes in travel demand and operating/fiscal environment, while ensuring that the system is adjusted and developed consistent with longer range regional transportation and land use goals.

Step 1: Guidance

An SRTP, consistent with SANDAG's Regional Transportation Plan (RTP) and Regional Comprehensive Plan (RCP), will be drafted annually by SANDAG, in consultation with the transit agencies. The SRTP will provide guidance for service planning during the upcoming year and will balance the immediate needs of optimizing the transit system in response to operational and financial constraints, with the mid-/long-range system development goals established in the long-range plans.

Step 2: Develop Service Adjustments

Throughout the year, transit agency and SANDAG staff develop proposals, in accordance with the SRTP, to adjust existing services and develop new ones. These service adjustments help to optimize existing services, reflect changes to the operating and fiscal environment, respond to customer comments and requests, and begin to implement and support services envisioned in the long-range plans. Service adjustments can be a result of such things as schedule analysis, trip and route level evaluation, and subregional and regional transit studies. Regionally significant service adjustments should be developed as collaborative efforts between SANDAG and transit agency staff.

Step 3: Evaluation and Approval

Prior to approval for implementation, all service adjustments should be:

- Consistent with the SRTP;
- Presented for public hearing in the impacted service area if required by SANDAG, appropriate transit agency, or by Federal Transit Administration (FTA) policies and regulations; and
- Fully funded either through a reallocation of resources or as part of the budget process.

Regionally significant service adjustments should be endorsed by the appropriate transit agency and approved by SANDAG's Transportation Committee prior to implementation, while all other service adjustments may be approved for implementation at the sole discretion of the transit agencies.

Step 4: Implementation

As a general practice, service changes should be implemented during a regularly scheduled service change date (scheduled for winter, fall, and summer). Implementation should be

preceded by community outreach, a marketing campaign, and public notices, as appropriate. Service implementation is the responsibility of the transit agencies.

Step 5: Monitoring

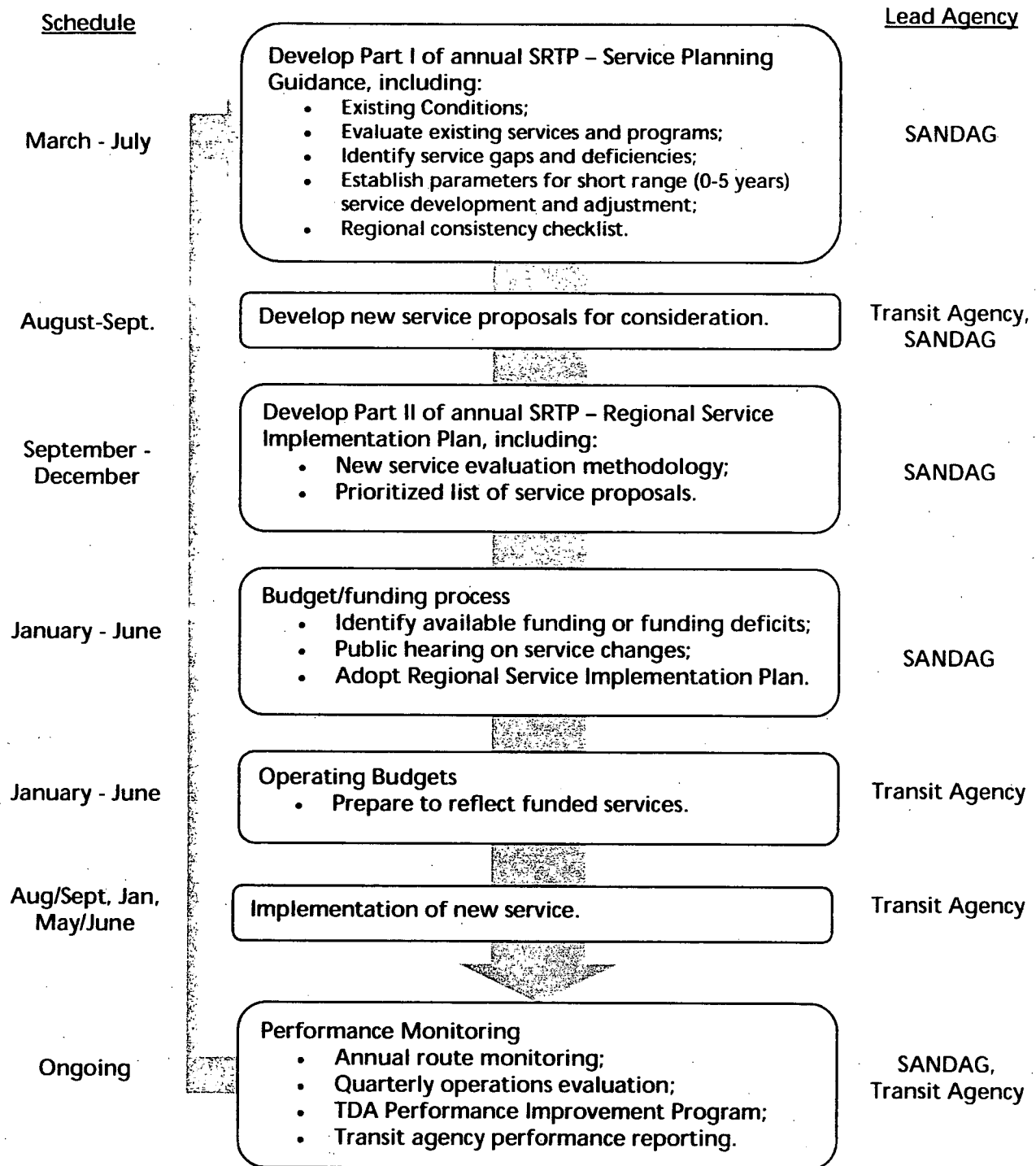
Performance monitoring will be conducted on an ongoing basis to evaluate services as well as newly implemented service adjustments. SANDAG will monitor the transit system performance on a systemwide and operator level on an annual and quarterly basis, and at the route level on an annual basis. Transit agencies will monitor their operations performance on an annual, quarterly, and monthly basis, as appropriate. Performance measures will evaluate productivity, cost-effectiveness, and quality of service. Performance results will be used as a basis for developing the SRTP, and other planning studies and analysis.

3. Policy Review – This policy shall be reviewed by SANDAG, in collaboration with the transit agencies after one year, in the fall 2005.

TB/dda

Attachments: Figure 1.1 – Proposed Service Planning Process
Figure 1.2 – Roles and Responsibilities for Service Planning Activities

FIGURE 1.1
PROPOSED SERVICE PLANNING PROCESS (NEW SERVICES)



PROPOSED SERVICE PLANNING PROCESS (ADJUSTMENTS TO EXISTING SERVICES)

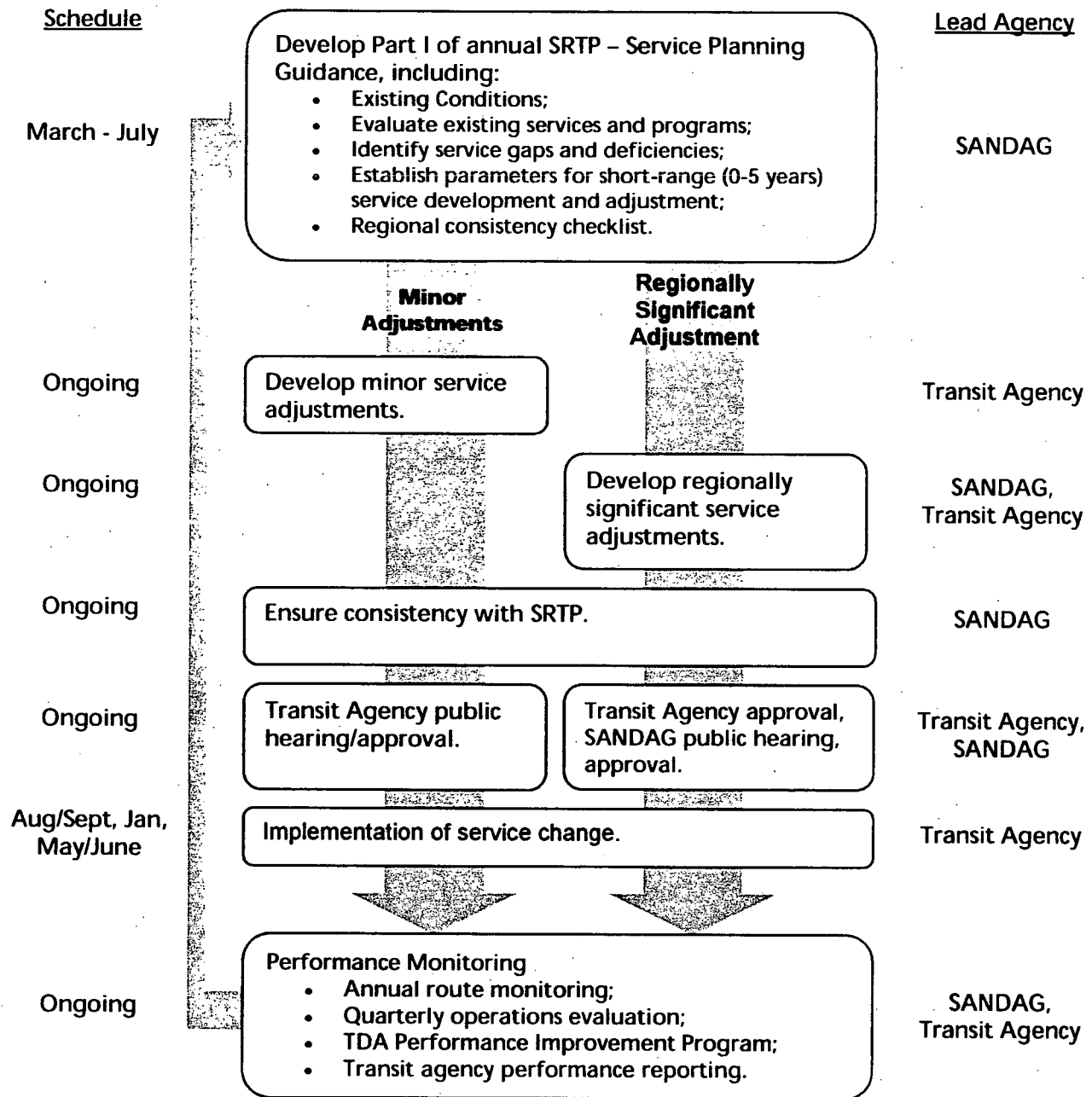


FIGURE 1.2
ROLES AND RESPONSIBILITIES FOR SERVICE PLANNING ACTIVITIES

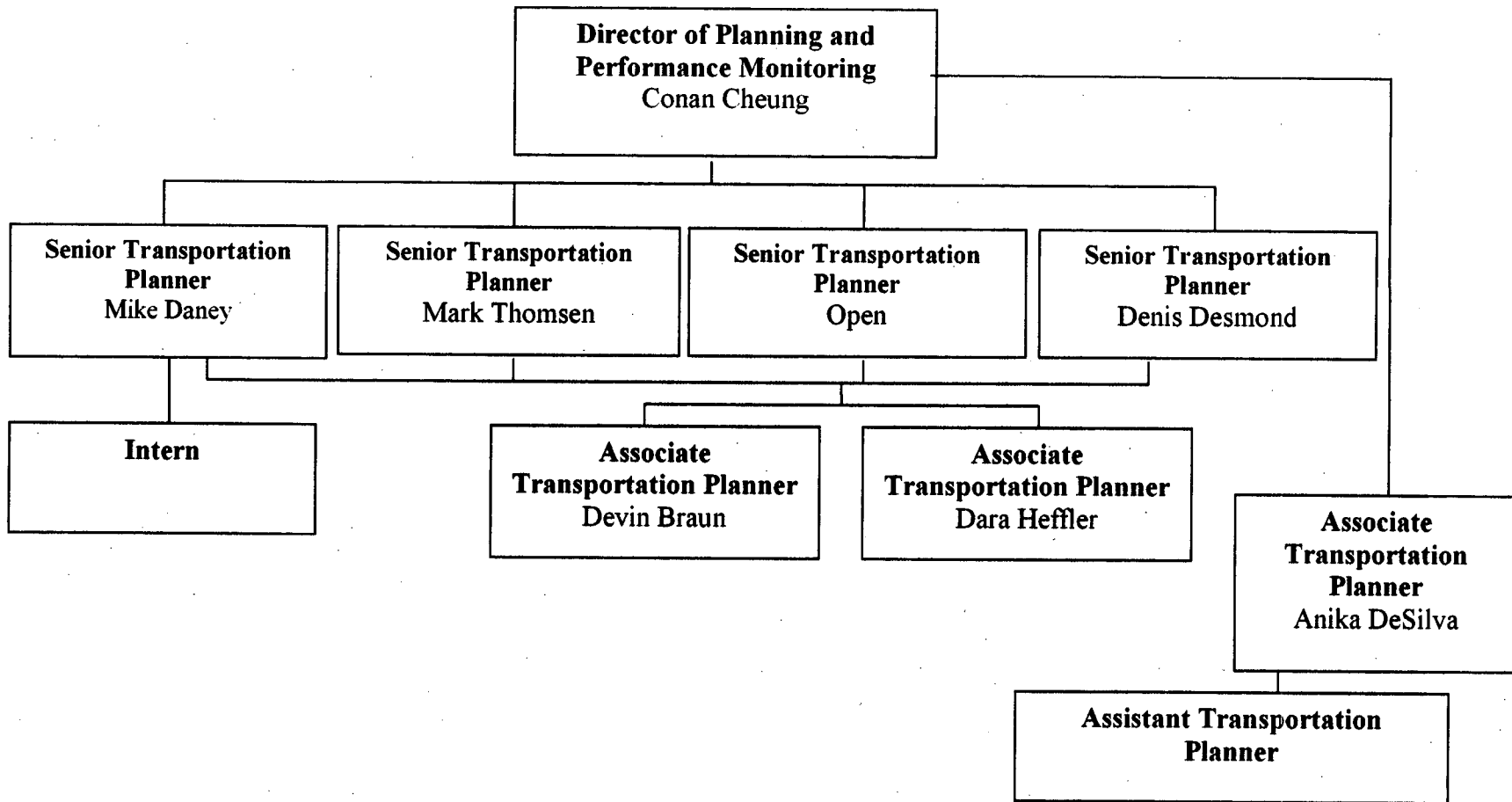
	TRANSIT AGENCY			SANDAG	
	Operations	Operations Planning	Service Planning	Development Planning	Long-Range Planning
POLICY AND GUIDANCE					
Regional Transportation Plan (RTP)					Lead
Short-Range Transit Plan (S RTP)			Lead		
LONG-RANGE SERVICE DEVELOPMENT					
Subarea Studies					Lead
MID-RANGE SERVICE DEVELOPMENT					
BRT/Rail System Development*				Lead	
Transit Centers				Lead	
Transit First Now! (traffic engineering, traffic operations)				Lead	
SHORT RANGE SERVICE RESTRUCTURING					
Feeder Bus Studies/BRT Supporting Networks**			Lead		
Subarea Studies (e.g. Downtown, NB/PB/LJ, Univ. Ave)		Shared			
Systemwide Service Optimization (e.g. COA)		Lead			
COMMUNITY OUTREACH					
Developer Plan Review - land use, regional plan conformity			Lead	Lead	
Developer Plan Review - community liaison		Lead			
Market Research			Shared		
Transit Liaison to Communities			Shared		
Respond to Community Service Requests***			Shared		
Respond to Operational Issues	Lead	Lead			
PERFORMANCE MONITORING					
Annual Route Monitoring			Lead		
New Service Proposal Evaluation			Lead		
Performance Improvement Program			Lead		
Quarterly Operations Evaluation			Lead		
Operational Data Collection	Lead	Lead			
Assistance to Transit Operators (ATO) Data Collection			Lead		
Monthly Operations Reporting		Lead			
National Transit Database (NTD) Reporting		Lead			
ROUTE SPECIFIC ADJUSTMENTS					
Bus Stop Location Planning			Lead		
Trip Level Schedule Adjustments		Lead			
Minor Route Changes		Lead			
Service Reductions - Minor		Lead			
Service Reductions - Regionally Significant			Lead		
OPERATIONS AND MAINTENANCE					
Runcutting/Scheduling	Lead				
Driver Bids	Lead				
Ensure Implementation of Service Plans	Lead				
Service Provision	Lead				

* Includes Mid-Coast, Super Loop, Showcase, I-15, North County (Mission Ave or Escondido Blvd/Bear Valley Pkwy), and Otay Mesa to Downtown

**Includes Nobel Coaster Station, Mission Valley East, Sprinter, and supporting networks for BRT/Rail projects listed above

***Activities coordinated via the staff-level Planning, Operations, and Marketing Coordination Committee

Lead - Primary or Lead Function
Shared - Support Function





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Agenda

Item No. 37

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

CIP 10453

October 28, 2004

Subject:

MTDB: SAN YSIDRO INTERMODAL TRANSPORTATION CENTER PROJECT:
CONSTRUCTION STATUS UPDATE AND CONSTRUCTION CONTINGENCY
INCREASE

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer to increase the Construction Contingency for the San Ysidro Intermodal Transportation Center (SYITC) Project by \$314,000, from \$1,894,939.96 to \$2,208,939.96.

Budget Impact

A total of \$140,897 would be transferred from available funds in the City Sewer line item (WBS #10453-1099490SW), leaving a balance of zero, and a total of \$173,103 would be transferred from available funds in the Construction line item (10453-1000), leaving a balance of \$199,171.

DISCUSSION:

Phase 2 of the SYITC Project construction contract has been underway since August 12, 2002, and was completed on July 16, 2004, with the exception of remaining punch-list items, minor contract change orders (CCOs), plant establishment, and contract closeout. The purpose of this project was to consolidate transit services into one area and eliminate the mixing of pedestrian and vehicular traffic in order to relieve congestion and enhance public safety and convenience. The major items of work completed as a part of



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

this contract include: a multibay bus transit center in the location of the former General Services Administration (GSA) parking lot, a realignment of the light rail transit (LRT) tracks and station platform to the east side of the former San Ysidro Boulevard, a pedestrian plaza between the bus transit center and trolley station platform, the realignment and extension of Rail Court, an intercity bus parking area, and the realignment of a 10-inch City of San Diego sewer main.

In order to continue the project closeout and complete remaining CCOs, an increase in the Construction Contingency is recommended. CCOs required to closeout the contract are currently estimated in the amount of \$314,000. Out of that total amount, \$191,000 is required for completing the 10-inch sewer replacement/realignment for the City of San Diego. Although the sewer work is funded by the City of San Diego, the Board's approval is required to increase the overall Construction Contingency, which has been depleted by CCOs for this work. The additional funds are required for various CCO's including \$52,000 for extended overhead costs and \$139,000 for 12 other CCOs required to complete the sewer work as originally contemplated. Funds for this work have already been partially reimbursed through the agreement with the City San Diego. However, \$50,103 will be temporarily funded out of the SYITC Construction line item until reimbursement can be obtained from the City of San Diego. To date, the City of San Diego has reimbursed MTDB a total of \$1,120,900 for designing and constructing the sewer. As a part of the agreement with the City of San Diego, MTDB staff may request supplemental funds for necessary CCO work. Therefore, staff is in the process of requesting the additional \$50,103 from the City of San Diego to fund the remaining CCOs.

In addition to the sewer-related work, pending CCOs for other SYITC Phase 2 contract work will require additional Construction Contingency funds in the amount of \$123,000. This work will be funded out of the project's Construction line item. The most significant remaining CCOs are currently estimated as follows: \$53,000 for an adjustment in compensation for excavation quantities over 125 percent of the engineer's estimate; \$33,000 for adding one year of plant establishment that was not included in the engineer's estimate; \$20,000 for an adjustment in compensation for quantities of Type H curb over 125 percent of the engineer's estimate; \$12,000 for required Americans with Disabilities Act (ADA) handrailing; and \$5,000 for various minor improvements.

There are two other significant potential CCOs that are unresolved. The first is a request from the contractor, Stacy and Witbeck, for additional extended overhead costs; and, the second is Stacy and Witbeck's request for additional compensation for an alleged loss of productivity due to the volume of CCOs required for the project. The construction management firm of Parsons Brinkerhoff Construction Services is in the process of evaluating these items and preparing a Proposed Final Estimate for the entire contract. Once this document is prepared and submitted to the contractor, the contractor may accept the final amount or file a written protest requesting additional funds. The resolution of any claims at that point will be in accordance with the contract and MTDB policy.

The last item of remaining construction work planned for the SYITC Project is the construction of a ticket booth. Plans and specifications for the ticket booth have been prepared under the SYITC design contract with Kimley-Horn and Associates. A separate construction contract for this work will be advertised for bids this November.

The ticket booth will be an approximately 648-square-foot building located within the pedestrian plaza. The design of the building includes: exterior block walls with a stucco finish, a structural steel roof frame, four exterior bullet-resistant ticket windows, separate interior spaces for ticket sales, code compliance, food vending, a janitor's closet, and a rest room. The engineer's estimate for this project is \$182,000 and the current schedule includes awarding the contract in January 2005 and completing the ticket booth in June 2005.


Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Brad Helgason, 619.235.2632, bhe@sandag.org






LTorio/JGarde
OCT28-04.37.BHELGA
10/11/04

AI # 37 – 10/28/04

San Ysidro Intermodal Transportation Center Project

Construction Status Update and
Construction Contingency Increase






Pete d'Ablaing
Jim Linthicum

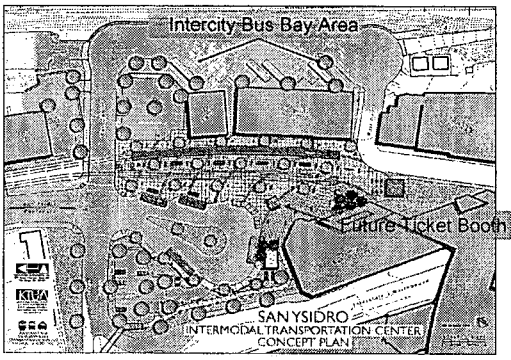
 October 28, 2004    






AI # 37 – 10/28/04

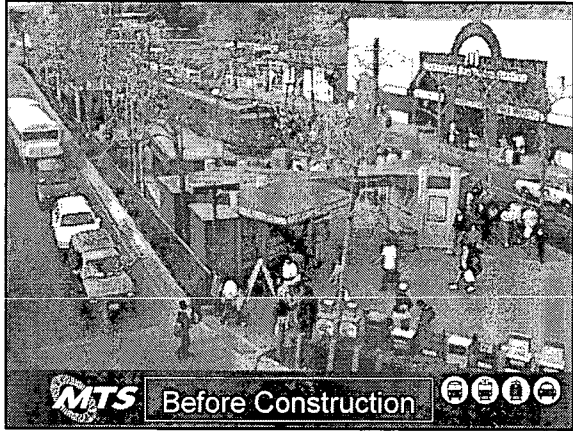
Status

- Relief from Maintenance with the exception of Punch List items effective July 16, 2004.
- Contract Acceptance anticipated on November 12, 2004.

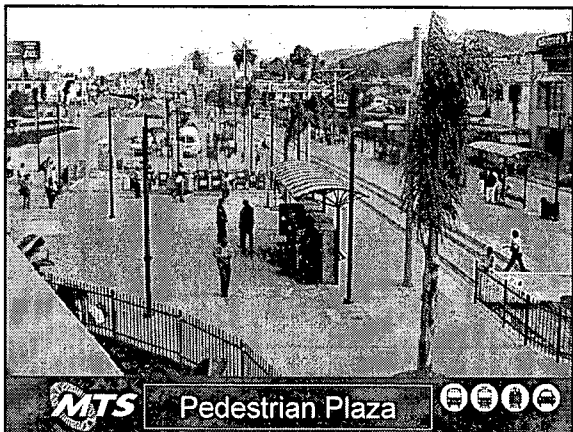
    





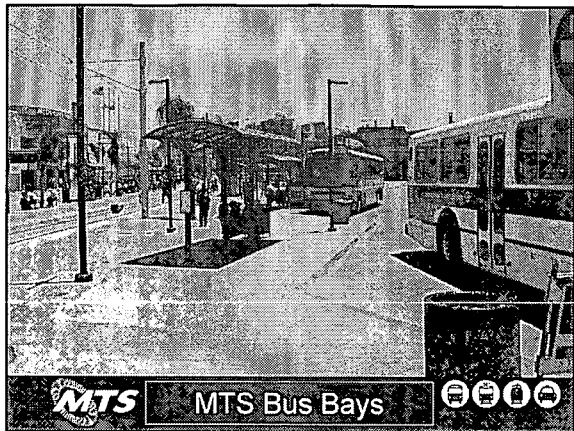




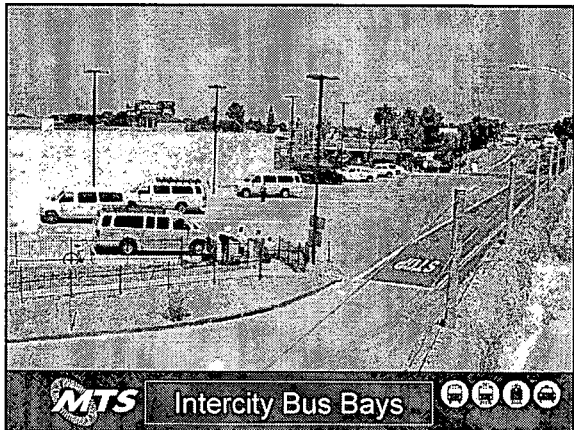




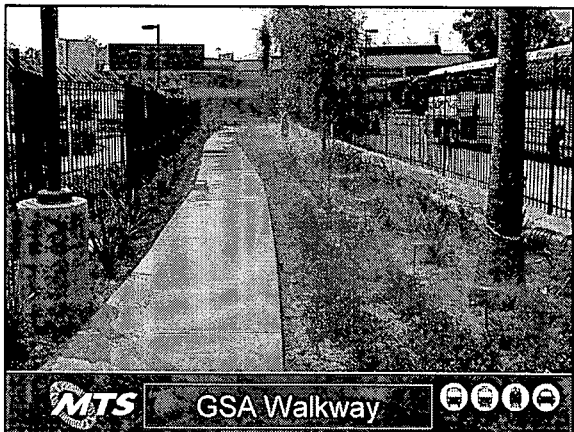




MTS Bus Bays



MTS Intercity Bus Bays



MTS GSA Walkway





AI # 37 - 10/28/04

Const. Contingency Increase

• City Sewer CCOs:	\$191,000
• Adjustment in Excavation:	\$53,000
• Plant Establishment:	\$33,000
• Type H Curb Adjustment:	\$20,000
• ADA Hand railing:	\$12,000
• Misc. Improvements:	\$5,000
Total	\$314,000

MTS

AI # 37 – 10/28/04

Recommendation

- Authorize the CEO to increase the Construction Contingency by \$314,000, leaving a balance of \$199,171 in project construction.



Future Work: Ticket Booth

- Engineers Estimate: \$182,000
- Award Contract: Early 2005
- Complete Construction: Summer 2005



Future Risks

- Increased overhead claim by general contractor
- Loss of productivity claim by general contractor
- Right-of-Way lawsuits





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San Diego, CA 92101-7490
619.231.1466, FAX: 619.234.3407

Agenda

Item No. 38

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

LEG 491 (PC 30100)

October 28, 2004

Subject:

MTS: LIABILITY CLAIMS ANALYSIS

RECOMMENDATION:

That the Board of Directors receive the MTS Liability Claims Analysis Report (Attachment A).

Budget Impact

None; however, future incurred reserve claim costs should be noted. A claim reserve is an estimate of the potential expense to the entities based on currently available information. Upon final disposition of a claim, any necessary budget actions exceeding authorization levels would require Board authorization.

DISCUSSION:

This report is the fifth since the decision to utilize third-party administrators (TPA) was put into effect in March 2002. The analysis report encompasses loss information data from MTDB, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI). McDowell Adjusting Company (MAC) has been contracted to act as the TPA involving third-party liability claims and Hazelrigg Risk Management Services (Hazelrigg) is the TPA involving workers' compensation claims.



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.

Summary

The attached report (Attachment A) identifies pertinent information regarding claims management, such as the number of claims, claim payouts, and unfunded incurred liabilities for MTDB, SDTC, and SDTI through June 2004.

The liability claims administrator has processed a total of 363 unique liability claims with loss dates prior to March 2002. Ninety-seven percent (352) of those claims have been closed. A total of 1,113 unique claims have been submitted to the TPA since March 2002 for processing. Of those new claims, 85 percent (950) of those claims have been closed. During fiscal year 2004 a total of 331 unique liability claims occurred. This frequency amount is a 36 percent decrease over the 521 claims frequency experienced in fiscal year 2003.

Incurred future reserves liability costs are established by the TPA. These reserves estimates for specific claims may be adjusted as claims are incurred and develop, allowing for any unforeseen growth of claims' costs over time. The future incurred reserves liability claim costs have decreased significantly due to the settlement resolution of some high-value claims. Of the 34 open claims with an incurred value greater than \$10,000, 10 percent will be settled within the following quarter. One of the claims has settled in excess of self-insurance retention. A request was made from the Liability Reserve Fund.

Along with claims severity, claims frequency is the dominant factor which affects the overall cost of liability claims management. Special effort was made to identify and categorize unique nonsubrogation-related claims. SDTC continues to experience an overall decrease in the monthly claims frequency. In June, SDTC experienced a slight frequency increase attributed to a rise in vehicle collisions and alleged start/stop passenger injuries. SDTI has experienced a steady level in claims frequency. An increase is shown in May 2004; the primary cause associated with falls onboard the trolley. The linear trend line for the 29-month period measured for both SDTC and SDTI is declining. This decline reflects the ridership count trend during the period. Staff is to be commended at their continued efforts to identify and mitigate the exposure to liability losses.

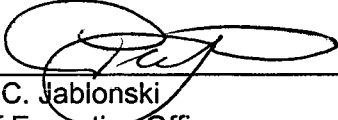
The liability claims administration costs have decreased on a gradual basis for SDTC. Only 3 percent of the claims, which occurred prior to the utilization of an outside claims administrator, remain open. The claims administration cost has begun to stabilize, fluctuating within one standard deviation of the mean.

In addition to MAC, the claims administrator for third-party liability claims, Hazelrigg continues as the TPA for workers' compensation claims management. The frequency of medical-only claims, as well as indemnity claims, continues to be below the historical average. The decreased claim count frequency for SDTC is substantial and has fallen to its lowest level since 1996.

Claims costs are decreasing slightly, but continue to show a consistent cost-per-claim trend over the last six-year period. The increase in the frequency of indemnity (time lost) claims experienced by SDTC over the last two years continues to decline. The nature of

time-lost claims, combined with an increase in disability benefits, drives the cost of claims up.

The Management and Risk Departments have been diligent in efforts to decrease claim costs and minimize exposures. An increased analysis effort is anticipated to assist in identification of operational areas where changes may be made to further decrease claim frequency and cost.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Jim Dow, 619.557.4562, jim.dow@sdmts.com

JGarde

OCT28-04.38.JDOW
9/30/04

Attachment: A. Liability Claims Analysis Report (**Board Only**)

MTDB / SDTC / SDTI LIABILITY CLAIMS ANALYSIS

Unique Non-Subrogation/Collection - Compiled Data Captured: 07/07/04
(Attachment A)

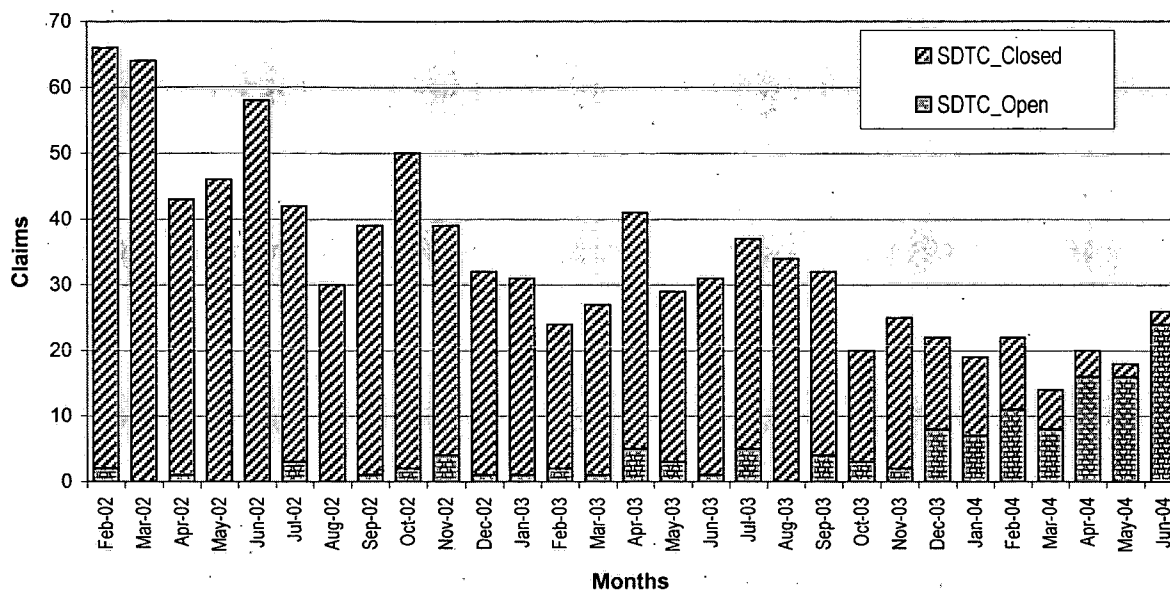
LIABILITY UNIQUE CLAIMS COUNT OPEN / CLOSED					
PERIOD	CATEGORY	MTDB	SDTC	SDTI	TOTAL
Assumed Files Pre 03/01/02	Open Files	0	11	0	11
	Closed Files	9	297	46	352
	Sub-Total Files	9	308	46	363
Files Since 03/01/02	Open Files	14	129	20	163
	Closed Files	27	786	137	950
	Sub-Total Files	41	915	157	1,113
Complete Status 06/30/04	Open Files	14	140	20	174
	Closed Files	36	1083	183	1,302
	Total Files	50	1223	203	1,476

LIABILITY LOSS PAYOUTS					
PERIOD	EXPENSE AREA	MTDB	SDTC	SDTI	TOTAL
Assumed Files Pre 03/01/02	Loss Payments	\$10,000	\$2,200,679	\$437,119	\$2,647,798
	Legal & Defense Expenses	\$47,158	\$1,377,832	\$405,608	\$1,830,599
	Claims Mgmt.	\$8,223	\$752,596	\$56,976	\$817,794
	Sub-Total Claim Costs	\$65,381	\$4,331,107	\$899,703	\$5,296,191
Files Since 03/01/02	Loss Payments	\$17,447	\$385,229	\$23,588	\$426,263
	Legal & Defense Expenses	\$9,165	\$111,528	\$70,504	\$191,197
	Claims Mgmt.	\$13,446	\$432,098	\$105,590	\$551,134
	Sub-Total Claim Costs	\$40,058	\$928,855	\$199,682	\$1,168,595
Complete Status 06/30/04	Loss Payments	\$27,447	\$2,585,908	\$460,706	\$3,074,061
	Legal & Defense Expenses	\$56,324	\$1,489,360	\$476,112	\$2,021,796
	Claims Mgmt.	\$21,668	\$1,184,694	\$162,566	\$1,368,928
	Total Claim Costs	\$105,439	\$5,259,963	\$1,099,385	\$6,464,786

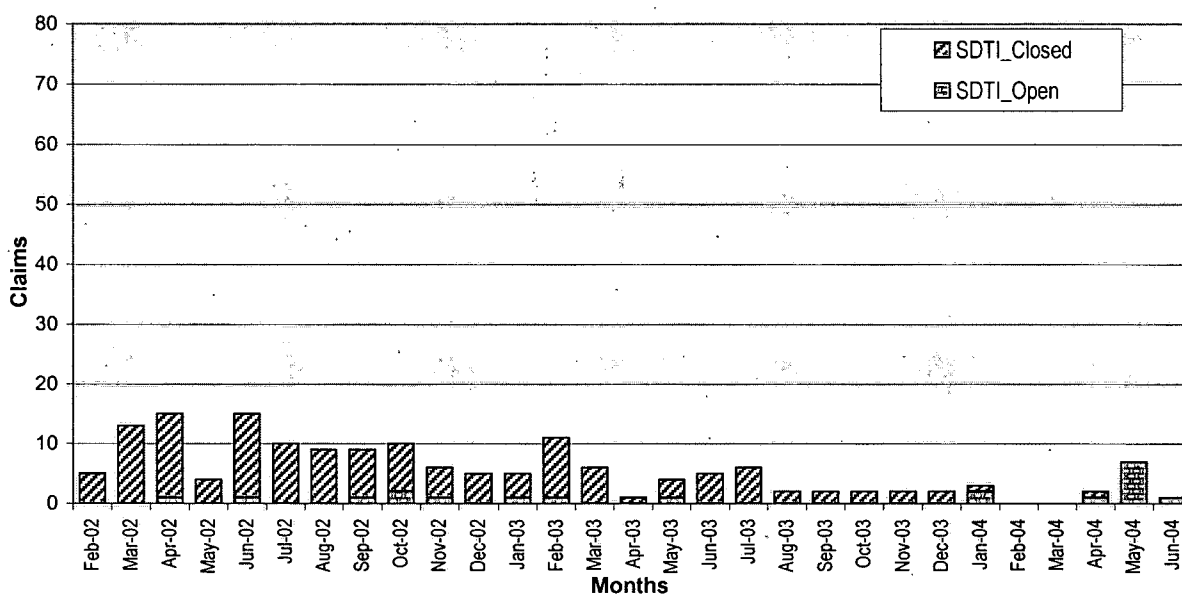
UNIQUE LIABILITY CLAIMS - OPEN / CLOSED PER MONTH								
Open / Closed Claims Per Month	DOL Month	SDTC Transit Open	SDTC Transit Closed	SDTI Trolley Open	SDTI Trolley Closed	MTDB Open	MTDB Closed	Month Totals
	Feb-02	2	64	0	5	0	3	74
	Mar-02	0	64	0	13	0	1	78
	Apr-02	1	42	1	14	0	0	58
	May-02	0	46	0	4	0	2	52
	Jun-02	0	58	1	14	0	0	73
	Jul-02	3	39	0	10	0	2	54
	Aug-02	0	30	0	9	0	3	42
	Sep-02	1	38	1	8	0	1	49
	Oct-02	2	48	2	8	0	1	61
	Nov-02	4	35	1	5	1	1	47
	Dec-02	1	31	0	5	1	2	40
	Jan-03	1	30	1	4	0	5	41
	Feb-03	2	22	1	10	0	0	35
	Mar-03	1	26	0	6	0	4	37
	Apr-03	5	36	0	1	1	0	43
	May-03	3	26	1	3	0	0	33
	Jun-03	1	30	0	5	3	0	39
	Jul-03	5	32	0	6	0	1	44
	Aug-03	0	34	0	2	0	0	36
	Sep-03	4	28	0	2	1	1	36
	Oct-03	3	17	0	2	0	0	22
	Nov-03	2	23	0	2	2	0	29
	Dec-03	8	14	0	2	1	0	25
	Jan-04	7	12	2	1	1	0	23
	Feb-04	11	11	0	0	0	0	22
	Mar-04	8	6	0	0	0	0	14
	Apr-04	16	4	1	1	1	1	24
	May-04	16	2	7	0	1	2	28
	Jun-04	24	2	1	0	1	0	28
Total Claims		131	850	20	142	14	30	1187

CATEGORY OF TYPE OPEN CLAIMS				
TYPE CLAIM	MTDB	SDTC	SDTI	AGENCY Total
Vehicle Collision Moving		34	6	40
Vehicle Collision Stationary Object		7	1	8
Pedestrian Accident	2	4	7	13
Vehicle / Bike Accident	1	3		4
Fall on Vehicle		7	7	14
Start/Stop Fall On Vehicle		20	7	27
Boarding Vehicle		13	7	20
Fall Other	1	1	20	22
Assault		3	4	7
Bench/Shelter	3			3
Property		1	5	6
Other	7	5	13	25
TOTAL	14	98	77	189

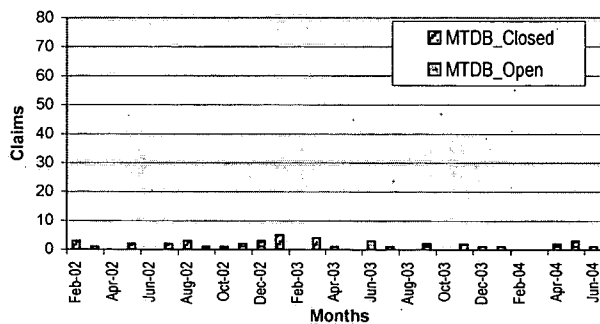
SDTC Transit Open/Closed Liability Claims



SDTI Trolley Open/Closed Liability Claims

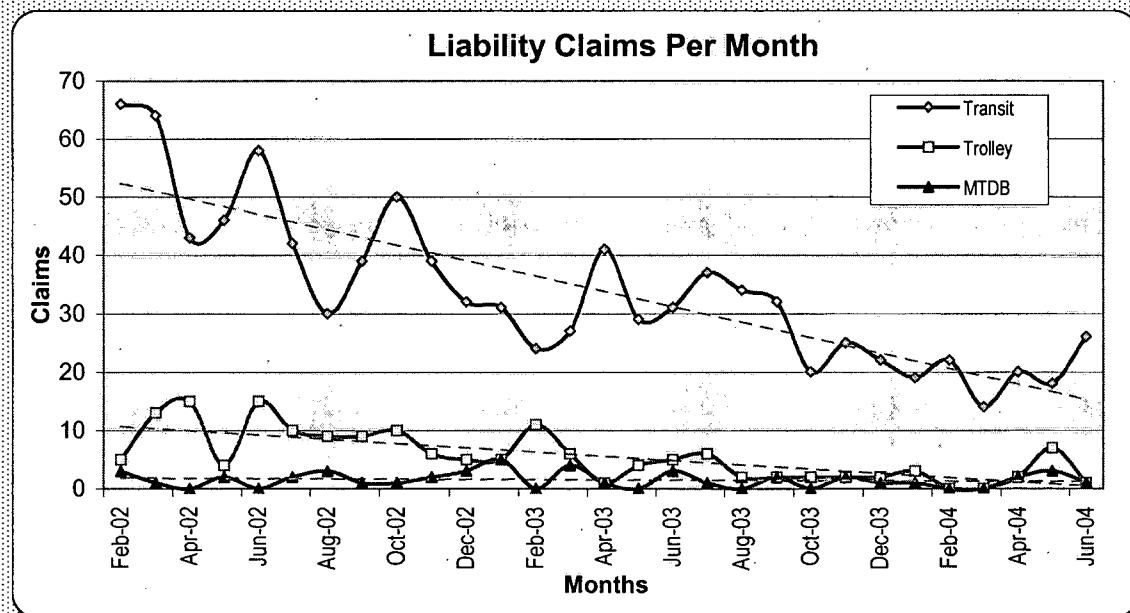


MTDB Open/Closed Liability Claims



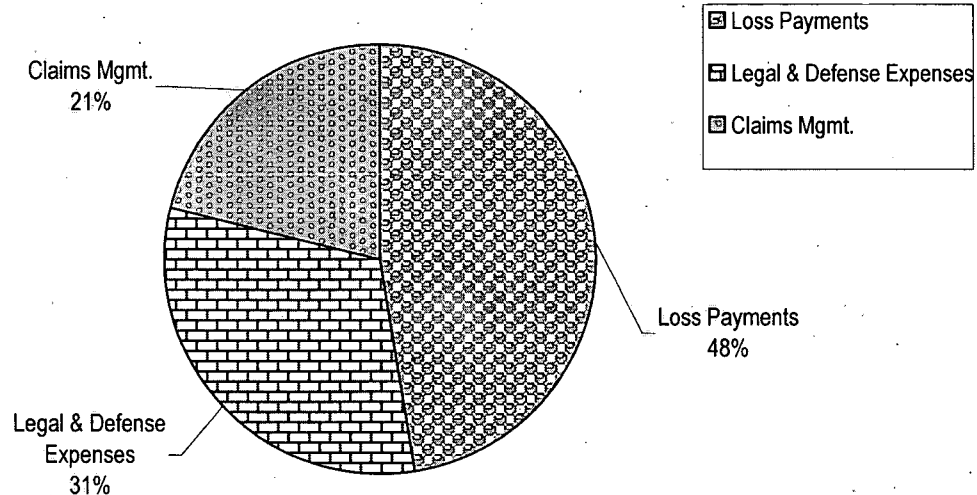
MTDB / SDTC / SDTI LIABILITY CLAIMS ANALYSISUnique Non-Subrogation/Collection - Compiled Data Captured: 07/07/04
(Attachment A)

LIABILITY CLAIMS PER MONTH								
Claims Per Month	DOL Month	SDTC Transit	%	SDTI Trolley	%	MTDB	%	Month Totals
	Feb-02	66		5		3		74
	Mar-02	64		13		1		78
	Apr-02	43		15		0		58
	May-02	46		4		2		52
	Jun-02	58		15		0		73
	Jul-02	42		10		2		54
	Aug-02	30		9		3		42
	Sep-02	39		9		1		49
	Oct-02	50		10		1		61
	Nov-02	39		6		2		47
	Dec-02	32		5		3		40
	Jan-03	31		5		5		41
	Feb-03	24		11		0		35
	Mar-03	27		6		4		37
	Apr-03	41		1		1		43
	May-03	29		4		0		33
	Jun-03	31		5		3		39
	Jul-03	37		6		1		44
	Aug-03	34		2		0		36
	Sep-03	32		2		2		36
	Oct-03	20		2		0		22
	Nov-03	25		2		2		29
	Dec-03	22		2		1		25
	Jan-04	19		3		1		23
	Feb-04	22		0		0		22
	Mar-04	14		0		0		14
	Apr-04	20		2		2		24
	May-04	18		7		3		28
	Jun-04	26		1		1		28
Total Claims		981	82.6%	162	13.6%	44	3.7%	1187
Arithmetic Mean Feb.2002-June 2004		33.8		5.6		1.5		40.9
Total Claims		981		162		44		1,187
Average Monthly		33.8		5.6		1.5		40.9
Standard Deviation		13.5		4.3		1.4		16.4
* Upper Control Limit		74.2		18.5		5.6		90.2
* Lower Control Limit		-6.6		-7.4		-2.5		-8.3

* Control Limit ± 3 Standard Deviation

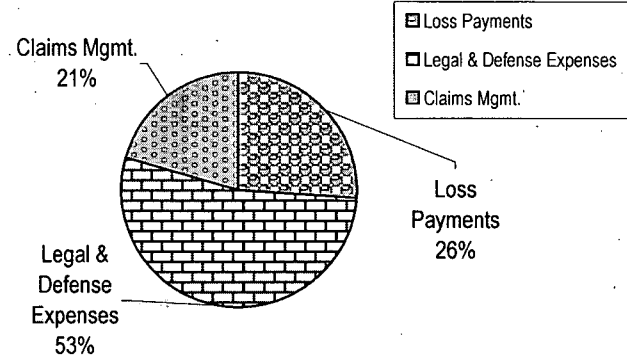
TOTAL
\$6,464,786

Liability Claims Payouts - Agencies Total

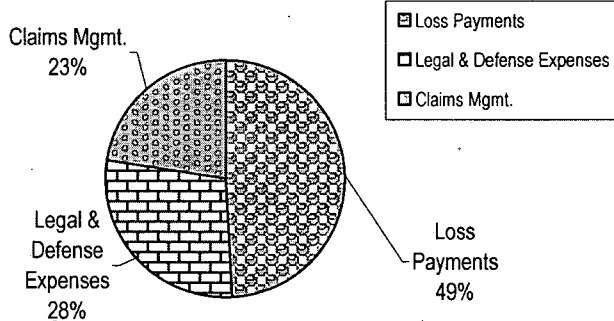


MTDB \$105,439

Liability Claims Payouts - MTDB



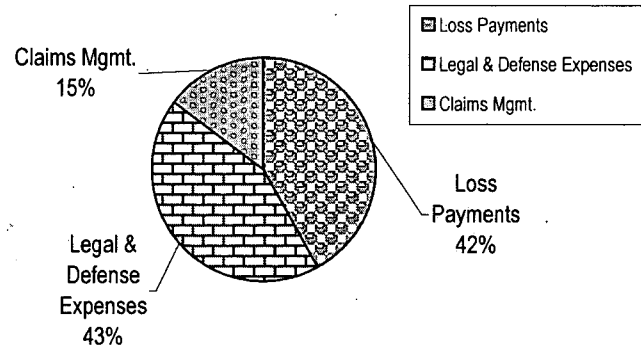
Liability Claims Payouts - SDTC



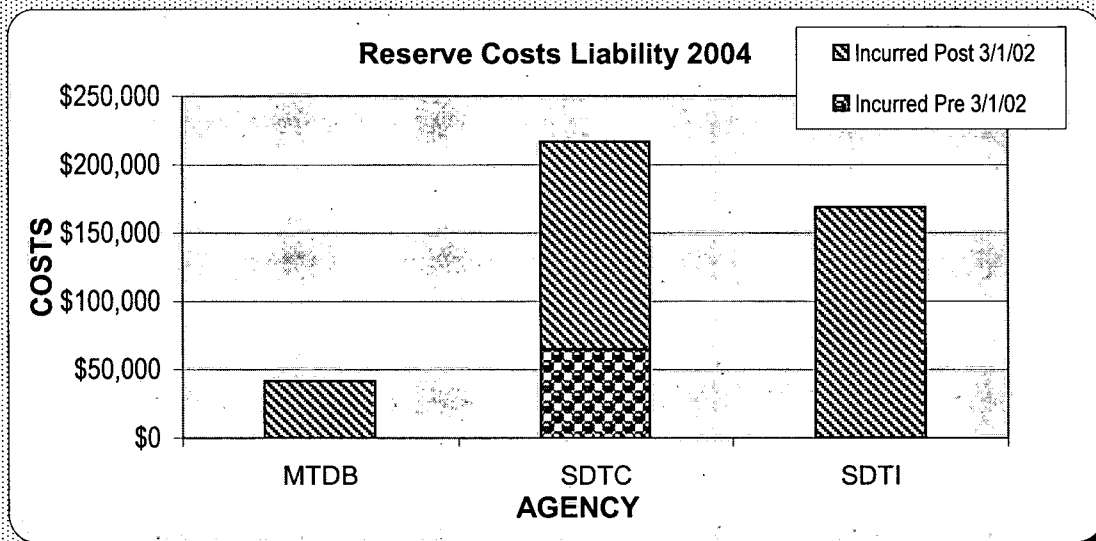
SDTC \$5,259,963

SDTI \$1,099,385

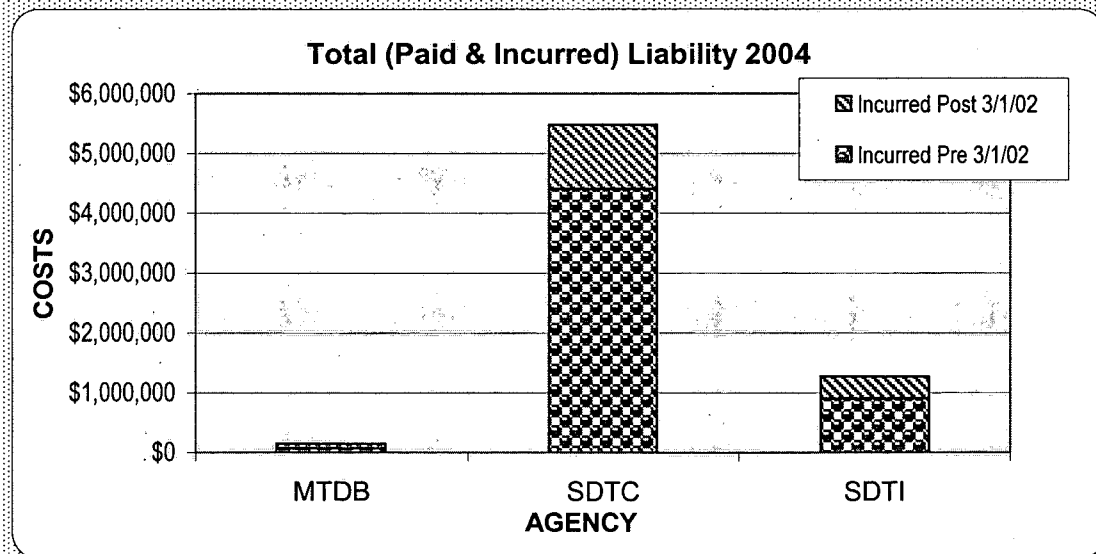
Liability Claims Payouts - SDTI



INCURRED RESERVE CLAIMS COSTS					
PERIOD	RESERVE COSTS	MTDB	SDTC	SDTI	TOTAL
Pre 03/01/02	Sub-Total Reserve Costs	\$0	\$64,508	\$0	\$64,508
Since 03/01/02	Sub-Total Reserve Costs	\$41,522	\$152,254	\$168,754	\$362,529
Complete 06/30/04	Total Reserve Costs	\$41,522	\$216,762	\$168,754	\$427,037

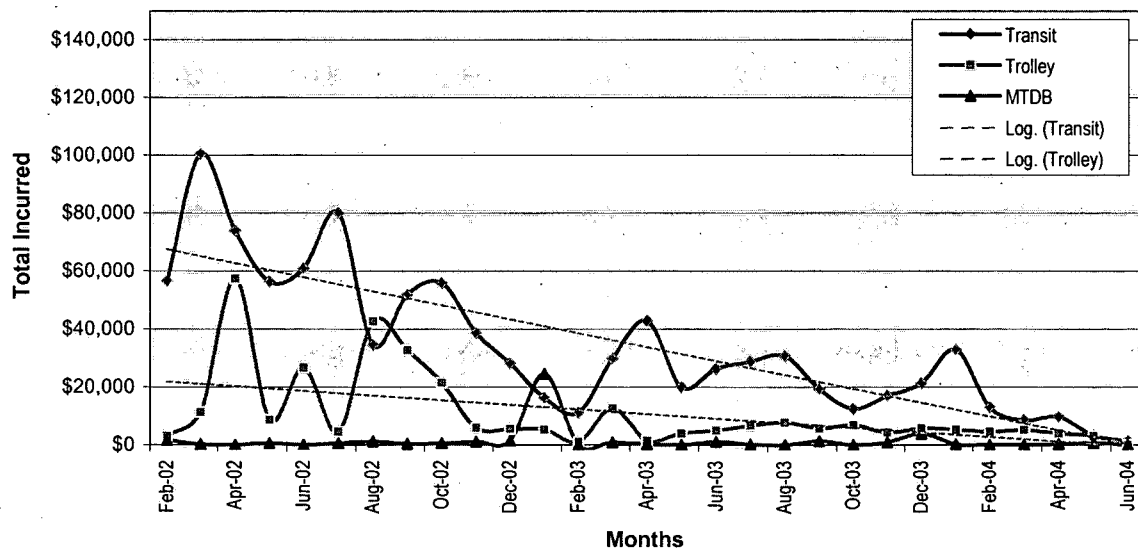


TOTAL (PAID & INCURRED) CLAIMS COSTS					
PERIOD	INCURRED COSTS	MTDB	SDTC	SDTI	TOTAL
Pre 03/01/02	Sub-Total Incurred Costs	\$65,381	\$4,395,615	\$899,703	\$5,360,700
Since 03/01/02	Sub-Total Incurred Costs	\$81,580	\$1,081,109	\$368,435	\$1,531,124
Complete 06/30/04	Total Incurred Costs	\$146,961	\$5,476,724	\$1,268,138	\$6,891,823



LIABILITY CLAIMS INCURRED PAID COSTS PER DATE OF LOSS MONTH								
Incurring Per Month	DOL Month	Incurring SDTC Transit	%	Incurring SDTI Trolley	%	Incurring MTDB	%	Month Totals
	Feb-02	\$56,452		\$3,130		\$1,605		\$61,187
	Mar-02	\$100,403		\$11,225		\$186		\$111,814
	Apr-02	\$73,890		\$57,360		\$0		\$131,250
	May-02	\$56,257		\$8,590		\$570		\$65,416
	Jun-02	\$60,821		\$26,662		\$0		\$87,482
	Jul-02	\$79,866		\$4,548		\$526		\$84,940
	Aug-02	\$34,507		\$42,710		\$1,262		\$78,479
	Sep-02	\$51,736		\$32,729		\$300		\$84,765
	Oct-02	\$55,678		\$21,465		\$538		\$77,681
	Nov-02	\$38,562		\$5,896		\$1,121		\$45,579
	Dec-02	\$28,087		\$5,578		\$1,490		\$35,154
	Jan-03	\$16,194		\$5,303		\$24,522		\$46,018
	Feb-03	\$11,102		\$1,006		\$0		\$13,047
	Mar-03	\$29,755		\$12,554		\$939		\$42,476
	Apr-03	\$42,753		\$1,480		\$166		\$44,233
	May-03	\$19,878		\$3,999		\$0		\$24,991
	Jun-03	\$26,217		\$4,920		\$1,114		\$31,357
	Jul-03	\$28,794		\$6,727		\$220		\$35,520
	Aug-03	\$30,638		\$7,683		\$0		\$39,611
	Sep-03	\$19,255		\$5,794		\$1,290		\$25,049
	Oct-03	\$12,412		\$6,851		\$0		\$20,186
	Nov-03	\$16,920		\$4,260		\$924		\$25,013
	Dec-03	\$21,236		\$5,708		\$3,833		\$27,127
	Jan-04	\$32,846		\$5,309		\$183		\$38,155
	Feb-04	\$12,937		\$4,514		\$0		\$17,451
	Mar-04	\$8,560		\$5,225		\$0		\$14,029
	Apr-04	\$9,586		\$3,944		\$244		\$14,161
	May-04	\$3,199		\$3,067		\$631		\$6,266
	Jun-04	\$1,366		\$0		\$0		\$43,029
Total Incurred		\$979,903	73.7%	\$308,237	23.2%	\$41,663	3.1%	\$1,329,803
Arithmetic Mean February 2002-June 2004		\$33,790		\$10,629		\$1,437		\$45,855

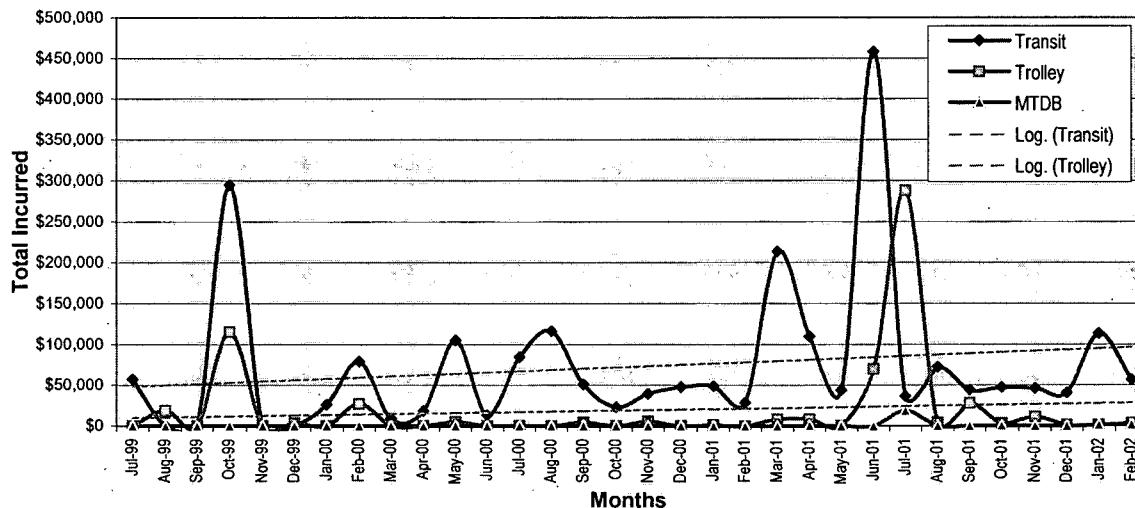
Liability Incurred Paid Costs Per Month February 2002 - June 2004 Logarithmic Trend



HISTORIC - LIABILITY CLAIMS INCURRED COSTS PER DOL MONTH								
Incurred Per Month	DOL Month	Incurred SDTC Transit	%	Incurred SDTI Trolley	%	Incurred MTDB	%	Month Totals
	Jul-99	\$56,644		\$0		\$0		\$56,644
	Aug-99	\$122		\$18,762		\$0		\$18,884
	Sep-99	\$365		\$0		\$0		\$365
	Oct-99	\$294,256		\$114,971		\$0		\$409,228
	Nov-99	\$0		\$0		\$0		\$0
	Dec-99	\$0		\$3,370		\$0		\$3,370
	Jan-00	\$25,890		\$0		\$0		\$25,890
	Feb-00	\$78,742		\$26,857		\$0		\$105,600
	Mar-00	\$8,801		\$84		\$0		\$8,885
	Apr-00	\$17,931		\$0		\$0		\$17,931
	May-00	\$104,654		\$5,020		\$0		\$109,674
	Jun-00	\$12,840		\$0		\$0		\$12,840
	Jul-00	\$84,256		\$245		\$0		\$84,501
	Aug-00	\$115,711		\$0		\$0		\$115,711
	Sep-00	\$50,550		\$4,121		\$0		\$54,670
	Oct-00	\$22,553		\$0		\$0		\$22,553
	Nov-00	\$39,069		\$5,527		\$0		\$44,597
	Dec-00	\$47,339		\$71		\$0		\$47,409
	Jan-01	\$48,497		\$1,033		\$0		\$49,530
	Feb-01	\$28,335		\$0		\$0		\$28,335
	Mar-01	\$212,849		\$8,242		\$0		\$221,303
	Apr-01	\$109,412		\$8,379		\$213		\$117,791
	May-01	\$43,581		\$586		\$0		\$44,167
	Jun-01	\$457,751		\$69,804		\$0		\$545,835
	Jul-01	\$36,022		\$287,704		\$18,279		\$323,726
	Aug-01	\$72,094		\$4,043		\$0		\$76,136
	Sep-01	\$43,850		\$27,852		\$0		\$72,938
	Oct-01	\$46,971		\$3,110		\$209		\$51,687
	Nov-01	\$45,646		\$11,064		\$0		\$78,253
	Dec-01	\$40,187		\$612		\$0		\$40,799
	Jan-02	\$113,109		\$1,318		\$1,237		\$135,969
	Feb-02	\$56,452		\$3,130		\$1,605		\$60,255
Total Incurred		\$2,314,480	79.3%	\$605,904	20.7%	\$21,543	0.7%	\$2,920,384
Total Incurred Costs		\$2,314,480		\$605,904		\$21,543		\$2,941,927
Arithmetic Mean February 2002-June 2004		\$72,328		\$18,934		\$673		\$91,935

July 1999 - February 2002

Historic - Liability Incurred Paid Costs Per Month
July 1999 - Feb. 2002 Logarithmic Trend

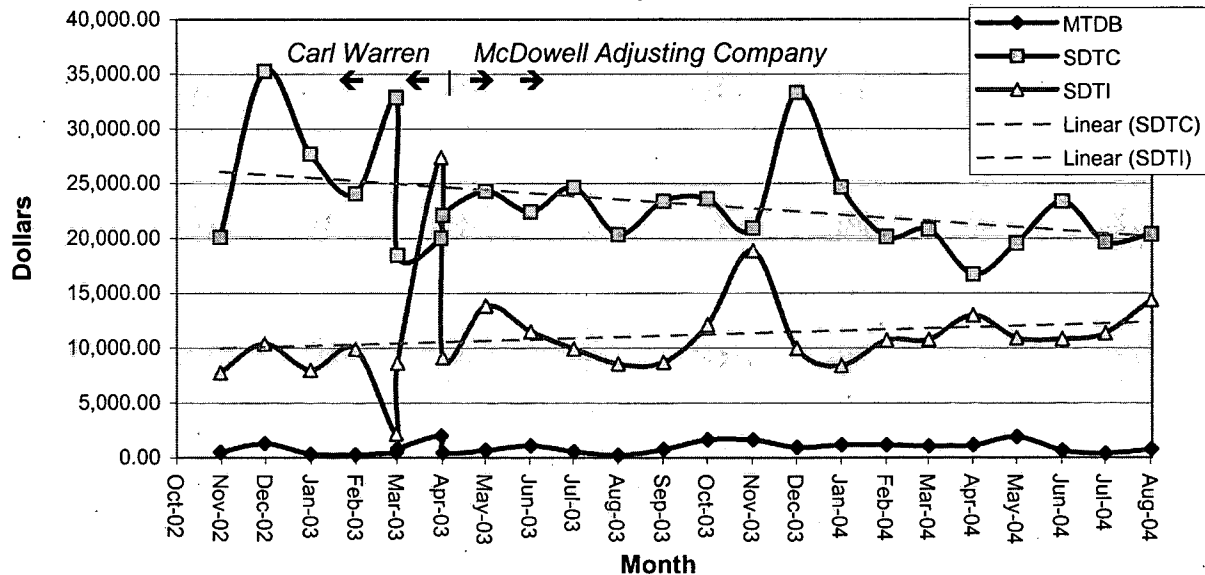


**McDowell Adjusting Company & Carl Warren
Calculated Monthly Invoiced Billing**

	MTDB	SDTC	SDTI	Monthly Total
Oct-02	497.38	20,089.03	7,762.60	28,349.02
Nov-02	1,279.32	35,278.08	10,373.75	46,931.15
Dec-02	306.46	27,692.88	7,985.01	35,984.34
Jan-03	272.84	24,064.29	9,921.41	34,258.53
Feb-03	467.50	32,856.17	2,170.74	35,494.41
Mar-03	1,977.64	20,011.98	27,360.49	49,350.12
Mar-03	818.75	18,443.75	8,643.75	27,906.25
Apr-03	427.50	22,096.25	9,138.75	31,662.50
May-03	667.50	24,288.75	13,819.50	38,775.75
Jun-03	1,093.75	22,380.25	11,497.75	34,971.75
Jul-03	547.50	24,633.75	9,925.00	35,106.25
Aug-03	228.75	20,334.50	8,539.00	29,102.25
Sep-03	768.75	23,383.75	8,695.75	32,848.25
Oct-03	1,640.00	23,567.50	12,095.00	37,302.50
Nov-03	1,635.00	20,926.45	18,835.75	41,397.20
Dec-03	933.75	33,297.50	9,939.50	44,170.75
Jan-04	1,165.00	24,617.00	8,404.25	34,186.25
Feb-04	1,165.00	20,144.20	10,711.75	32,020.95
Mar-04	1,047.50	20,775.00	10,772.50	32,595.00
Apr-04	1,148.75	16,695.75	12,969.75	30,814.25
May-04	1,885.00	19,535.00	10,920.15	32,340.15
Jun-04	631.25	23,329.25	10,815.50	34,776.00
Jul-04	381.25	19,671.25	11,337.50	31,390.00
Aug-04	752.50	20,353.75	14,387.50	35,493.75
Total	21,738.64	558,466.07	267,022.65	847,227.36
Monthly Average	905.78	23,269.42	11,125.94	35,301.14

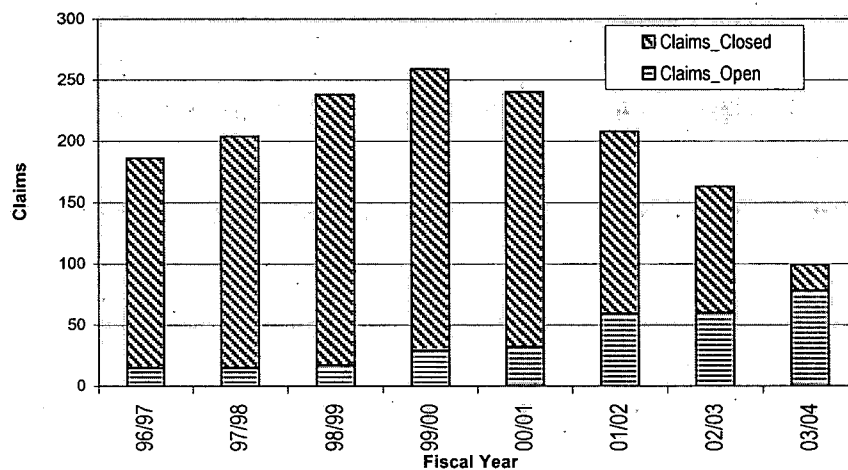
McDowell Adjusting Company
Carl Warren

Carl Warren / McDowell Adjusting Monthly Billing

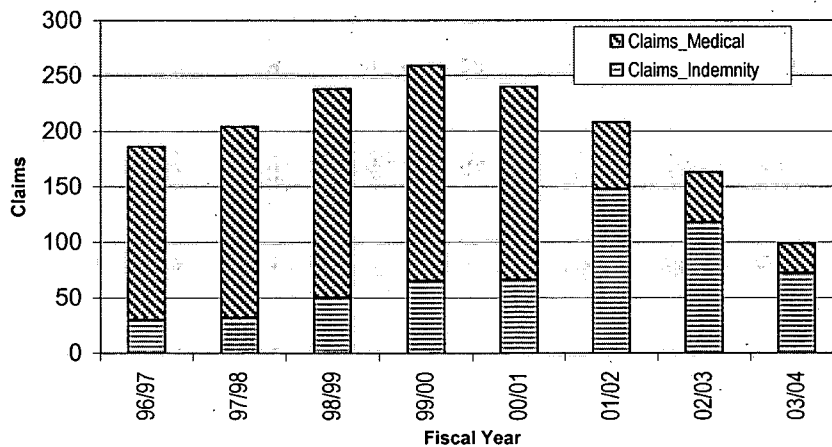


San Diego Transit Corporation's Workers' Compensation Claims Summary Report Cumulative Results by Fiscal Year as of Month End, June 2004									
YEAR	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	8YR Totals
Indemnity (Time Loss)	30	32	50	65	66	148	118	72	581
Claims									
Open	15	15	17	29	32	59	59	68	294
Closed	15	17	33	36	34	89	59	4	287
Medical Only	156	172	188	194	174	60	45	27	1,016
Claims									
Open	0	0	0	0	0	0	1	10	11
Closed	156	172	188	194	174	60	44	17	1,005
Total									
Open	15	15	17	29	32	59	60	78	305
Closed	171	189	221	230	208	149	103	21	1,292
Combined	186	204	238	259	240	208	163	99	1,597
Percentage Closed	92%	93%	93%	89%	87%	72%	63%	21%	81%

SDTC Workers' Compensation Claims
[Open / Closed] 1996 - 2004

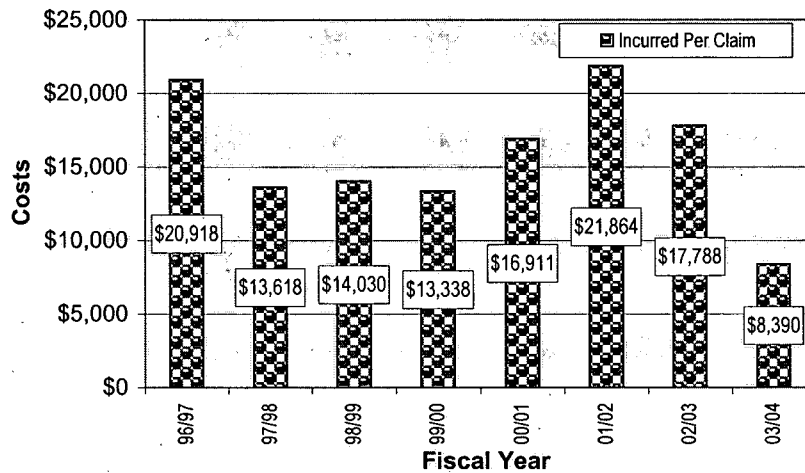


SDTC Workers' Compensation Claims
[Time Loss Indemnity / Medical Only]
1996 - 2004

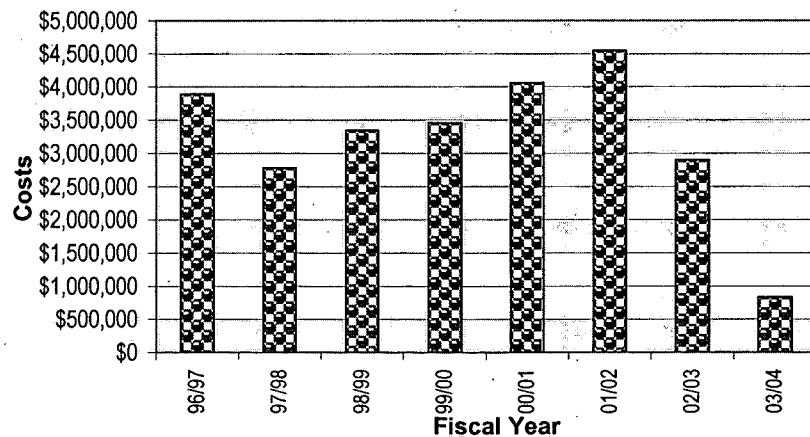


SDTC WORKERS' COMPENSATION COSTS										
	YEAR	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	7YR Totals
Medical	Paid(\$)	\$1,115,422	\$958,398	\$1,105,133	\$1,306,512	\$1,456,587	\$1,405,854	\$756,332	\$77,479	\$8,181,717
	Outstanding (\$)	\$465,775	\$147,307	\$345,232	\$291,521	\$326,030	\$407,396	\$421,729	\$308,806	\$2,713,796
	Med Inc (\$)	\$1,581,197	\$1,105,705	\$1,450,365	\$1,598,033	\$1,782,617	\$1,813,250	\$1,178,061	\$386,285	\$10,895,513
Indemnity Time Loss	Paid(\$)	\$1,840,620	\$1,233,123	\$1,490,816	\$1,472,720	\$1,563,678	\$1,804,910	\$860,988	\$102,815	\$10,369,670
	Outstanding(\$)	\$281,718	\$333,081	\$294,334	\$273,141	\$600,398	\$761,569	\$740,231	\$254,718	\$3,539,190
	Ind Inc (\$)	\$2,122,338	\$1,566,204	\$1,785,150	\$1,745,861	\$2,164,076	\$2,566,479	\$1,601,219	\$357,533	\$13,908,860
Expenses	Paid(\$)	\$166,534	\$89,956	\$89,652	\$83,762	\$59,940	\$94,403	\$44,653	\$21,843	\$650,743
	Outstanding (\$)	\$20,630	\$16,114	\$13,916	\$26,885	\$51,931	\$73,479	\$75,551	\$64,902	\$343,408
	Total Exp.(\$)	\$187,164	\$106,070	\$103,568	\$110,647	\$111,871	\$167,882	\$120,204	\$86,745	\$994,151
Total Paid(\$)		\$3,122,576	\$2,281,477	\$2,685,601	\$2,862,994	\$3,080,205	\$3,305,167	\$1,661,973	\$202,137	\$19,202,130
Total Outstanding (\$)		\$768,123	\$496,502	\$653,482	\$591,547	\$978,359	\$1,242,444	\$1,237,511	\$628,426	\$6,596,394
Total Incurred(\$)		\$3,890,699	\$2,777,979	\$3,339,083	\$3,454,541	\$4,058,564	\$4,547,611	\$2,899,484	\$830,563	\$25,798,524
Total Incurred Per File		\$20,918	\$13,618	\$14,030	\$13,338	\$16,911	\$21,864	\$17,788	\$8,390	\$16,154

**SDTC Workers' Compensation Incurred
Average Cost Per Claim 1996 - 2004**



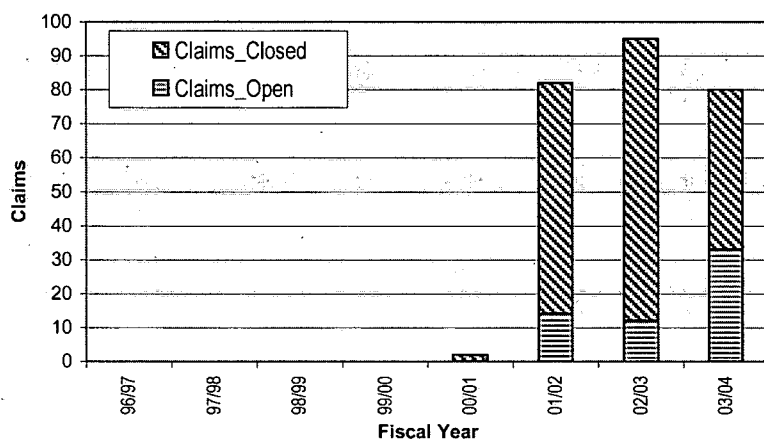
**SDTC Workers' Compensation Total Incurred Annual
Costs 1996 - 2004**



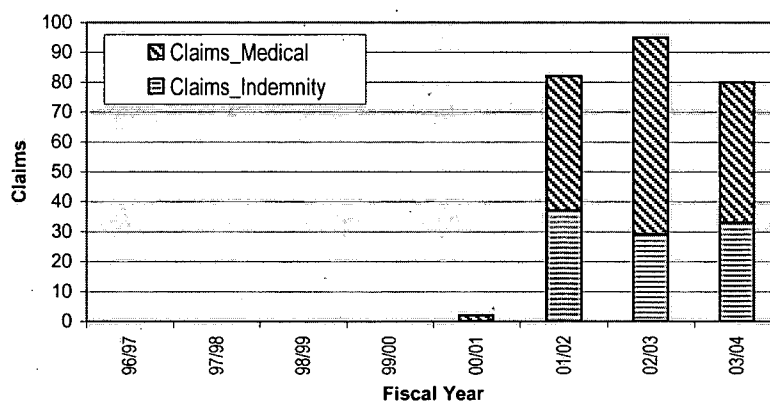
SDTI San Diego Trolley Incorporated Workers' Compensation Claims Summary Report Cumulative Results by Fiscal Year as of Month End, June 2004

YEAR		96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	8YR Totals
Indemnity (Time Loss) Claims		0	0	0	0	0	37	29	33	99
	Open						14	11	23	48
	Closed						23	18	10	51
Medical Only Claims		0	0	0	0	2	45	66	47	160
	Open					0	0	1	10	11
	Closed					2	45	65	37	149
Total Claims	Open	0	0	0	0	0	14	12	33	59
	Closed	0	0	0	0	2	68	83	47	200
	Combined	0	0	0	0	2	82	95	80	259
Percentage Closed						100%	83%	87%	59%	77%

**SDTI Workers' Compensation Claims
[Open / Closed] 2001 - 2004**

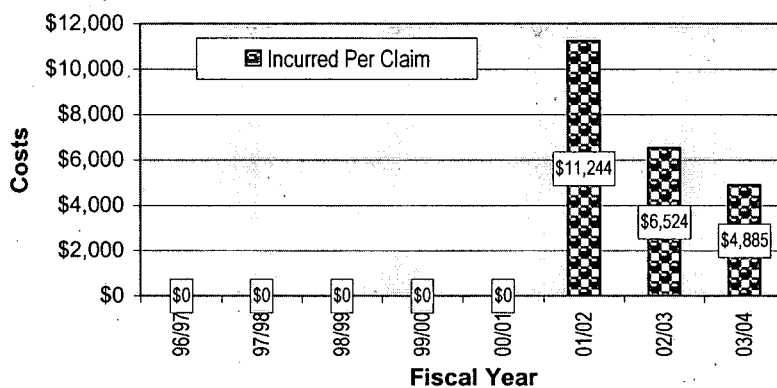


**SDTI Workers' Compensation Claims
[Time Loss Indemnity / Medical Only]
2001 - 2004**

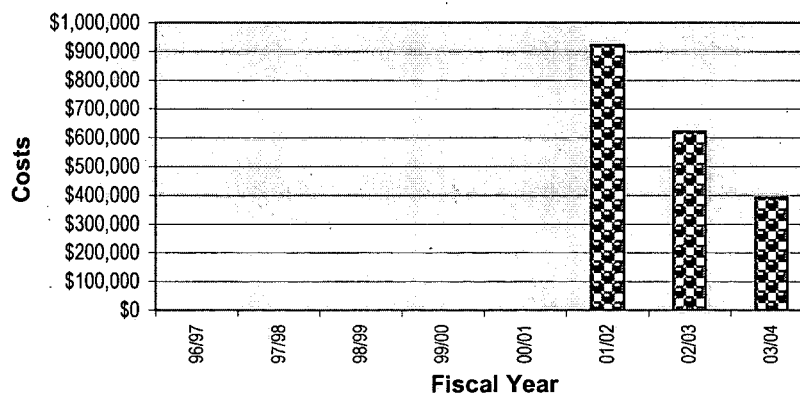


SDTI WORKERS' COMPENSATION COSTS										
	YEAR	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	2YR Totals
Medical	Paid(\$)						\$297,155	\$184,727	\$66,773	\$548,655
	Outstanding (\$)						\$79,433	\$84,641	\$101,830	\$265,904
	Med Inc (\$)	\$0	\$0	\$0	\$0	\$0	\$376,588	\$269,368	\$168,603	\$814,559
Indemnity Time Loss	Paid(\$)						\$382,950	\$249,011	\$88,005	\$719,966
	Outstanding(\$)						\$139,114	\$82,829	\$104,883	\$326,826
	Ind Inc (\$)	\$0	\$0	\$0	\$0	\$0	\$522,064	\$331,840	\$192,888	\$1,046,792
Expenses	Paid(\$)						\$10,823	\$5,271	\$6,986	\$23,080
	Outstanding (\$)						\$12,521	\$13,281	\$22,308	\$48,110
	Total Exp.(\$)	\$0	\$0	\$0	\$0	\$0	\$23,344	\$18,552	\$29,294	\$71,190
Total Paid(\$)		\$0	\$0	\$0	\$0	\$0	\$690,928	\$439,009	\$161,764	\$1,291,701
Total Outstanding (\$)		\$0	\$0	\$0	\$0	\$0	\$231,068	\$180,751	\$229,021	\$640,840
Total Incurred(\$)		\$0	\$0	\$0	\$0	\$0	\$921,996	\$619,760	\$390,785	\$1,932,541
Total Incurred Per File						\$0	\$11,244	\$6,524	\$4,885	\$7,462

SDTI Workers' Compensation Incurred
Average Cost Per Claim 2001 - 2004

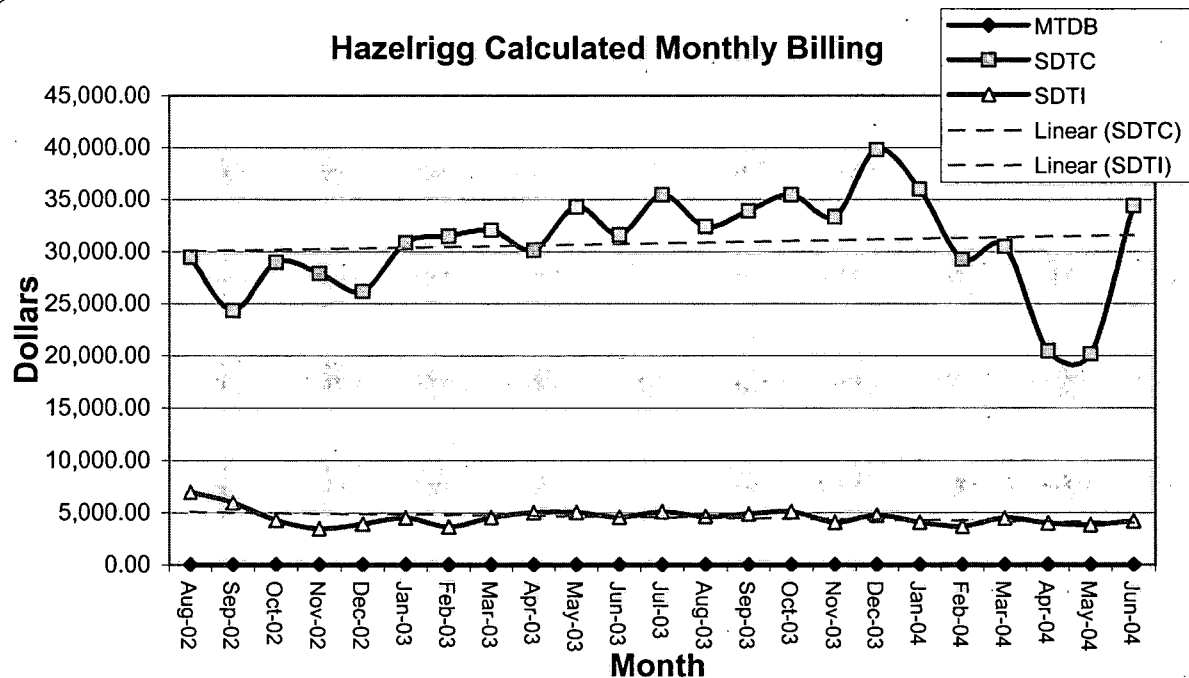


SDTI Workers' Compensation Total Incurred Annual
Costs 2001 - 2004



Hazelrigg Risk Management Services Calculated Monthly Billing


	MTDB	SDTC	SDTI	Monthly Total
Aug-02	0.00	\$29,448	\$6,962	\$36,410
Sep-02	0.00	\$24,331	\$5,930	\$30,261
Oct-02	0.00	\$28,955	\$4,255	\$33,210
Nov-02	0.00	\$27,896	\$3,475	\$31,371
Dec-02	0.00	\$26,149	\$3,916	\$30,065
Jan-03	0.00	\$30,852	\$4,506	\$35,359
Feb-03	0.00	\$31,483	\$3,642	\$35,125
Mar-03	0.00	\$32,047	\$4,525	\$36,572
Apr-03	0.00	\$30,141	\$5,039	\$35,180
May-03	0.00	\$34,320	\$5,025	\$39,346
Jun-03	0.00	\$31,599	\$4,567	\$36,166
Jul-03	0.00	\$35,455	\$5,078	\$40,533
Aug-03	0.00	\$32,372	\$4,637	\$37,009
Sep-03	0.00	\$33,913	\$4,857	\$38,771
Oct-03	0.00	\$35,455	\$5,078	\$40,533
Nov-03	0.00	\$33,314	\$4,070	\$37,383
Dec-03	0.00	\$39,781	\$4,763	\$44,544
Jan-04	0.00	\$36,007	\$4,067	\$40,074
Feb-04	0.00	\$29,261	\$3,666	\$32,927
Mar-04	0.00	\$30,489	\$4,473	\$34,962
Apr-04	0.00	\$20,461	\$3,988	\$24,449
May-04	0.00	\$20,166	\$3,816	\$23,981
Jun-04	0.00	\$34,401	\$4,192	\$38,593
Total Sum	0.00	\$708,296	\$104,527	\$812,823
Monthly Average	0.00	\$30,795	\$4,545	\$35,340



MTDB / SDTC / SDTI LIABILITY CLAIMS ANALYSIS

March 2002 – June 2004


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TOTAL AGENCIES UNIQUE LIABILITY CLAIMS

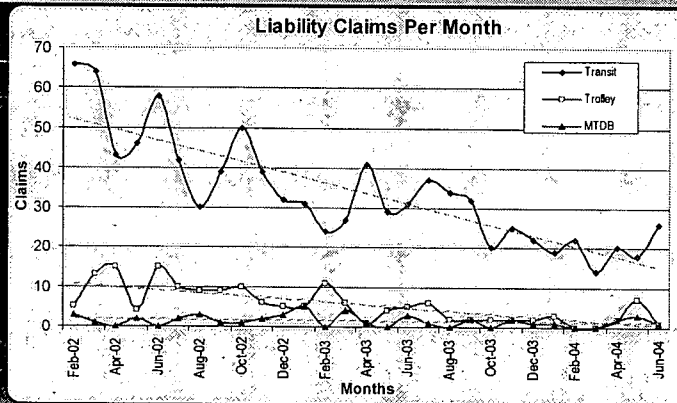
	AGENCIES	SDTC	SDTI	MTDB
Claims Assumed Prior to March 2002	363	308	46	9
Percent Closed	97% (352)	95% (297)	100% (46)	100% (9)
New Claims Since March 2002	1,113	915	157	41
Percent Closed	85% (950)	86% (786)	87% (137)	66% (27)
FY04 Arithmetic Mean Claims Per Month	28	24	<3 (2.41)	<2 (1.08)
Percent of Agency Claim Total		87%	9%	4%
Historic Average Claims Per Month (2/02-6/04)	41	34 (33.8)	6 (5.6)	2 (1.5)

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MONTHLY LIABILITY CLAIMS COUNT

February 2002 – June 2004



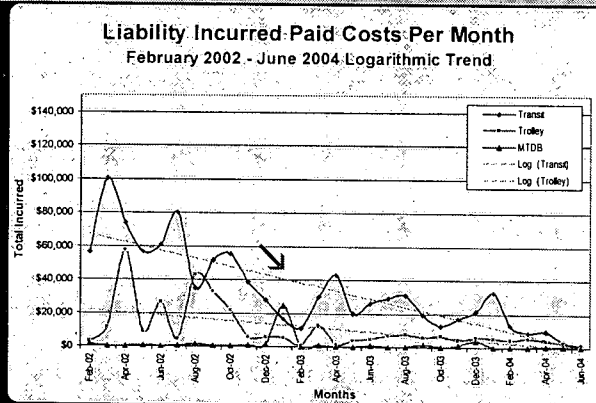
06/30/04

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TOTAL INCURRED PAID MONTHLY COSTS

February 2002 – June 2004



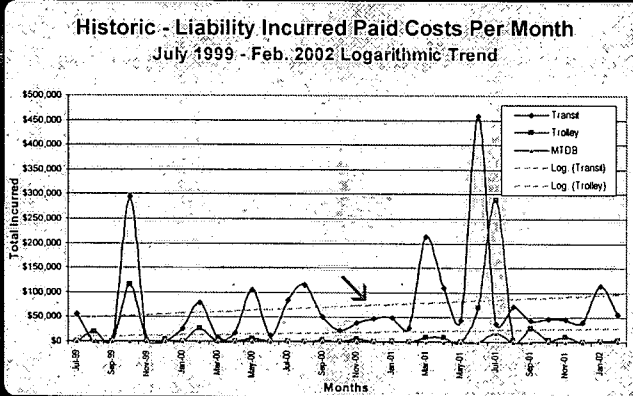
06/30/04

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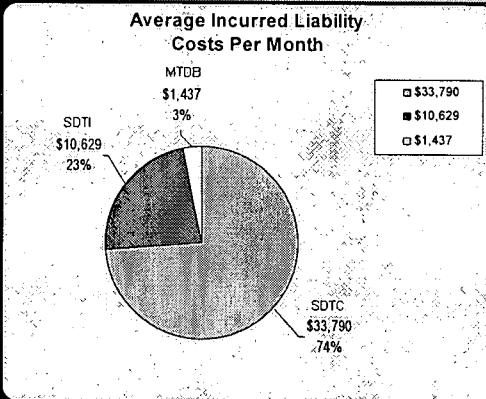
TOTAL INCURRED PAID HISTORICAL COSTS

July 1999 – June 2004



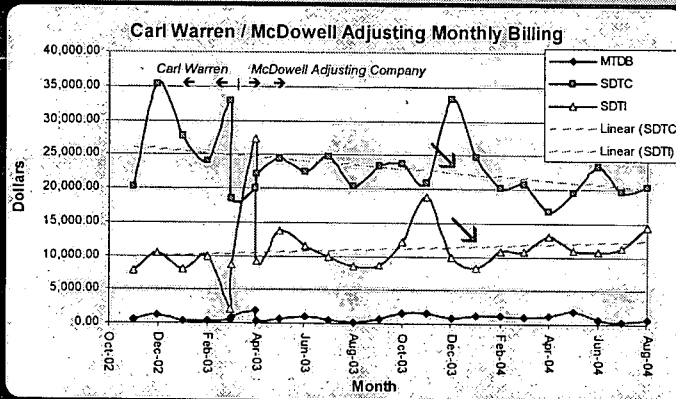
AVERAGE MONTHLY INCURRED COSTS

February 2002 – June 2004



MONTHLY LIABILITY TPA COSTS

October 2002 – June 2004



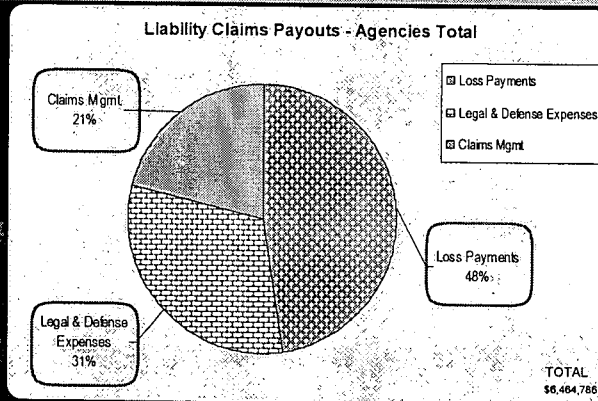
06/30/04

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LIABILITY CLAIMS PAYOUT – AGENCIES TOTAL

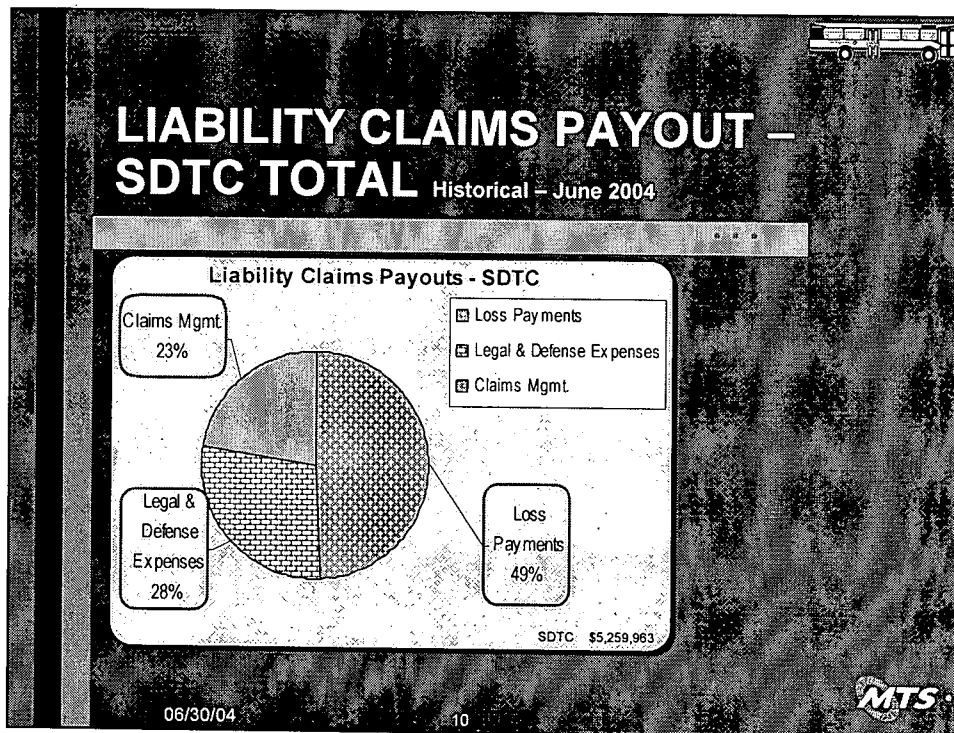
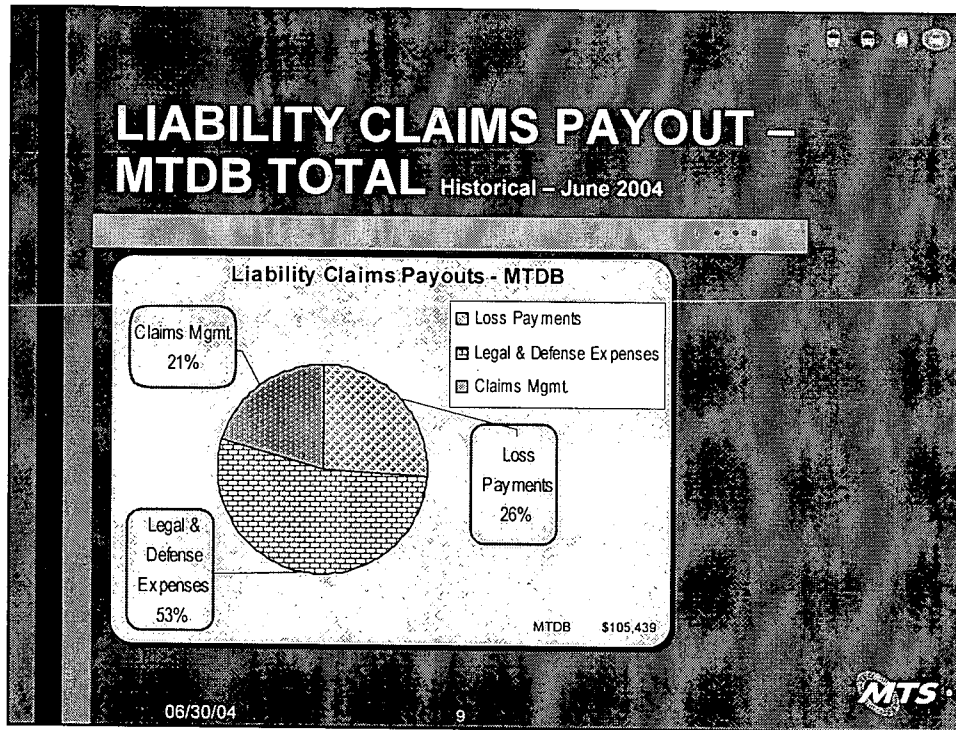
Historical – June 2004



06/30/04

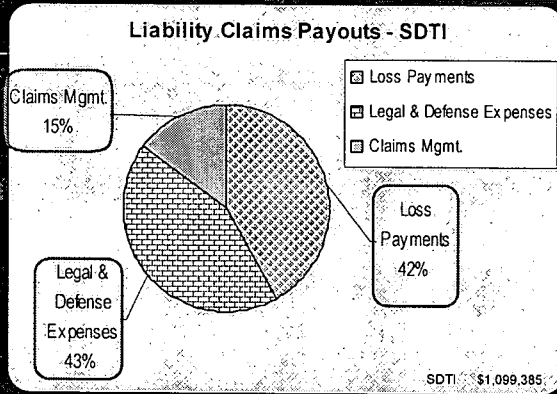
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LIABILITY CLAIMS PAYOUT – SDTI TOTAL

Historical – June 2004



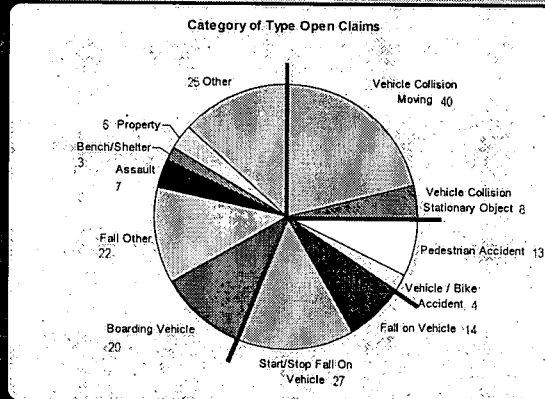
06/30/04

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TYPE CLAIMS- AGENCY

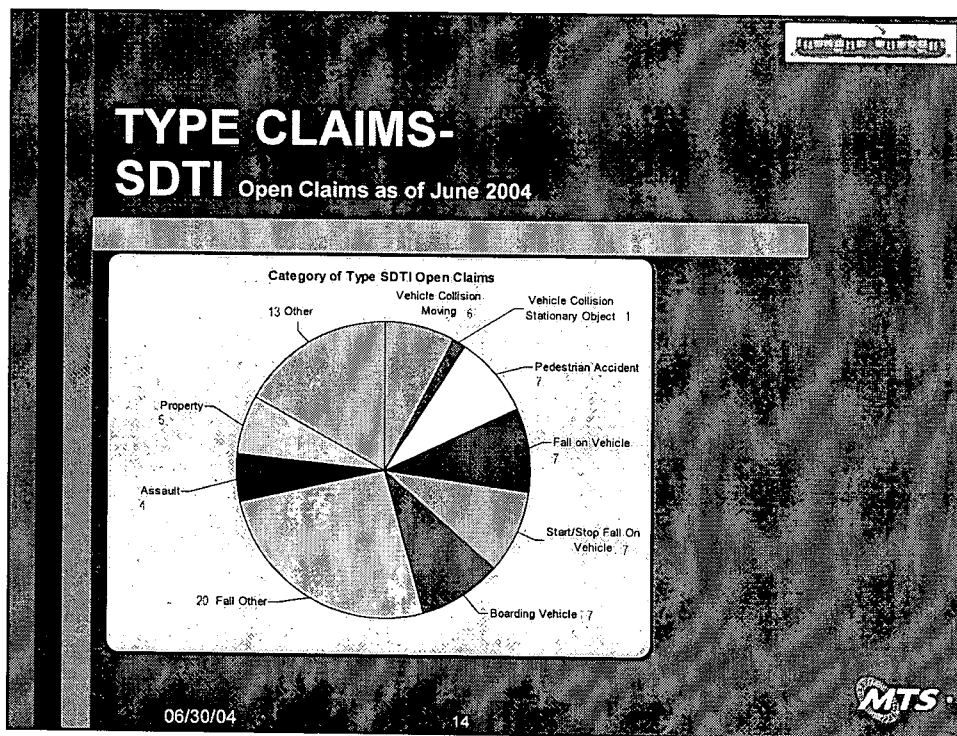
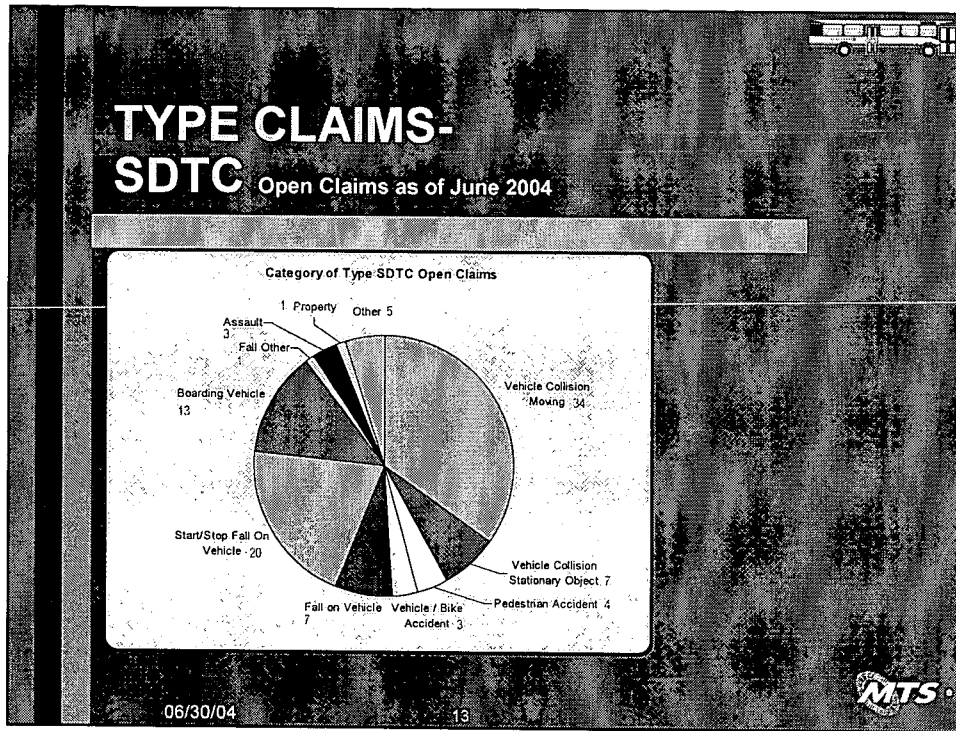
Open Claims as of June 2004

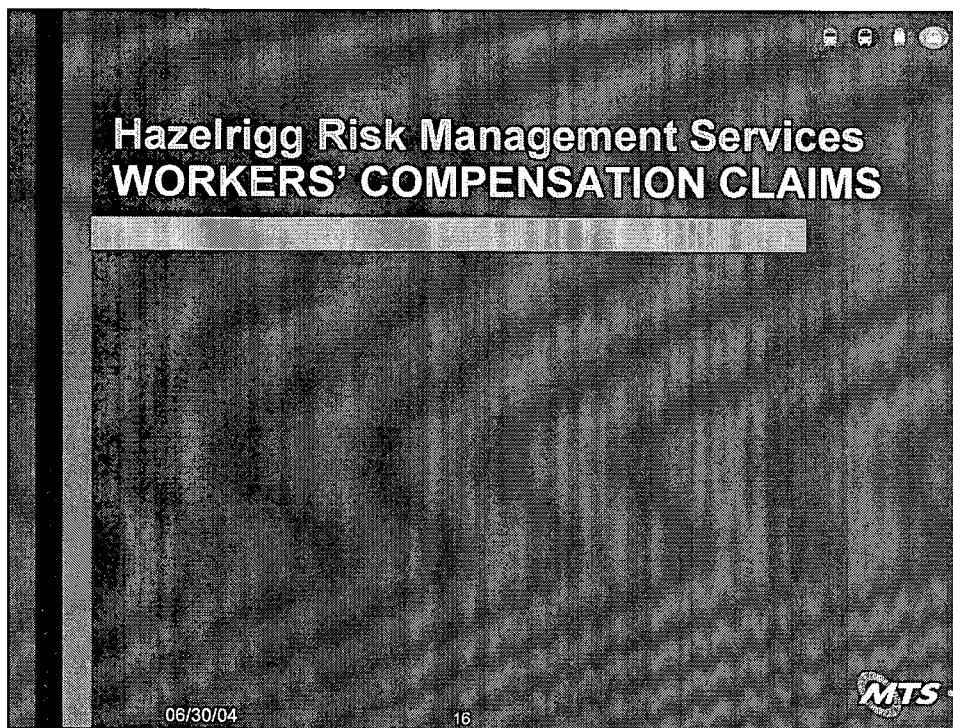
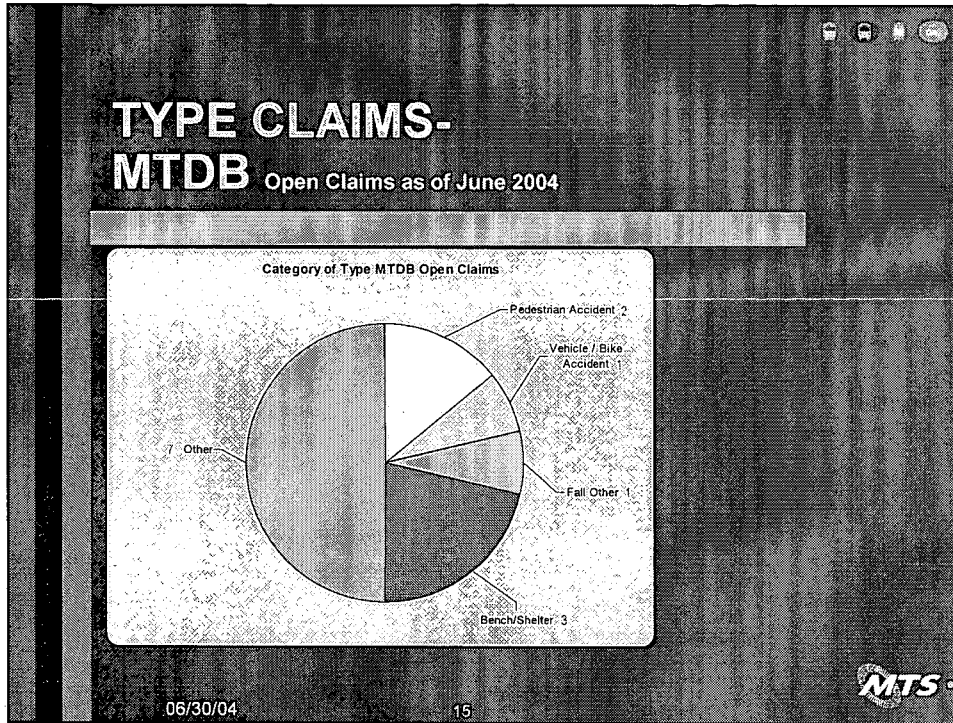


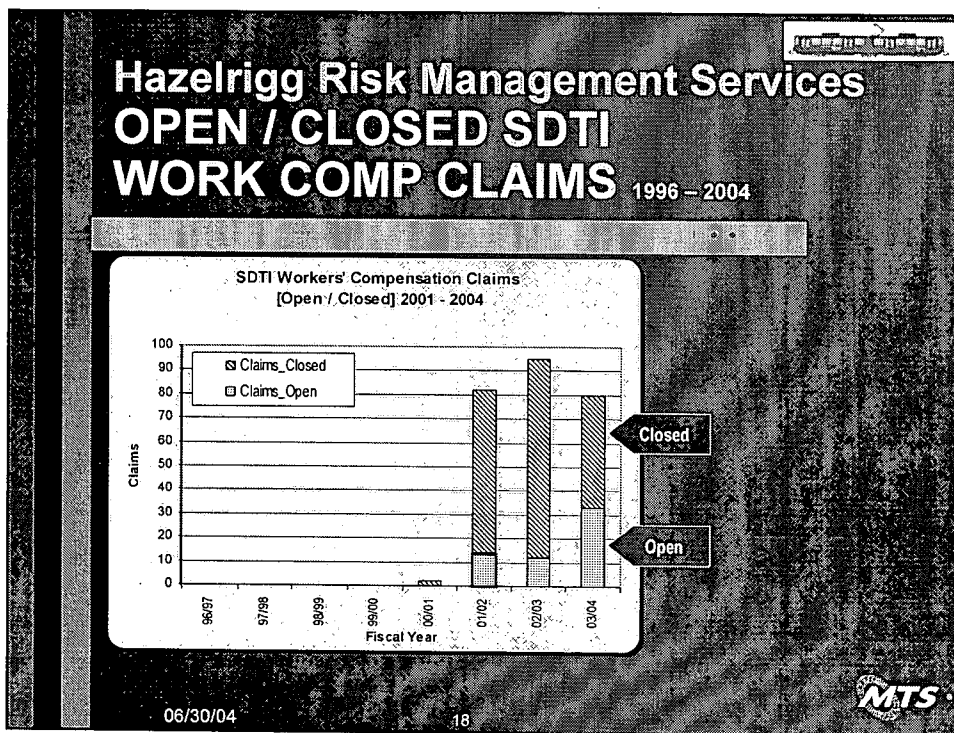
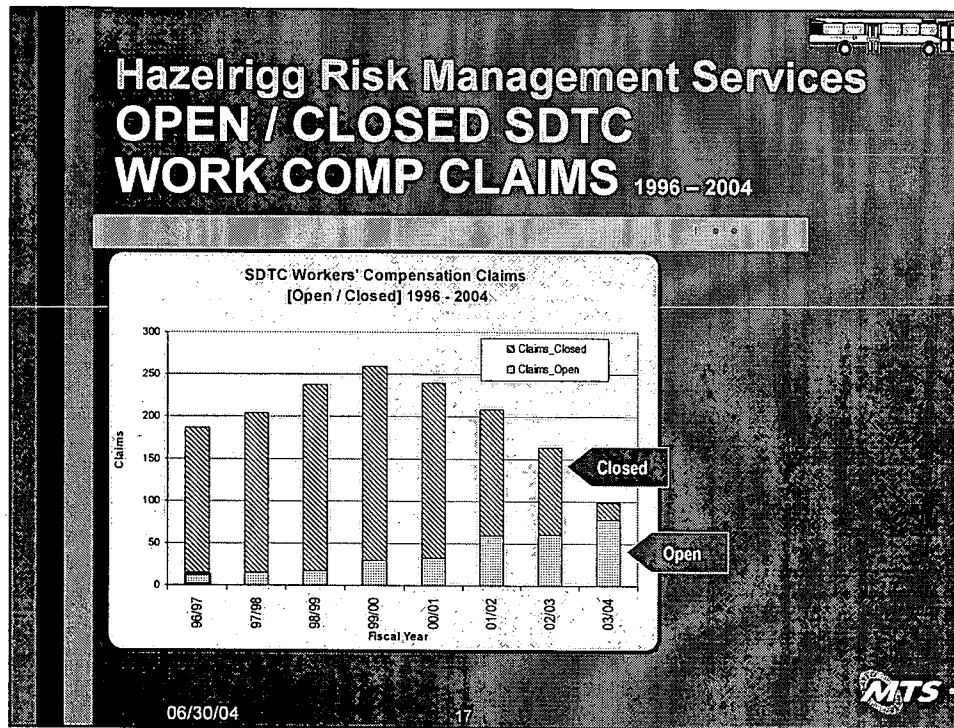
06/30/04

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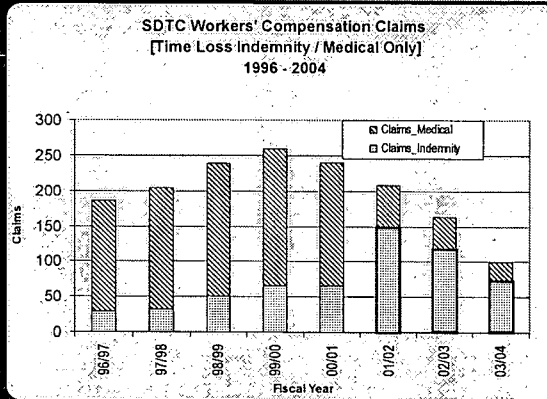








Hazelrigg Risk Management Services TYPE CLAIMS PER YEAR SDTC TIME LOSS / MEDICAL ONLY 1996 - 2004

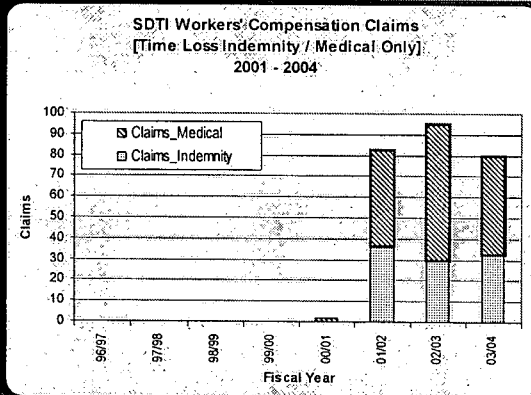


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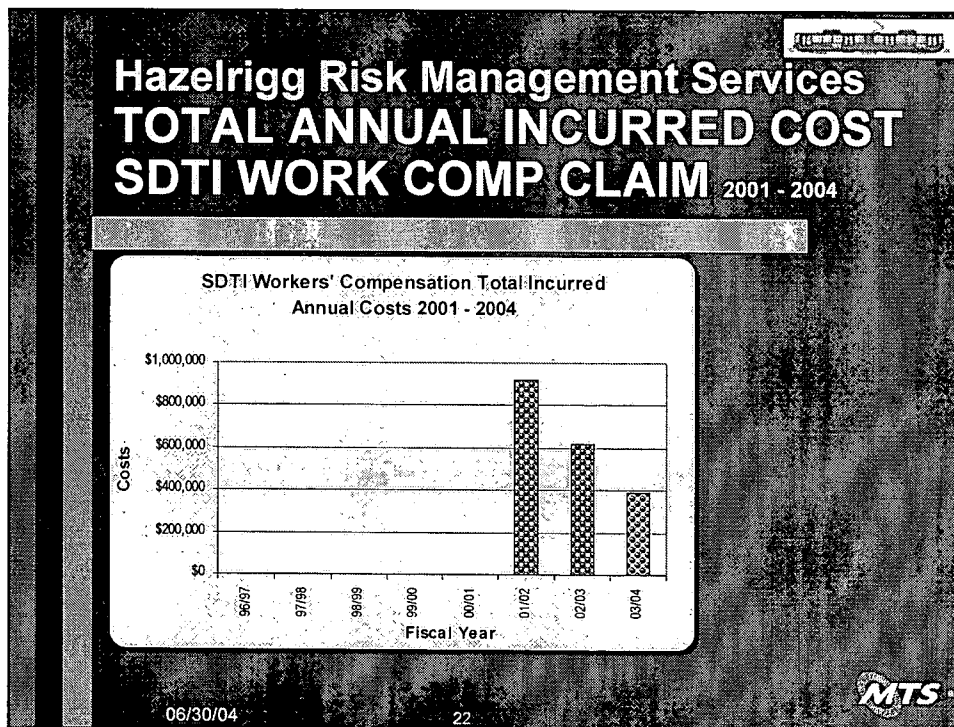
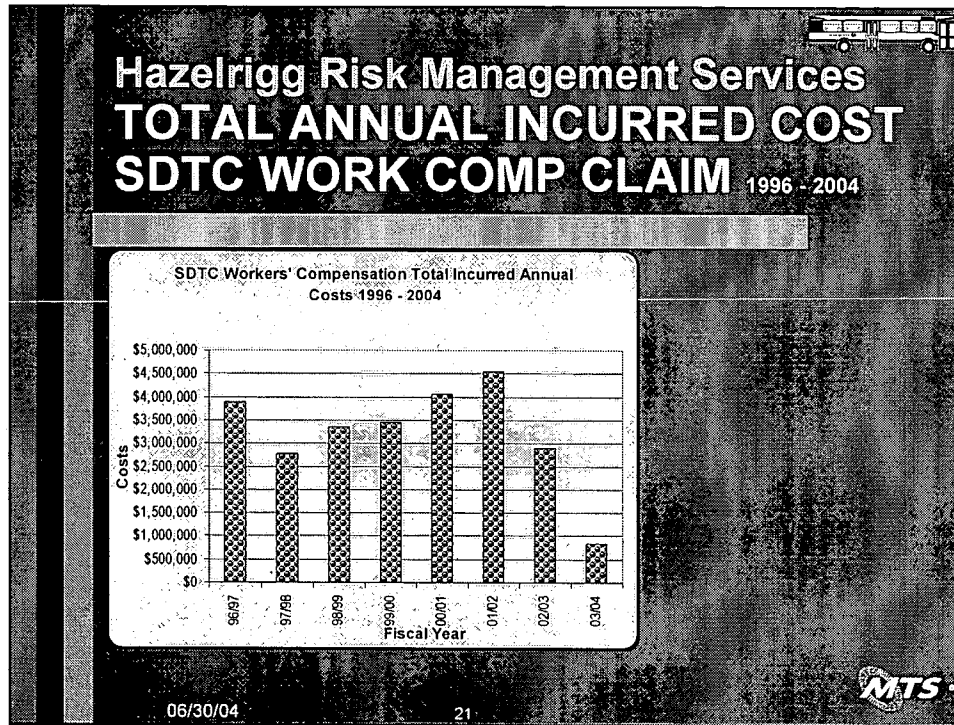
Hazelrigg Risk Management Services TYPE CLAIMS PER YEAR SDTI TIME LOSS / MEDICAL ONLY 2001 - 2004

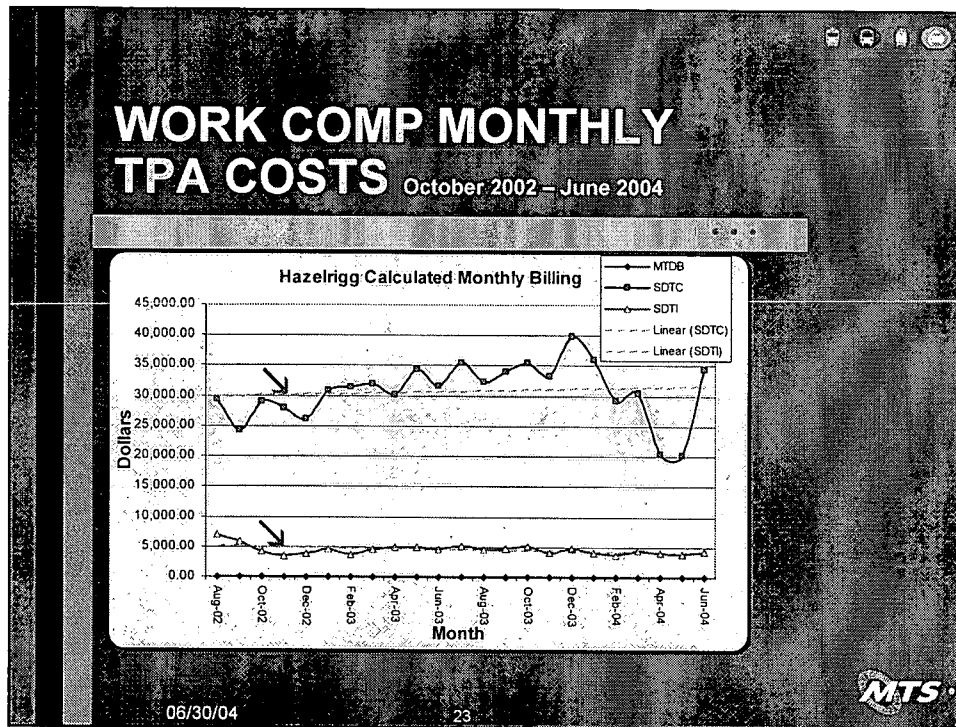


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MTDB / SDTC / SDTI LIABILITY CLAIMS ANALYSIS

- Third Party Administrator
 - Effective March 1, 2002
- Carl Warren Company -
 - Liability
- Hazelrigg Risk Management Services -
 - Workers' Compensation

06/30/04 24 MTS

MTDB / SDTC / SDTI LIABILITY CLAIMS ANALYSIS

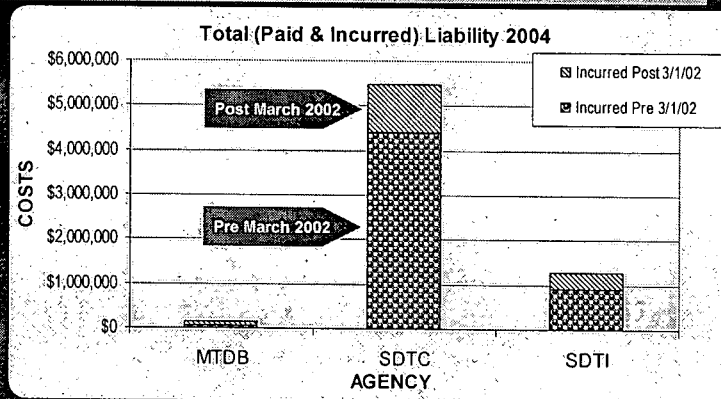
- Third Party Administrator
 - Effective March 19, 2003
- McDowell Adjusting Company
 - Liability
- Hazelrigg Risk Management Services
 - Workers' Compensation

06/30/04

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FUTURE INCURRED LIABILITY CLAIM COSTS



06/30/04

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LIABILITY CLAIMS COST CONTAINMENT

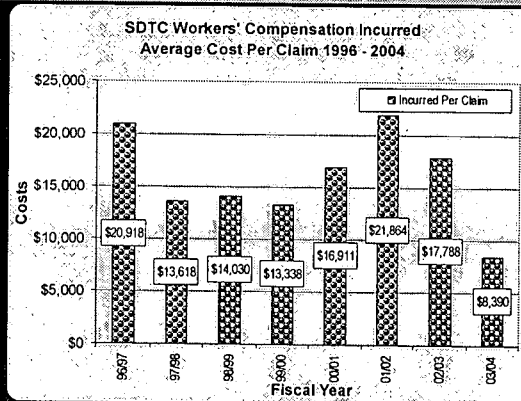
- Settlement Authority
- Quick Settlements
- Attorney Assignment
- Ongoing Invoice Review
 - Attorney
 - Claims Administrator

06/30/04

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Hazelrigg Risk Management Services AVERAGE INCURRED COST PER SDTC WORK COMP CLAIM 1996 - 2004

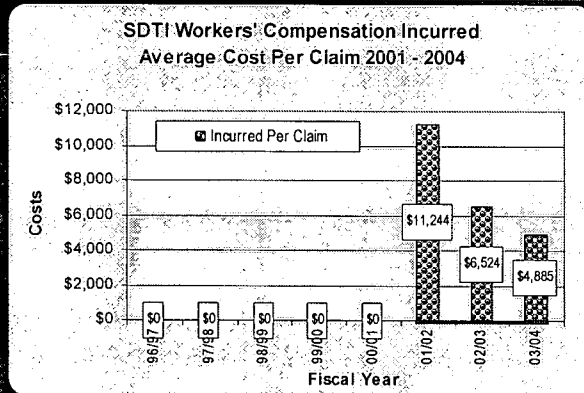


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Hazelrigg Risk Management Services AVERAGE INCURRED COST PER SDTI WORK COMP CLAIM 2001 - 2004



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Hazelrigg Risk Management Services WORKERS' COMPENSATION CLAIMS COST CONTAINMENT

- Work to Reduce Claims Frequency
- Identify Trend Areas
- Refine Attorney Assignment
- Litigation Management
- Ongoing Claims Review
- TPA Staffing and Billing Review

06/30/04

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Agenda

Item No. 45

Chief Executive Officer's Report

ADM 121.7 (PC 30100)

October 28, 2004

Minor Contract Actions

- San Diego Trolley, Inc. for security services for the Route 990 – Inland Breeze.
- San Diego Gas & Electric for service fees for new City College traction power substation.
- Print Systems for printing services related to the implementation of transit service changes.
- City Treasurer for city staff services (plan checks) for Mission Valley East Light Rail Extension.
- Randall Construction for construction services for the South Bay maintenance facility station.
- Gonzalez White Consulting for one-time Disadvantaged Business Enterprise (DBE) reporting to the Federal Transit Administration (FTA) for the Mission Valley East Light Rail Extension, the San Ysidro Intermodal Transportation Center, and the 12th & Market Station Reconfiguration.
- Stacy & Witbeck, Inc. for construction services for the San Ysidro Intermodal Transportation Center.
- Berryman and Henigar for general engineering consultant services for the Mission Valley East Light Rail Extension.
- Orion Construction Corporation/Balboa Construction, Inc., Joint Venture, for construction services for Mission Valley East Light Rail Extension.
- Modern Continental Construction Company for construction services for Mission Valley East Light Rail Extension.
- Balfour Beatty/Ortiz Enterprises for construction services for the La Mesa segment of the Mission Valley East Light Rail Extension.
- Best, Best & Krieger for legal services for the Mission Valley East Light Rail Extension.



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.

Contract Matters

Cardinal Electric, Inc. was granted final contract acceptance for the Station Parking Lot Lighting Enhancement Project, Contract LRT-10839, MTDB Doc. No. L0641.0-03.

Personnel Matters

There are no personnel matters to report.

gail.williams/agenda item 45
10/19/04