



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

Agenda

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

July 14, 2005

9:00 a.m.

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

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ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - June 23, 2005 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 a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS 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. MTS: Conference with Legal Counsel - Anticipated Litigation Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9 (One Potential Case)

Oral Report of Final Actions Taken in Closed Session

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

- * 6. MTS: Increased Authorization for Legal Fees Approve
Action would ratify the previous actions of the CEO and authorize the CEO to enter into Contract Amendment No. 5 to MTS Document No. L0602.0-02, with Best Best & Krieger, LLP (BBK), for legal services for the San Ysidro Intermodal Transportation Center (SYITC) Project.
- * 7. MTS: Transportation Development Act Claim Amendment Approve
Action would adopt Resolution No. 05-11 amending FY 04 Transportation Development Act Article 4.0, Claim No. 253, for National City Transit.

NOTICED PUBLIC HEARINGS

25. None.

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

DISCUSSION ITEMS

30. MTS: Comprehensive Operational Analysis - Regional Service Concept Approve
Action would (1) direct staff to develop the core transit network based on the areas identified in the analysis; and (2) receive information on market-based services.
31. MTS: Operating and Maintenance Agreement for the Mission Valley East Light Rail Transit Station and Bus Transit Center at San Diego State University Possible Action
Action would authorize the CEO to: (1) execute the Operation and Maintenance Agreement for the Mission Valley East Light Rail Transit Station and Bus Transit Center at San Diego State University; and (2) approve modifications or changes to the exhibits to the Operation and Maintenance Agreement from time to time so long as the exhibits are consistent with the terms and conditions of the Operation and Maintenance Agreement.

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| 32. | <u>MTS: Interim Interest Rate Lock of Pension Obligation Bonds, Variable</u>
Action would (1) direct staff to proceed with locking in the interest rate of the variable rate series of the pension obligation bonds for an interim period of time; and (2) authorize the Chief Executive Officer (CEO) to approve the financing documents so MTS can be ready to lock in the interest rate at the opportune market time. | Approve |
| 33. | <u>SDTI: Vintage Trolley Concept - PCC Cars</u>
Action would (1) support staff's recommendation for conceptual approval for a vintage trolley operation subject to funding availability; (2) authorize staff to pursue the purchase and transport of two vintage PCC streetcars from Lake Tahoe to San Diego and to allow storage and restoration at SDTI facilities in a manner so as not to interfere with regular light rail transit operations or maintenance; and (3) direct staff to evaluate options for the solicitation of private funds to support the purchase, transport, and restoration of the historic PCC cars. | Possible Action |
| 34. | <u>MTS: County Regional Communications System Agreement</u>
Action would authorize the CEO to execute an option with the County of San Diego to join the Regional Communications System (RCS) with Equity Partner status for up to 350 radios. | Approve |
| 35. | <u>MTS: Rural Bus Service Adjustments</u>
Action would (1) receive the rural services route-by-route analysis as included as Attachment B; and (2) approve an option for adjustments to rural bus services. | Approve |
| 36. | <u>MTS: Procurement for FY 05 Audit Services</u>
Action would (1) waive the formal bid requirement of Policy No. 13; and (2) allow the CEO to enter into a negotiated contract for auditing services for a one-year period. | Approve |

REPORT ITEMS

- | | | |
|-----|---|-----------------|
| 45. | <u>MTS: Operators Budget Status Report for May FY 2005</u>
Action would receive this report for information. | Receive |
| 46. | <u>MTS: May Monthly Performance Indicators</u>
Action would receive this report for information. | Receive |
| 47. | <u>SDTC: MTS Bus FY 05 Year-End Operations Report</u>
Action would receive this report for information. | Receive |
| 48. | <u>MTS: Southern California Maglev Project</u>
Action would receive this report for information. | Receive |
| 60. | <u>Chairman's Report</u> | Possible Action |
| 61. | <u>Chief Executive Officer's Report</u> | Information |

62. Board Member Communications

63. Additional Public Comments Not on the Agenda

Possible Action

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64. Next Meeting Date: August 11, 2005

65. Adjournment



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07-08-05 10:34 IN

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64. Next Meeting Date: August 11, 2005

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METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 7/14/05

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:26 a.m.

RECONVENE: 9:45 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 12:17 p.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		9:37 a.m. during AI 6
CLABBY	<input checked="" type="checkbox"/> (Greer) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Jantz) <input type="checkbox"/>		
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		11:58 a.m. during AI 35
LEWIS, Mark	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:04 a.m. during AI 3	10:44 a.m. during AI 32
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
MORRISON	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>	9:08 a.m. during AI 3	
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:09 a.m. during AI 3	12:07 p.m. during AI 36
ROSE	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>	9:35 a.m. during AI 5	11:58 a.m. during AI 35
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
YOUNG	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
ZUCCHET	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Gail Williams
Jeffrey W. Wenzel

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

June 23, 2005

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

MINUTES

1. Roll Call

Chairman Williams called the meeting to order at 9:00 a.m. A roll call sheet listing Board member attendance is attached. Chairman Williams recognized Ms. Jillian Hanson-Cox, the City of El Cajon's new alternate for the MTS Board.

2. Approval of Minutes

Mr. Rindone moved to approve the minutes of the June 9, 2005, Board of Directors meeting. Mr. Emery seconded the motion, and the vote was 8 to 0 in favor.

3. Public Comments

Tracy Sundlun, Rock 'n' Roll Marathon: Mr. Sundlun advised the Board that the new race course was well received by everyone involved in the Coca-Cola Zero Rock 'n' Roll Marathon on June 5. He added that this event raised over \$15 million for charity. He thanked staff for their efforts in making this event a success and gave special recognition in the form of a "finisher" medal to Tom Doogan, SDTI Event Coordinator. He also reported that 44 percent of the people who came to San Diego for the race rode the trolley at some point of time during that weekend.

Mr. Jablonski expressed appreciation for Mr. Sundlun's patience in changing the race course. He also recognized the efforts of SDTC employees who moved people that day, which contributed to the success of the event. He added that the new race course isolated Centre City from bus service for part of the day, but the event went very well.

Peter Warner: Mr. Warner stated that trolley car No. 54 to Santee has a malfunctioning digitizer. He also asked staff to evaluate late night and weekend service into downtown on Route 5.

4. Presentation of Employee Awards

SDTI Employee Service Awards: San Diego Trolley employees were presented with service awards as follows: For 10 years of service: Rick Ostrander, Electromechanic, and David Bagley, Train Operator and Auxiliary Supervisor. Ms. Sandra Overton,

Purchasing Agent, was also scheduled to receive a 10-year award but was unable to attend the meeting.

Coca-Cola Scholarship Awards: Ms. Paulina Gilbert, MTS Community Relations Coordinator, provided the Board with information on the structure of this program. She also introduced Mr. Charles Simpson from Coca-Cola and Mr. Jim Esterbrook from the San Diego County Office of Education. Each scholarship winner was introduced by a Board member who read a quotation from that student's essay. The students who received awards were Suzana Arellano, Paulin Chitoya, Jadi Conkling, Darrell Enriquez, Alan Alejandro Espino, Panna Felson, Michael Fiszman, Henry Finkelstein, Ashley Gambrell, Adam Garrie, Raquel Ramirez Gomez, Emily Grant, Ashley Grove, Kelly Lam, Hahn Nguyen, Monica Nguyen, Dwight Nwaigwe, Jennifer Panagarian, Yasmin Perez, Torey Raphael, Ashley Richards, Evelyn Robarts, James Watts and Roxanne Winston. Alejandro Navarro, Jeffrey Rapp, and Adam Sacks also received scholarship awards but were unable to attend the meeting.

5. Closed Session Items (ADM 122)

- a. The Board convened to Closed Session at 9:43 a.m. for CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Subdivision (a) of Section 54956.9) California Regional Water Quality Control Board v. Metropolitan Transit System, Complaint No. R9-2005-0062.

The Board reconvened to Open Session at 9:54 a.m.

Oral Report of Final Actions Taken in Closed Session

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

CONSENT ITEMS

6. MTS: Internal Audit on MTS Accounting (LEG 492, PC 30100)

Recommend that the Board of Directors receive this report for information.

7. MTS: Disadvantaged Business Enterprise (DBE) Semiannual Report (LEG 430, PC 30100)

Recommend that the Board of Directors receive the semiannual FY 05 DBE reports for Federal Highway Administration (FHWA)- and Federal Transit Administration (FTA)-assisted contracts (Attachments A and B of the agenda item) for the April 1 to September 30 reporting period.

8. MTS: Transportation Development Act (TDA)/State Transit Assistance (STA) Claims (FIN 310.1, PC 30100)

Recommend that the Board of Directors adopt Resolution Nos. 05-6, 05-7, 05-8, and 05-9 (Attachments A through D of the agenda item) approving the FY 2006 TDA and STA claims.

9. MTS: ATC/Vancom Contract Amendment – Bus Stop Maintenance
(OPS 920.6, PC 30103)

Recommend that the Board of Directors (1) authorize the CEO to execute a contract amendment (MTS Doc. No. B0316.6-02, Attachment A of the agenda item) with ATC/VANCOM to provide additional bus stop maintenance services from July 1, 2005, through June 30, 2007; and (2) ratify Amendment No. 5 for FY 2005 previously executed by the CEO under his authority.

10. SDTC: Towing Services – Extension of Month-to-Month Agreement (OPS 960.6, PC 30101)

Recommend that the Board of Directors (1) waive the formal competitive bidding requirements of Policy No. 13, Section 13.5; and (2) authorize the MTS Chief Operating Officer (COO) – Bus to extend a temporary month-to-month agreement for towing services with A to Z Enterprises (doing business as RoadOne San Diego) until such time that a new contract can be solicited and awarded, in substantially the same format as attached (Attachment A of the agenda item).

11. MTS: Grossmont Trolley Station Joint Development Project – Resolution of Support for the City of La Mesa's Application for Pilot Smart Growth Incentive Program Funds
(LEG 460, CIP 10497)

Recommend that the Board of Directors approve Resolution No. 05-10 (Attachment A of the agenda item) supporting the filing of an application for federal surface transportation funds through the San Diego Association of Governments (SANDAG) for the Pilot Smart Growth Incentive Program for the Grossmont Trolley Station.

12. MTS: Accounting Services Contract Amendment (OPS 960.6, PC 30101)

Recommend that the Board of Directors (1) waive the formal competitive bid requirement of Policy No. 13; and (2) authorize the MTS CEO to amend the existing contract (Document No. G0950.0-05) with Tom Saiz, Certified Public Accountant (CPA), to provide assistance with the completion of the FY 2004 audit and the preparation of financial statements and the Comprehensive Annual Financial Report (CAFR) for MTS, SDTI, and SDTC.

Recommended Consent Items

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

Consent Agenda Item No. 6: MTS: Internal Audit on MTS Accounting: Mr. Ewin stated that he appreciated the manner in which the MTS Auditor identified his concerns regarding the timely reconciliation of bank statements. He requested that the Board be provided with an update on the control and timeliness of bank statement reconciliations in 60 days. Mr. Abbey, MTS Auditor, agreed with this request. MTS Controller Tom Lynch reported that bank statement reconciliations should be up to date by that time. Staff assured Mr. Ewin that information is being provided by the bank in a timely fashion.

Recommended Consent Item

Mr. Rindone moved to approve Consent Agenda Item No. 6. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. MTS: Federal and State Legislative Update (LEG 410, PC 30100)

Ms. Lorenzen provided the Board with an overview of local and state legislative issues currently pending. She pointed out that staff is proposing to add language to SB 959, MTS's bill to revise its enabling legislation, allowing each city and county to select a second alternate for the MTS Board. She also presented staff's recommended position on each of the state bills.

Mr. Mark Watts, MTS's state lobbyist, provided an overview of legislative activities at the state level. He reported that Proposition 42, the Transportation Improvement Act, has been restored in the Governor's May revised budget, and the legislature intends to support this change. He also reviewed the current status of the Public Transportation Account (PTA) and PTA "spillover".

Mr. Tom Walters, Thomas Walters & Associates, updated the Board on legislation pending at the federal level. He reported that the House and the Senate each have a proposal for renewing Transportation Equity Act for the 21st Century (TEA-21), and these bills are ready to go into conference committee. He advised the Board that President Bush has indicated that he will veto any bill that exceeds \$283.9 billion. The Senate's version is for \$293.8 billion. He stated that the House's version is \$283.9 billion. He added that both bills propose reauthorization through 2009 and include formula and discretionary programs. Mr. Walters also explained that the House bill includes earmarks for MTS's bus maintenance facility and its operations center as well as reauthorization for Mission Valley East and for Mid-Coast as a new start. He stated that the bill also includes an earmark for Bus Rapid Transit (BRT) for Chula Vista. He added that the Senate bill identifies no specific projects; that step will occur later in the process. He stated that no action will be taken on Homeland Security issues until after TEA-21 is reauthorized.

In response to a question from Mr. Rindone, Mr. Watts stated that the governor is completely restoring Proposition 42 in his May revision, but currently there is no provision to restore funds from previous years.

In response to a question regarding the California Transit Association's (CTA) position on AB 101 transferring safety oversight from the Public Utilities Commission (PUC) to Caltrans, Mr. Watts reported that the CTA actually sponsored this bill. Mr. Watts also stated that this bill would probably be held up until next year. Mr. Jablonski, MTS CEO stated that MTS is very comfortable with the Public Utilities Commission's current monitoring responsibility. Mr. Tereschuck, SDTI President-General Manager, stated that a conflict between San Jose and the PUC may have been the impetus for this bill. Mr.

Tereschuck also reported that a task force of transit agencies will be meeting on Thursday, June 30, 2005, to consider an alternative solution to AB 1010. He reported that during this discussion, the task force will review a revised process offered by the PUC for handling disputes or conflicts with transit agencies.

Mr. Ewin stated that he would really appreciate it if the Chairman would direct the City of San Diego to appoint alternates. He made statements regarding the absence of City representatives and the failure to start the meetings on time because of the lack of a quorum until after 9. He also stated that staff members regularly call his office to confirm his attendance as part of an effort to ascertain that a quorum will be present for the meetings. Mr. Atkins stated that she would be happy to carry Mr. Ewin's message to her colleagues.

Public Comment

Peter Warner: Mr. Warner asked for an update on the reauthorization of funding for Amtrak. Mr. Rindone stated that the Los-Angeles-San Diego Rail Corridor Agency (LOSSAN) is closely monitoring this situation. He stated that the funding currently being considered for Amtrak is just under \$6 million. He stated that, even if this amount is adopted, most national routes would have to be discontinued.

Action Taken

Mr. Rindone moved to (1) receive a report on the current status of various federal and state legislative bills; (2) authorize the federal and state lobbyist to represent MTS's position on each bill; and (3) authorize staff to proceed with the additional proposed changes to MTS's enabling legislation. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

33. SDTC: Janitorial Service Contract Termination and Request for Waiver of MTS Policy No. 13. (OPS 960.6, PC 30101) (Taken Out of Order)

MTS Chief Operating Officer – Bus reported that Golden Pacific Maintenance has declined SDTC's offer to cure its performance default within the allotted ten-day time period as set forth in the contract. SDTC Manager of Procurement Kent Tsubakihara reported that Golden Pacific has indicated they would rather terminate their contract. Ms. Lorenzen confirmed that this is consistent with provisions contained in the contract.

Action Taken

Mr. Clabby moved to authorize the MTS COO – Bus to (1) terminate the current janitorial contract with Golden Pacific Maintenance (Golden) for default in the event that Golden fails to cure the default in its performance within the allotted ten-day time period; (2) in the event of termination, enter into a temporary month-to-month contract with the previous contractors, Calderon Building Maintenance, until a new contract can be solicited; and (3) authorize a waiver to the competitive bid requirements of MTS Policy No. 13, Section 13.5(i), to allow for a negotiated procurement that would evaluate cost as well as experience of each proposer instead of evaluating cost from only the highest-ranked proposer. Mr. Emery seconded the motion, and the vote was 9 to 0 in favor.

31. MTS: Comprehensive Operational Analysis: Policy Guidance on Service Development (ADM 121.10, PC 20484)

MTS Director of Planning and Performance Monitoring Conan Cheung introduced Russ Chisholm, Transportation Management and Design, and then reviewed the recommended service development guidelines and framework for the Regional Service Concept. He began his presentation by reviewing the goals of Phase II of the Comprehensive Operational Analysis (COA), key steps, policy choices and tradeoffs, selection of travel markets, how resources should be allocated, and system redevelopment criteria. He stated that the Blue Ribbon and Citizen Advisory Committees felt that focus should be on serving all markets that demonstrate enough demand, with particular attention to transit-dependent and major commuter markets. He stated that they also felt that priority should be on productivity over coverage; however, MTS should try to provide some coverage only if it can be heavily tailored to the specific needs of those communities served. He also reviewed the priorities agreed to by the two committees, with the top priority given to improving system performance followed by improving network integration/connectivity. He also reviewed the types of information that was used to develop the Regional Service Concept and the next step in the process.

In response to a question from Mr. Monroe, Mr. Cheung reported that service quality is defined in terms of travel comforts. Mr. Monroe stated that reliability should be a top priority and stated that staff should really focus on that in building the network. Mr. Monroe explained the concept of spontaneous use, which basically means that passengers don't need to consult a schedule because the service is so frequent (five- to seven-minute frequency). Mr. Cheung pointed out that Portland adopted the spontaneous-use service concept and has up to 15-minute frequencies on its system. He added that even London has up to 12-minute frequencies and is considered spontaneous. In response to a question from Ms. Rose, Mr. Cheung stated that staff is developing a core network rather than a group of individual networks. He stated that route changes will be considered in terms of the core network as well as how the routes make connections within the network. Mr. Cheung projected that a final COA plan could be brought back to the Board in November or December of this year. In response to a question from Ms. Hanson-Cox, Mr. Cheung explained how services might be tailored within a community to meet a specific regular need.

Public Comment

Peter Warner: Mr. Warner made suggestions for route adjustments to Route Nos. 5 and 6.

Action Taken

Mr. Emery moved to approve the recommended service development guidelines and framework for the Regional Service Concept. Ms. Atkins seconded the motion, and the vote was 10 to 0 in favor.

32. MTS: Update on S70 to SD100 Vehicle Compatibility (OPS 970.2, PC 30102)

Mr. Jablonski reviewed current compatibility problems between the S70 and SD100 trolley cars. He pointed out that, in most cases, the cars are compatible. He added that

there are still some finer compatibility issues that remain to be resolved and, therefore, MTS will not be able to run mixed consists during the Mission Valley East (MVE) opening. He added that staff anticipates that MTS will resolve these issues and be able to run mixed consists in the near future. He stated that staff is working very closely with the manufacturer of the car, Siemens, to ensure that these issues are resolved in an effective and timely manner and may involve some retrofits. He added that staff will continue to provide updates on this matter. In response to a question from Mr. Mathis, Mr. Jablonski reported that all station platforms will be able to accept either the SD100 or the S70 trolley car.

In response to a question from Mr. Jones, Mr. Jablonski stated that the Board originally decided to run the new low-floor trolley cars in mixed consists so the new cars would be available to all patrons regardless of where they boarded. Mr. Jones stated that he would like to know how much time and money is being spent on reaching an acceptable compatibility between the cars. He stated that maybe the Board should revisit its decision in this matter. In response to a question from Mr. Morrison, Mr. Tereschuck reported that compatibility of the cars was part of the specification for the purchase, but the specifications did not speak to each individual control element from one car to the other.

Mr. Jablonski advised the Board that the entire system (bus and trolley) is experiencing an increase in service delays as a result of the steadily increasing numbers of wheelchair-type boardings, which are very time consuming. He stated that running mixed consists will help reduce the impact of wheelchair boardings on the system as boardings on an S70 car can be made more quickly. He stated that there are currently about 7,000 wheelchair boardings per month on the Trolley, and that number continues to grow. He stated that 56 percent of train delays relate to wheelchair boardings.

Action Taken

Mr. Rindone moved to (1) direct staff to continue to pursue resolving incompatibility between the new S70 light rail vehicles; and (2) direct staff not to operate mixed (SD100/S70) consists during the initial opening phase of Mission Valley East (MVE) until the compatibility can be resolved. Mr. Emery seconded the motion, and the vote was 8 to 0 in favor.

34. MTS: Rural Bus Services – Contract Amendment (OPS 920.5, PC 30207)

Ms. Lorenzen pointed out that each Board was provided with a revision for this agenda item. Ms. Susan Hafner, Director of Multimodal Operations, reminded the Board that this item was postponed on June 9, 2005, at which time the Board requested additional data and directed staff to ask Laidlaw if it would be willing to operate on a month-to-month arrangement. Ms. Hafner stated that Laidlaw is unwilling to do that based on employee-retention issues. She briefly reviewed the subsidy per passenger trip and farebox recovery ratio for each of the routes in the Rural Bus Services Contract. She also reviewed recent service changes that were made for a cost savings of \$80,000.

Mr. Monroe pointed out that Route 894 with a per-passenger subsidy of \$10.18 dominates the average of \$22.43. He pointed out that Route 889 has a subsidy of \$63.67. He stated that subsidy information was not presented as part of the budget process. He stated that he understood that these were life-line services, but also

pointed out that MTS cannot provide service to everyone. Mr. Monroe also objected to these types of issues being placed on the Consent Agenda.

The Board briefly discussed the divestiture agreement with the County, and Ms. Hafner stated that MTS has met the terms of this agreement. Mr. Morrison stated that a route-by-route analysis of this service needs to be conducted as quickly as possible and service changes expedited to the public hearing step. He stated that public transit is designed to be an urban service. Mr. Ewin stated that Mr. Roberts, as a representative of the County of San Diego, should be present to share his perspective on this service. Ms. Hafner confirmed that MTS has met its legal requirements and obligations with regard to this contract. Mr. Telfer confirmed that MTS would lose no funding if this service were discontinued. Staff provided Mr. Ewin with the number of trips per day for each route, which ranged from two trips per day to six trips per day. Mr. Ewin reminded the Board that MTS General Counsel Ms. Lorenzen stated at the June 9 meeting that a month-to-month arrangement for this contract is not possible because of certain federal guidelines regarding contracts.

Mr. Emery stated that an in-depth analysis is not needed. He stated that MTS must proceed through its typical service-change process. He stated that there will be an outcry from the rural communities served by these routes if the Board elects to eliminate the service. He stated that they need transportation, and the Board should be compassionate and look for other means and/or agencies to provide it. Ms. Atkins supported Mr. Emery's statement that the agency must follow its process. Ms. Atkins also pointed out that individuals in the rural areas who voted for TransNet II may have certain expectations regarding the continuation of their bus service. She added that many people choose to live in rural areas because housing is more affordable. She stated that while the Board has a fiduciary responsibility, it also has a responsibility to the voters. She also stated that Mr. Roberts should have an opportunity to make comments on this matter and to offer alternative solutions.

Mr. Mathis pointed out that FY 05 revenue from this service was \$102,000 and expenses were \$1.2 million. He pointed out that rural residents may have voted for TransNet because a good share of it is dedicated to rural roads. He added that the Board has a fiduciary responsibility to maintain the viability of MTS and must seriously consider these issues. Mr. Ewin agreed that MTS should follow its service-change process. He suggested considering one trip per day with priorities given to certain types of trips. Ms. Hafner suggested that staff conduct the recommended route-by-route analysis and present a restructuring plan that is more cost effective. She suggested that the Board approve the contract with the understanding that there is a contract clause that allows MTS to make changes giving the contractor a 90-day notice. She stated that staff would also return with a timeline for the service changes.

Mr. Jablonski stated that he could direct staff to immediately schedule a public hearing at which time the Board could make its decision to retain, modify, or not retain rural bus service. He added that a review of rural service has always been included in the COA process, but the Rural Bus Service contract expires prior to the completion of that process. He stated that staff will have a full set of service-change recommendations resulting from the COA. Mr. Ewin agreed with Mr. Jablonski's statements and requested that staff discuss this issue with Mr. Roberts and with Ms. Diane Jacobs, County of San Diego, to see if they can provide the resources to continue this service. Ms. Lorenzen

pointed out that the earliest a public hearing could be held is July 14, and the contract expires June 30, 2005.

Mr. Cheung and Mr. Monroe both stated that the core network should be developed before a route-by-route analysis of county bus service is conducted. Mr. Ewin requested that the route-by-route analysis be conducted with a goal of putting this service back on a life-line level, i.e. fewer trips of shorter length. Mr. Jablonski stated that staff's report would include information on cost savings.

Action Taken

Mr. Ewin moved to authorize the CEO to (1) execute Amendment No. 1 to MTS Doc. No. B0397.0-03 (Attachment A of the agenda item) for the Rural Bus Services for the first one-year option period in substantially the same format as attached to the agenda item with the understanding that staff will report back to the Board with recommendations for possible service reductions and identification of other funding sources that could be utilized to maintain this service; (2) execute Amendment No. 1 to MTS Doc. No. B0439.0-04 (Attachment B of the agenda item) for Rural Bus AVL services for a 17-month period with a 15-day cancellation provision in substantially the same format as attached to the agenda item; and (3) as part of the COA, direct staff to conduct a route-by-route service analysis to determine whether to make significant reductions to the Rural Service and possibly conduct a public hearing. Mr. Emery seconded the motion, and the vote was 8 to 1 in favor with Mr. Monroe casting the dissenting vote.

REPORT ITEMS

Recommended Report Items

Mr. Jones moved to receive Report Agenda Item Nos. 45, 46, and 47 as follows: Ms. Atkins seconded the motion, and the vote was 8 to 0 in favor.

- 45. MTS: Operations Budget Status Report for April FY 2005 (FIN 310.1, PC 30100)
- 46. MTS: April Monthly Performance Indicators (OPS 920.1, 960.5, 970.5, PC 30101, 102, 103)
- 47. MTS: 2005 Coca-Cola Zero Rock 'N' Roll Marathon Recap (OPS 970.2, PC 30102)

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

There was no Chairman's Report.

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

There was no CEO's Report.

- 62. Board Member Communications

Board Room Public Address System: Mr. Mathis stated that because Ms. Lorenzen does not use a microphone, he cannot hear her speak. He requested that staff procure a microphone for her. Ms. Lorenzen stated that MTS has wireless microphones that can't be used because of technical problems with the system.

63. Additional Public Comments on Items Not on the Agenda

Peter Warner: Mr. Warner stated that destination signs between the SD100 and S70 trolley cars should be compatible.

64. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, July 14, 2005, at 9:00 a.m. in the same location.


65. Adjournment

Chairman Williams adjourned the meeting at 10:20 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

Attachment: A. Roll Call Sheet

gail.williams/minutes

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 6/23/05

CALL TO ORDER (TIME): 9:01 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:43 a.m.

RECONVENE: 9:54 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 12:38 p.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:10 a.m. during AI 3	
CLABBY	<input checked="" type="checkbox"/> (Greer) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Jantz) <input type="checkbox"/>		
KALTENBORN	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		10:30 a.m. during AI 31
LEWIS, Mark	<input type="checkbox"/> (Hanson-Cox) <input checked="" type="checkbox"/>		
MAIENSCHIN	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
MORRISON	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>	9:10 a.m. during AI 3	
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		<input checked="" type="checkbox"/>
ROSE	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>	9:24 a.m. during AI 4	11:25 a.m. during AI 32
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:07 a.m. during AI 3	11:07 a.m. during AI 31
ZUCCHET	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Jeffrey Kozlowski

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

PC

#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****

@ 8:16

1. INSTRUCTIONS

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

Date 7-14-2005Name (PLEASE PRINT) DON STILLWELLAddress 6308 RANCHO MESA RD #173SAN DIEGO, CA 92108Telephone (619) 282-7760

Organization Represented (if any) _____

Subject of your remarks: ROUTING AND TIMING OF #14 BUS

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.

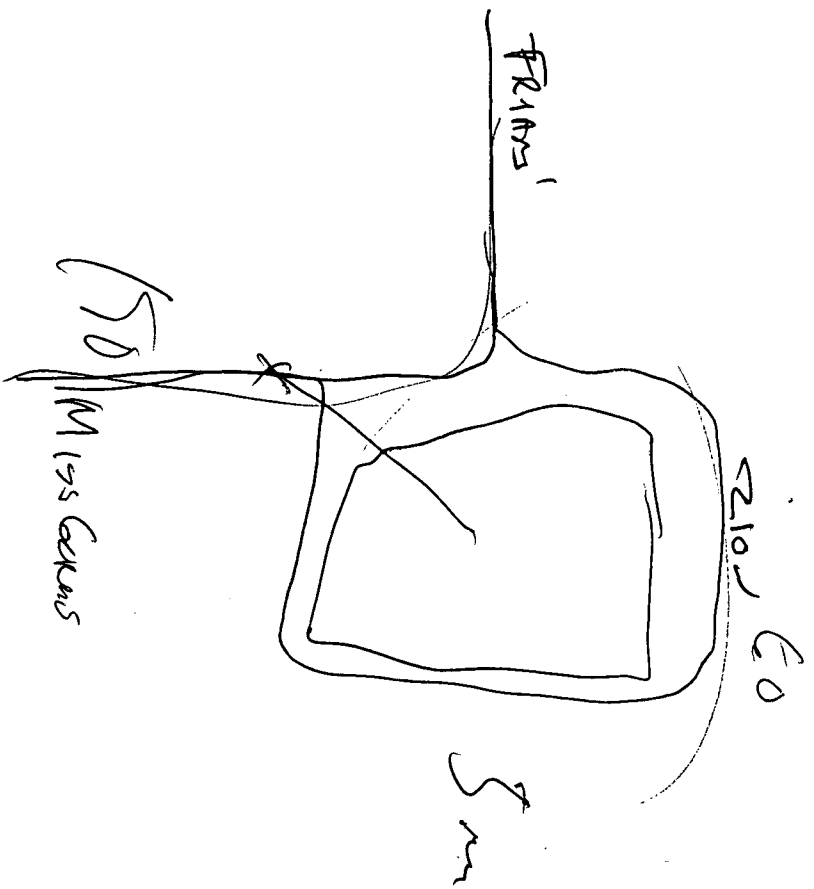
3. DISCUSSION OF AGENDA ITEMS

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.

13

ORDER REQUEST RECEIVED

2

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

@ 8:17

1. INSTRUCTIONS

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

Date _____

Name (PLEASE PRINT) Angela RainerAddress 1134 11th Ave APT #1 San Diego CA 92101Telephone (619) 255 1706Organization Represented (if any) Trolley

Subject of your remarks: I WAS WONDERING IF THERE
A GOOD CHANCE FOR A NEW TROLLEY CAN GO TO
THE AIRPORT RIGHT INTO IT FOR WORKERS AND PASSENGERS

Agenda Item Number on which you request to speak 1

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****

@ 8:59

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 2005-07-14
 Name (PLEASE PRINT) Clive Richardson
 Address 5153 La Donna St.
San Diego
 Telephone 619 582-4036
 Organization Represented (if any) _____

Subject of your remarks: New Green Line

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. 6

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

CIP 10453.6

July 14, 2005

Subject:

MTS: INCREASED AUTHORIZATION FOR LEGAL FEES

RECOMMENDATION:

That the Board of Directors ratify the previous actions of the Chief Executive Officer (CEO) and authorize the CEO to enter into Contract Amendment No. 5 to MTS Document No. L0602.0-02, in substantially the same form as Attachment A, with Best Best & Krieger, LLP (BBK), for legal services for the San Ysidro Intermodal Transportation Center (SYITC) Project.

Budget Impact

The amendment increases the contract authorization by \$150,000, for a total contract amount of \$401,000. The contract increase will be funded from the Right-of-Way line item of the SYITC Project (WBS #10453-0900), which has an available balance of \$73,866.

DISCUSSION:

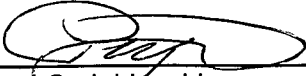
OPM/Gateway, Inc. (OPM) has sued MTS on the SYITC Project for loss of OPM's property due to construction activities and impairment of its access caused by the crossing gates and warning bells. No portion of OPM's property was condemned for the project.

The liability phase was tried by the court, which found no liability for construction activities but did find liability for the crossing gates and warning bells as damage to the property. The valuation phase of the suit is underway. Condemnation counsel,



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS 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.

Bruce W. Beach of Best Best & Krieger, estimates an additional \$150,000 is required to defend this matter. MTS executed a contract and amendments with BBK for a total contract amount of \$251,000. This contract amendment will bring the total contract to \$401,000.



Paul C. Jablonski
Chief Executive Officer

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

JGarde
JULY14-05.6.LEGALFEES.TALLISON
6/28/05

Attachment: A. MTS Doc. No. L0602.5-02



Metropolitan Transit System

Att. A, AI 6, 7/14/05, CIP 453.6

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

DRAFT

July 14, 2005

MTS Doc. No. L0602.5-02
CIP 10453.6

Bruce W. Beach, Esq.
Best Best & Krieger, LLP
402 West Broadway, 13th Floor
San Diego, CA 92101-3542

Dear Mr. Beach:

Subject: AMENDMENT NO. 5 TO MTS DOCUMENT NO. L0602.0-02: MTDB v. OPM, INC.
(GATEWAY INN)

This letter will serve as Amendment No. 5 to MTS Document No. L0602.0-02.

SCOPE OF SERVICES

Continue to provide legal services in conjunction with the inverse condemnation action filed by OPM, Inc., for the San Ysidro Intermodal Transportation Center Project.

SCHEDULE

There is no change in the contract schedule.

PAYMENT

This contract amendment authorizes additional costs not to exceed \$150,000 for the above-referenced legal services. The total value of this contract, including this amendment, is \$401,000. Additional authorization is contingent upon MTS approval. All other terms and conditions of the contract remain unchanged.

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

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Bruce W. Beach, Esq.
Best Best & Krieger, LLP

JGarde
JULY14-05.6.ATTA.CL-L0602.5-02.TALLISON
6/28/05

Date: _____



A-1



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 System,
San Diego Transit Corporation, and
San Diego Trolley, Inc.

FIN 340.2 (PC 30100)

July 14, 2005

Subject:

MTS: TRANSPORTATION DEVELOPMENT ACT CLAIM AMENDMENT

RECOMMENDATION:

That the Board of Directors adopt Resolution No. 05-11 (Attachment A), amending FY 04 Transportation Development Act (TDA) Article 4.0, Claim No. 253, for National City Transit.

Budget Impact

MTS would claim \$75,000 of TDA Article 4.0 funds for National City Transit. The purpose of the funds is to purchase new radios.

DISCUSSION:


Senate Bill 521 (effective January 2003) consolidated all transit funding in the MTS service area. As a result, MTS submits one TDA claim on behalf of all operators in its service area. An agreement reached between MTS and the cities that used to receive TDA funds stipulates that any unused TDA balances held by the jurisdictions would be available for eligible TDA projects. National City Transit has requested \$75,000 for a capital purchase.

These funds would be used to purchase radios for the National City fleet and dispatch centers as well as portable units for staff. This would be compatible with radios within the City of National City.



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS 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.

MTS and San Diego Association of Governments (SANDAG) staffs have reviewed the request and determined that it is an eligible activity for TDA funding.



Paul C. Jablonski
Chief Executive Officer

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

JGarde
JULY14-05.7.TDAAMENDMT.TLYNCH
6/16/05

Attachments: A. Resolution No. 05-11
B. Request from National City Transit

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 05-11

Resolution Amending Fiscal Year 2004 Transportation Development Act

WHEREAS, effective January 1, 2003, the MTS-area consolidated Transportation Development Act (TDA) claim process provides that MTS will be responsible for submitting a single claim for each article of the TDA and encompassing the TDA funding claim for all MTS operators; and

WHEREAS, consistent with the intent of consolidating all transit funding for MTS-area operators, the San Diego Association of Governments (SANDAG) approved MTS's FY 04 TDA claim, including unallocated balances of TDA funds and all capital reserves on behalf of area operators and jurisdictions; and

WHEREAS, balances from this claim remain unspent as of the date of this resolution;
and

WHEREAS, MTS and SANDAG Boards must approve any alternate use of said balances differing from that for which they were originally claimed; and

WHEREAS, National City Transit has requested to use \$75,000; and

WHEREAS, MTS and SANDAG staffs have analyzed this amendment and found it to be warranted, pursuant to Section 6754 of Title 21 of the California Code of Regulations (CCR);
NOW THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board of Directors does hereby approve an amendment revising the Claim No. 253 by allocating \$75,000 from National City's unallocated TDA funds for a capital purchase.

PASSED AND ADOPTED by the Board of Directors this _____ day of _____ 2005,
by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairman
San Diego Metropolitan Transit System

Filed by:

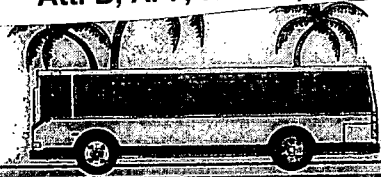
Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

RES05-11.AMENDFY04TDA.TLYNCH
6/16/05

NATIONAL • CITY • TRANSIT



May 19, 2005

RECEIVED

MAY 23 2005

MTS

Paul Jablonski
Chief Executive Officer
Metropolitan Transit System,
1255 Imperial Avenue, Suite 1000, San
Diego, CA 92101-7490

Re: TDA unallocated reserve claim amendment

Dear Paul,

National City Transit would like to request a claim amendment in the amount of \$75,000 to be used for purchase, installation and costs associated with the RCS radio system for our fleet and dispatch center as well as some portable units for staff. These new radios should eventually replace the existing NEXTEL fleet units, which are no longer being manufactured. We expect the monthly RCS maintenance and access costs to be similar to what we are currently paying for our NEXTEL system and will continue to be paid from our existing operating budget with little or no impact on FY05 or FY06. I would like to expedite this process if possible as the City of National City is already well into the system installation and this is a fantastic opportunity for Transit to be able to directly communicate with other County agencies especially during an emergency. During a recent drill at the NC-EOC we discovered that our NEXTEL system was inoperable due to the building design and this new system would not have been affected. Please let me know if you need any additional information or have any questions or concerns.

Respectfully yours,

John P. Webster Sr.
Vice President/General Manager
National City Transit
jpw

Pc: Susan Brown
Lin Wurbs
Kevin Kane



Agenda

Item No. 30

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

ADM 121.10 (PC 50451)

July 14, 2005

SUBJECT:

MTS: COMPREHENSIVE OPERATIONAL ANALYSIS - REGIONAL SERVICE
CONCEPT

RECOMMENDATION:

That the Board of Directors: (1) direct staff to develop the core transit network based on the areas identified in the analysis; and (2) receive information on market-based services.

Budget Impact

None.

DISCUSSION:

The goal of the Comprehensive Operational Analysis (COA) is to evaluate and restructure MTS's 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. While Phase I of the COA focused on identifying service and operational efficiencies to address the immediate need to balance the FY 2006 operating budget, Phase II of the project will address broader issues of improving the attractiveness and effectiveness of transit in serving market needs and achieving long-term financial sustainability through increased ridership, productivity, and operational efficiency.



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS 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.

At its June 23, 2005 meeting, the MTS Board of Directors approved a set of Service Development Guidelines and framework for developing the Regional Service Concept.

In summary, the Service Development Guidelines were established based on the following vision for MTS services.

A Vision for MTS Services

- Develop a Customer-Focused System: Provide services that reflect the travel needs and priorities of our customers.
- Develop a Competitive System: Provide services that are competitive with other travel options by meeting market segment expectations.
- Develop an Integrated System: Develop transit services as part of an integrated network rather than a collection of individual routes.
- Develop a Sustainable System: Provide appropriate types and levels of service that are consistent with market demands and are maintainable under current financial conditions.

Based on the adopted service development guidelines, a Regional Service Concept was established for MTS services. The characteristics and service warrants for the Regional Service Concept are provided as Attachment A and B. This concept consists of two tiers of services:

1. Core Network - Rich network of services that supports spontaneous use for a wide range of travel needs within areas demonstrating sufficient demand.

The core network will be established based on the following service warrants:

- High demand for all-day/every-day travel
- High degree of transit dependence
- High density of employment
- High degree of positive market segments given underlying land-use conditions
- High degree of positive market segments given transit's competitiveness as a travel option

A map of the proposed areas within the core network will be presented at the July 14 Board meeting.

2. Market-Specific Services – Services tailored specifically for high-demand trip purposes when and where core services are not available.

These services fall into two general categories, commuter-based, and community-based services. Commuter-based service demand will be estimated through ZIP code surveys of major employers within San Diego.

This effort provides an understanding of where employees originate based on each major employment location. The survey of employers will also yield a better understanding of predominant shift and schedule times of employees. Maps of our survey efforts to date will be presented at the July 14 Board meeting for the following key employment locations: 3rd/Harbor, Downtown San Diego, Mission Valley, Sorrento Valley, University City, Kearny Mesa, Mira Mesa, Poway, and Rancho Bernardo. These maps will provide an initial indication of the commute markets that should be pursued as part of the market-specific services.

Assistance from local jurisdictions and community organizations will be required to identify community-based, market-specific services. These opportunities will be identified through the Phase II service development efforts currently underway.

Project Committee Feedback

The Blue Ribbon Committee (BRC) and Citizens' Advisory Committee (CAC) will have an opportunity to review information on the Regional Service Concept on July 11 and 12. Their feedback will be presented to the Board on July 14.



Paul C. Jablonski
Chief Executive Officer

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

JGarde
JULY14-05.30.COA.CCHEUNG
7/6/05

Attachments: A. Service Characteristics of the Regional Service Concept
B. Regional Service Concept Service Warrants

SERVICE CHARACTERISTICS OF THE REGIONAL SERVICE CONCEPT

	Markets Served	Frequency	Span of Service	Service Attributes
Core Network	Wide range of local and regional travel needs within the core of the service area.	15 minutes or better all day along key corridors, with a minimum of 30 minutes throughout the network.	Consistent all-day/ every-day service on key corridors with a minimum of all day weekday service throughout the network.	Network of local and corridor services with convenient connections to regional network. Allows for spontaneous use from anywhere to anywhere along the network throughout the day.
Commuter Services	Peak-period regional work trips that demonstrate sufficient demand.	15 minutes or better during peak periods and 60 minutes during off-peak periods on key corridors.	Weekday service from start of commute to early evening on key corridors, and peak periods only on other corridors.	Direct service for one-seat travel for key origin/destination travel pairs.
Community-Based Services	Specifically defined niche market needs; e.g., seniors, disabled, students that demonstrate sufficient demand.	Tailored to specific market needs.	Tailored to specific market needs.	Flexible routing and schedule tailored to the specific needs of the market served. Generally links neighborhoods with local destinations (e.g. retail, schools, civic centers, and medical) and regional transit services. May vary throughout day and week.

REGIONAL SERVICE CONCEPT SERVICE WARRANTS

	Core Network	Commuter Services	Community-Based Services
High demand for all-day/every-day travel	R	N/A	N/A
High degree of transit dependence	R	O	O
High density of employment	R	R	O
High demand for specific market travel pattern	N/A	R	R
Commitment at destination to assist in trip completion (station cars, shuttles), if needed	O	R	O
High degree of positive market segments given underlying land-use conditions	R	R	O
High degree of positive market segments given transit's competitiveness as a travel option	R	R	R (at least one of these is required)
Funding commitment to ensure that minimum cost-effectiveness standards are met	O	O	

R – Required element

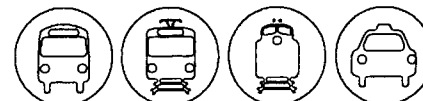
O – Optional element

Comprehensive Operational Analysis

Regional Service Concept

July 14, 2005

Agenda Item No. 30
7/14/05



A Vision for MTS Services

- **Develop a Customer Focused System:** Provide services that reflect the travel needs and priorities of our customers
- **Develop a Competitive System:** Provide services that are competitive with other travel options by meeting market segment expectations
- **Develop an Integrated System:** Develop transit services as part of an integrated network rather than a collection of individual routes
- **Develop a Sustainable System:** Provide appropriate types and levels of service that are consistent with market demands and are maintainable under current financial conditions



Regional Service Concept

3 Tiers of Service

Network Based Services

Support spontaneous use for wide range of travel needs

Commuter Services

Market specific services tailored to individual commuter market needs

Community Based Services

Market specific services tailored to individual community market needs

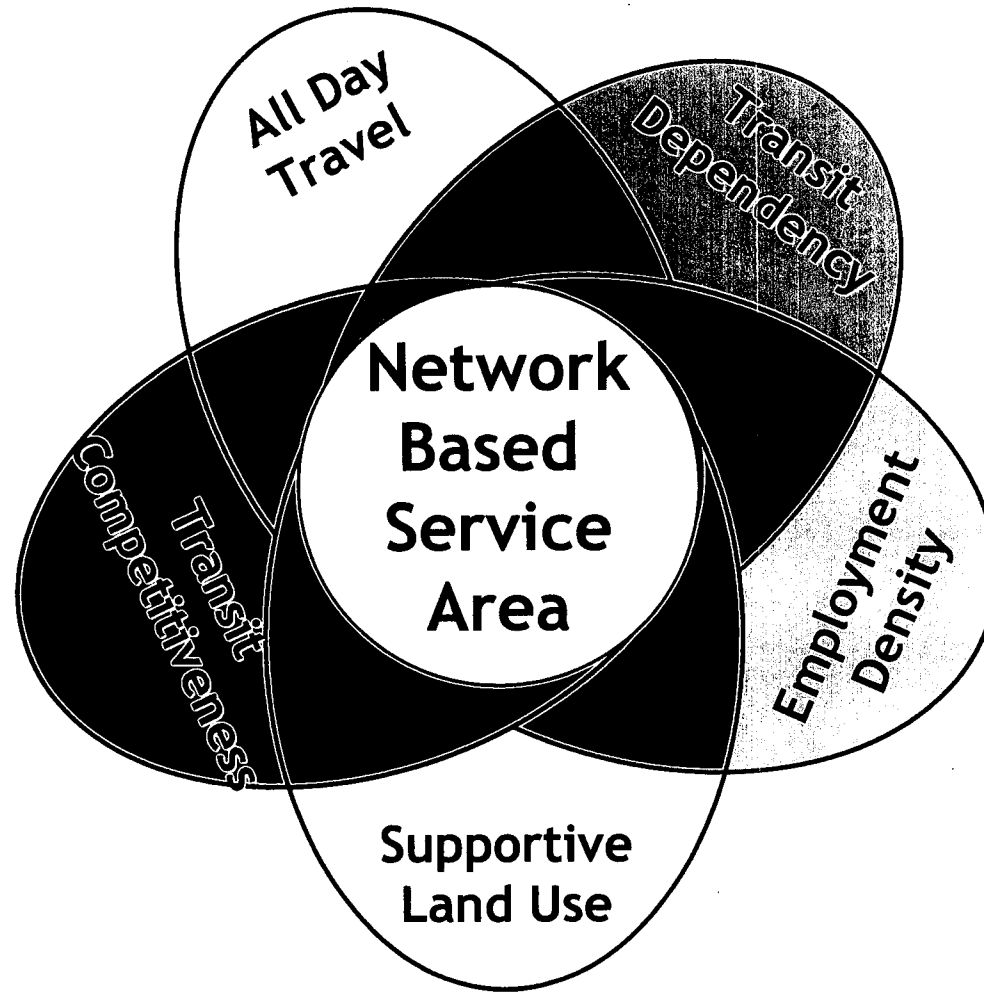


Regional Service Concept: Service Attributes

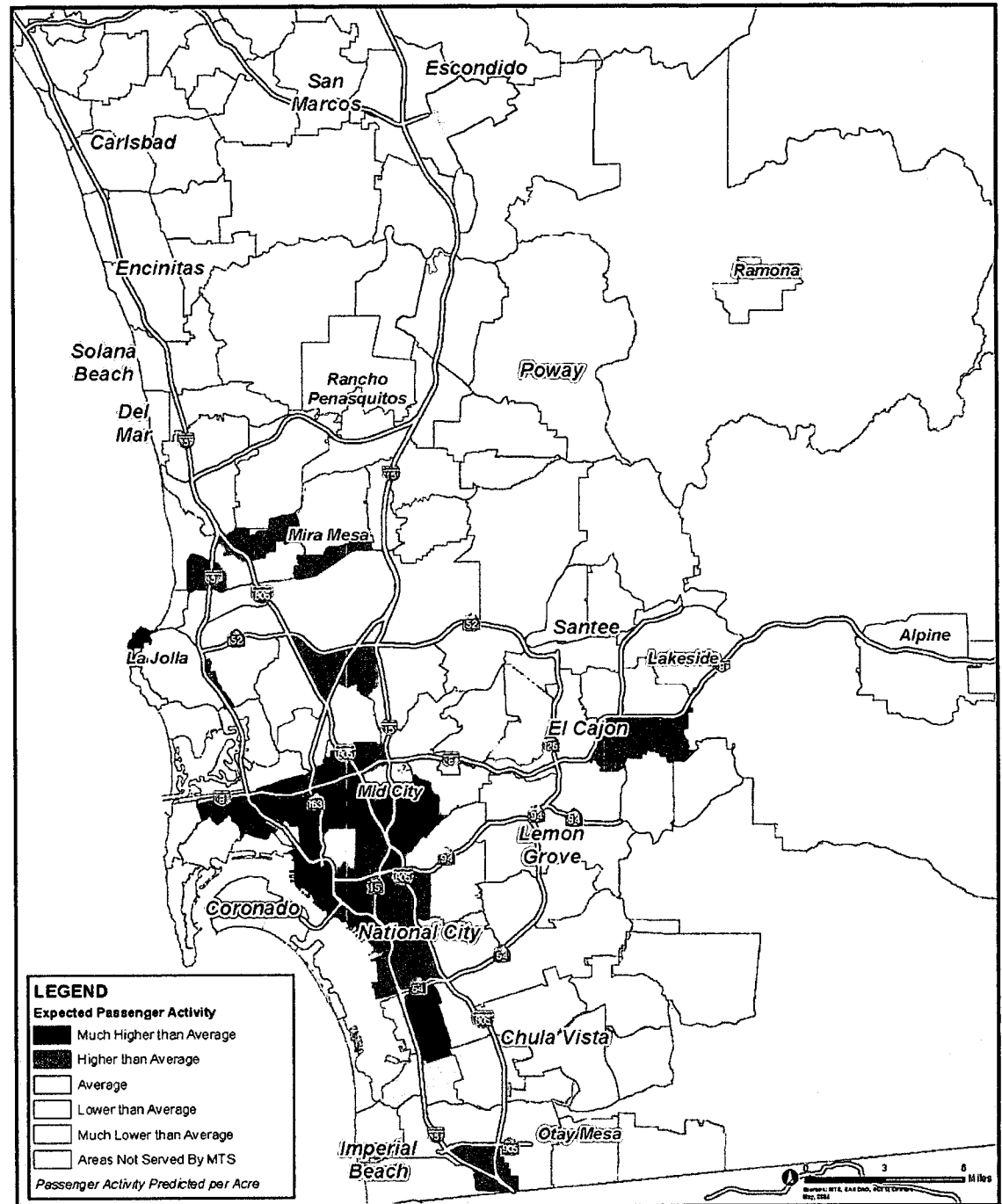
	Markets Served	Frequency	Span of Service	Service Attributes
Network Based	Wide range travel needs.	15 minutes or better all day (5-10 min peak) along key corridors, with a minimum of 30 minutes throughout the network.	Consistent all day/every day service on key corridors, with a minimum of all day weekday service throughout the network.	Network of local and corridor services with convenient connections to regional network.
Commuter Services	Peak period work trips.	10-15 minutes during peak periods and 60 minutes during off-peak periods on key corridors.	During prevailing work hours along key corridors, and peak period only on other corridors.	Direct service for one seat travel for key origin-destination travel pairs.
Community Based Services	Specifically defined market needs.	Tailored to specific market needs.	Tailored to specific market needs.	Flexible routing and schedule. May vary throughout day and week.



Network Based Service Requirements

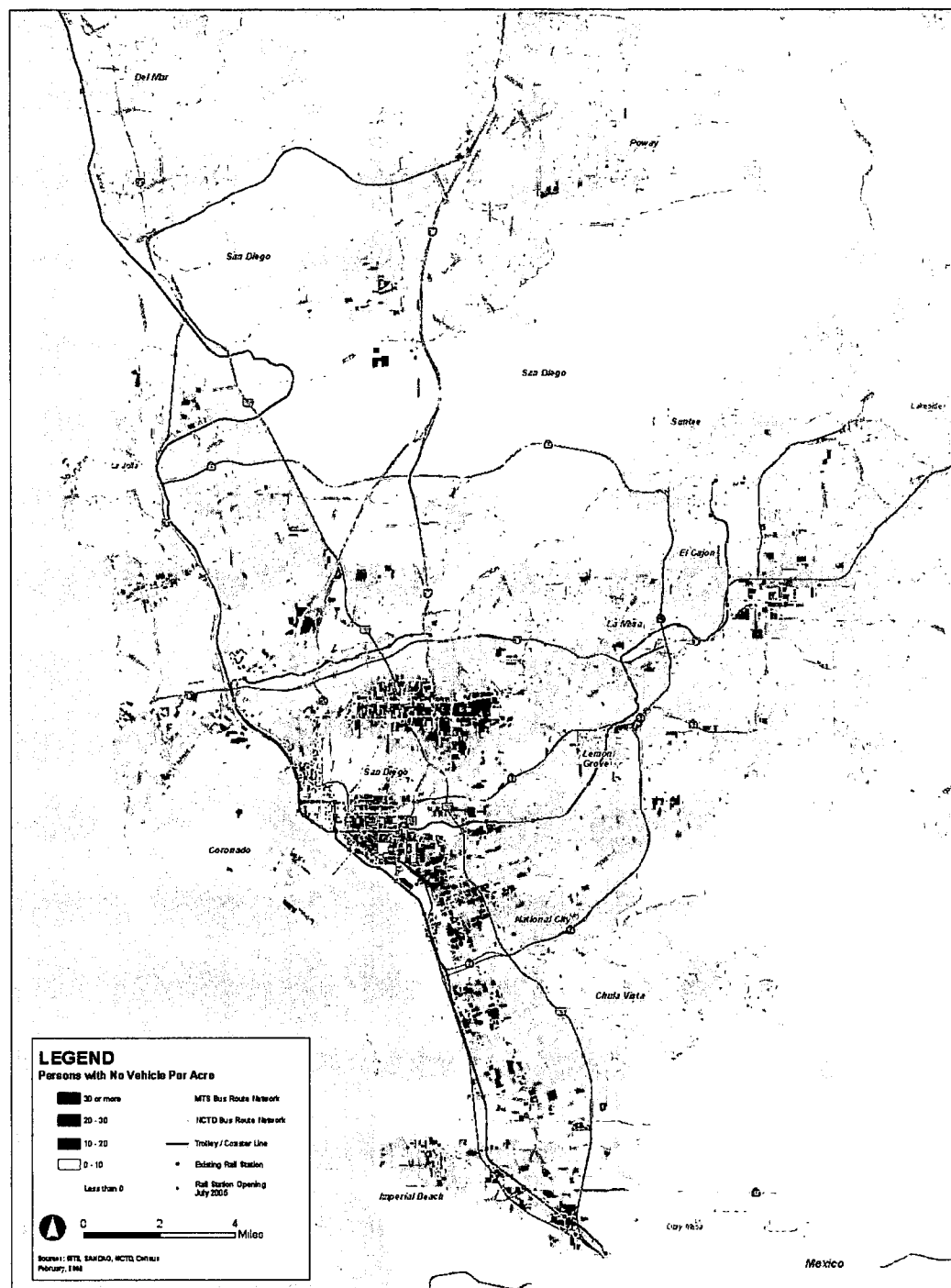


High Demand for All Day/Every Day Travel

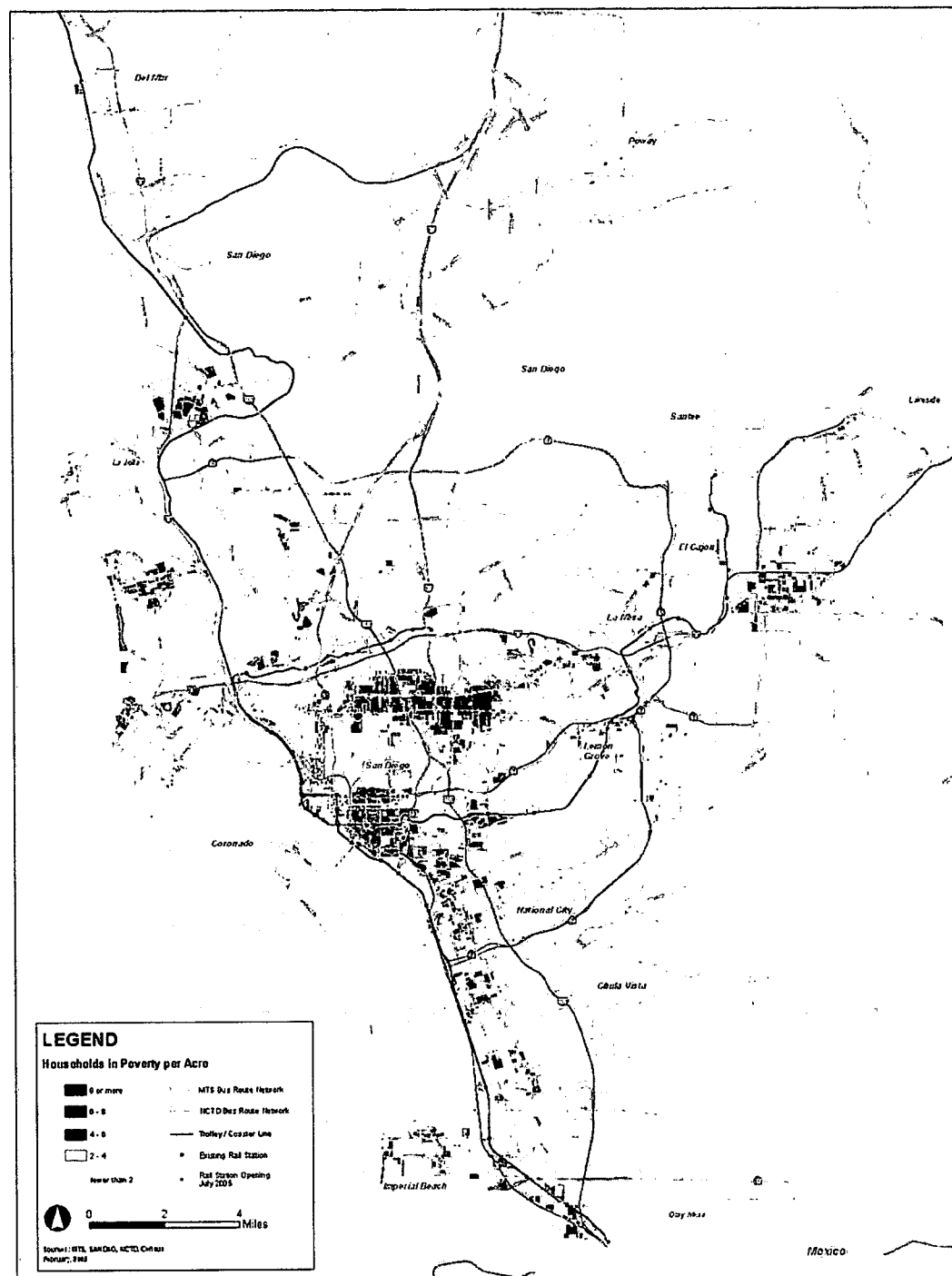


Density of Passenger Activity

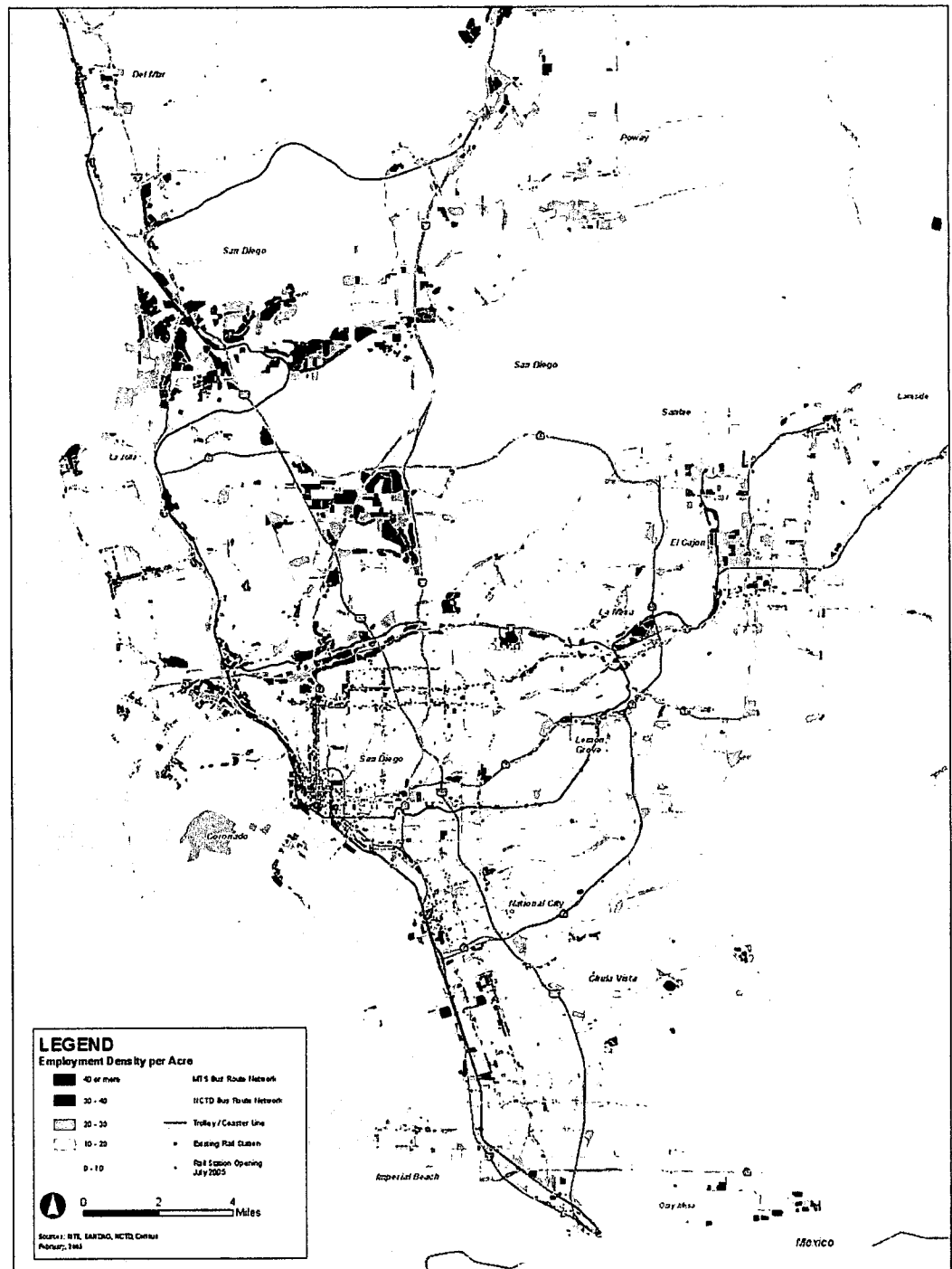
High Density of Transit Dependency - *Auto Deficiency* *by Household*



High Density of Transit Dependency - Households in Poverty

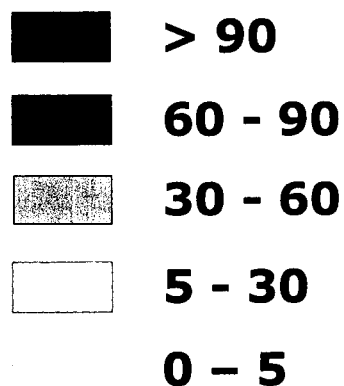


High Density of Employment

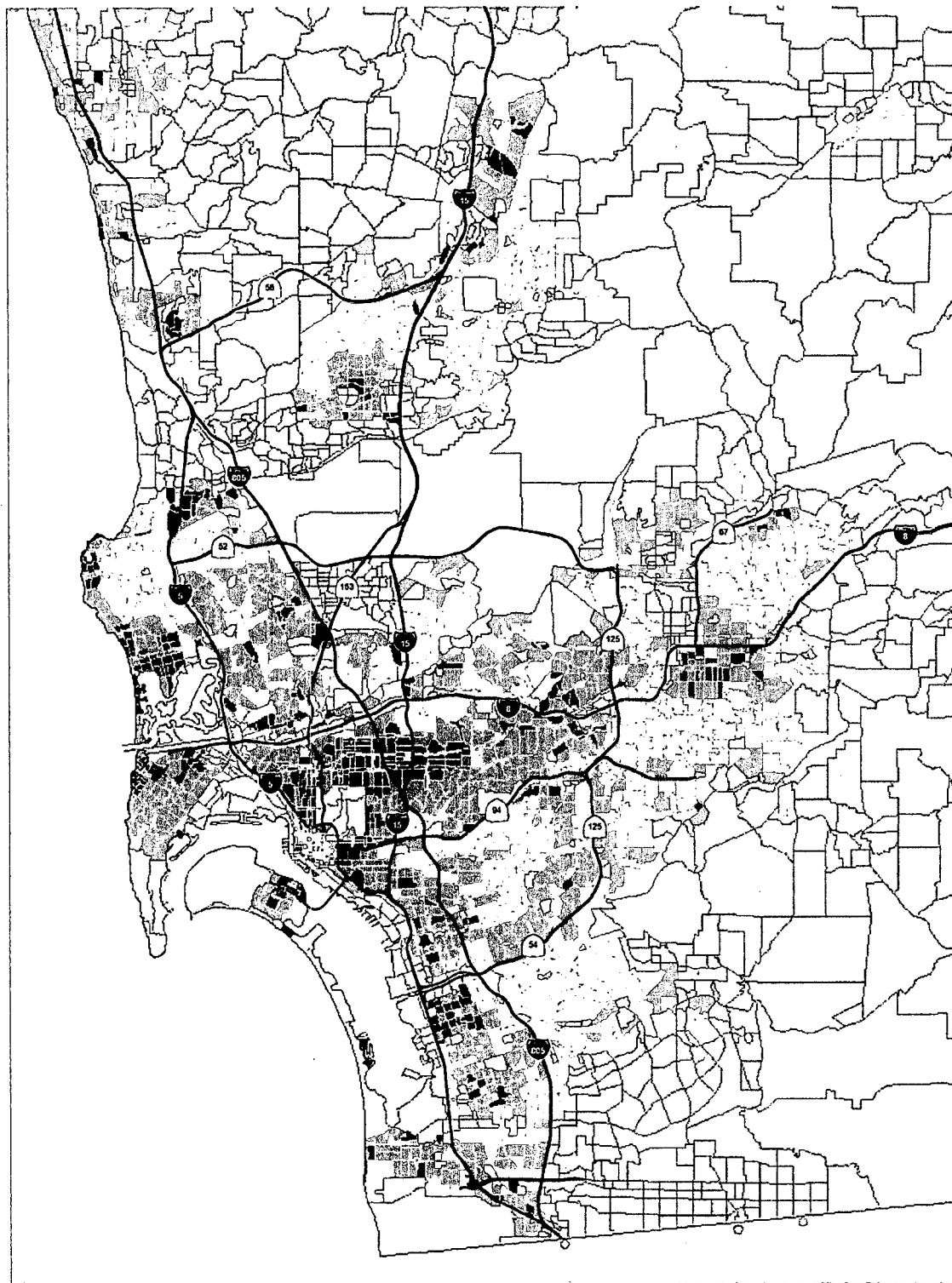


High Degree of Positive Market Segments - *Easy Goers and Flexible Flyers*

Trip Density (per acre)

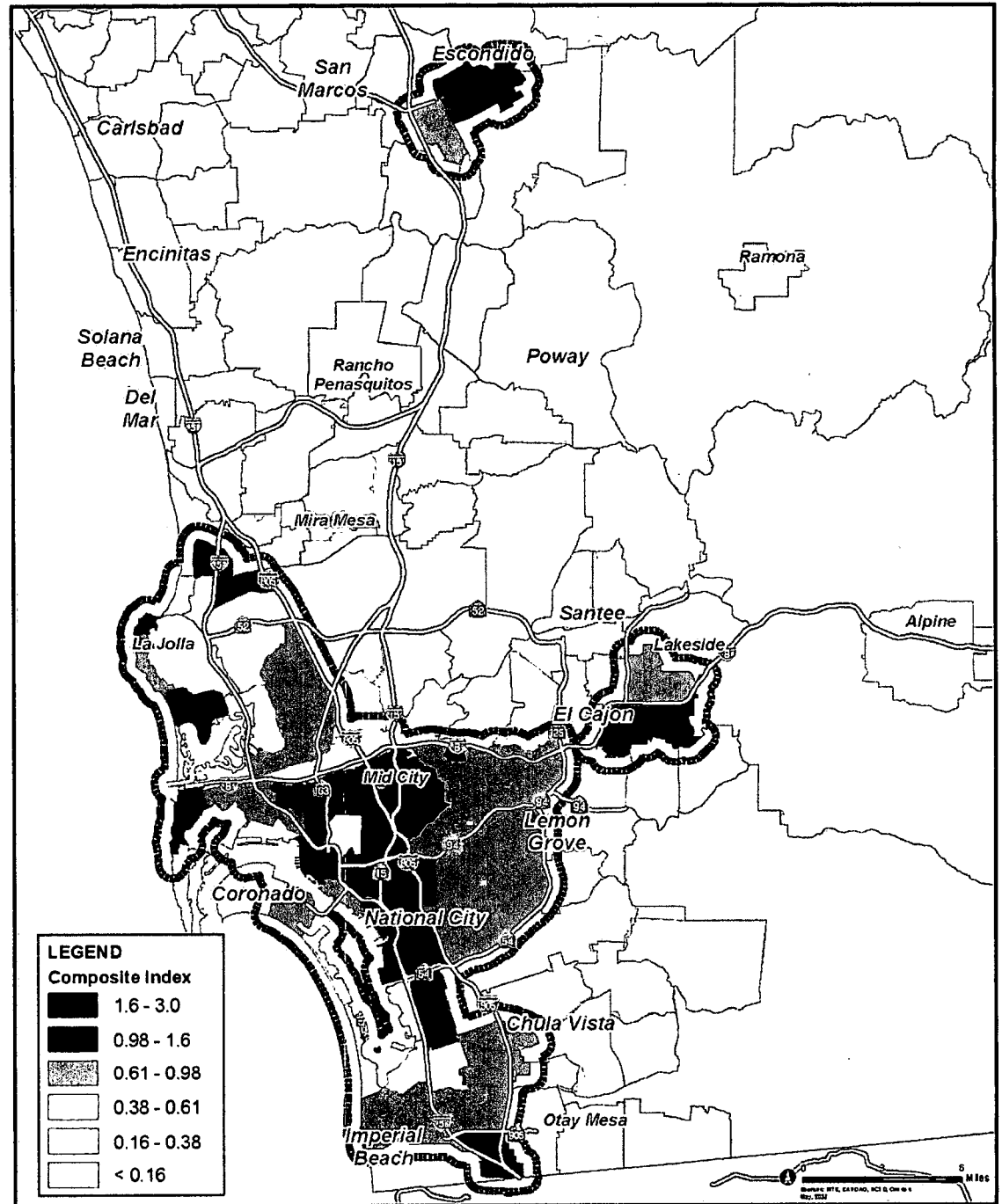


Transit Friendly



Network Based Service Areas

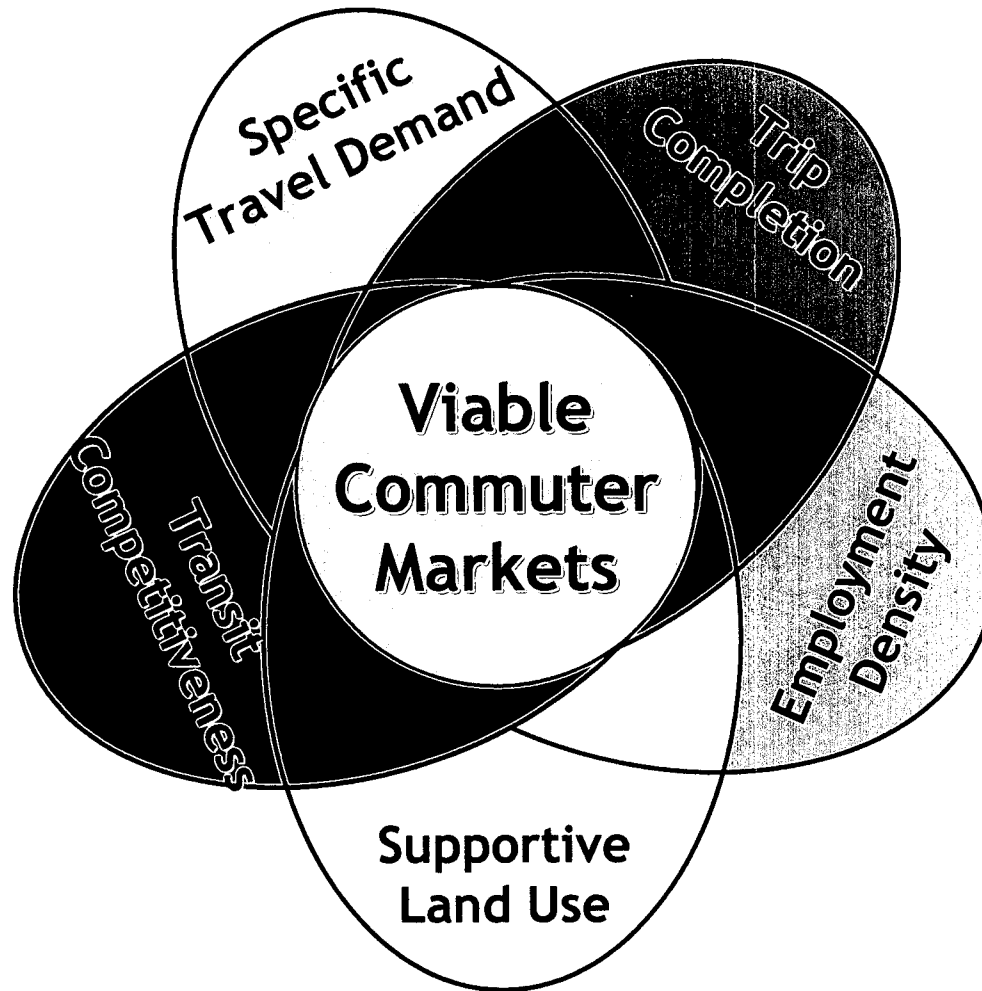
- Auto Deficiency
- Poverty
- Employment
- Market Segments



Composite Index

Poverty, Auto-deficit, Easy Goer & Flexible Flyer Demand, & Employment Densities

Commuter Service Requirements



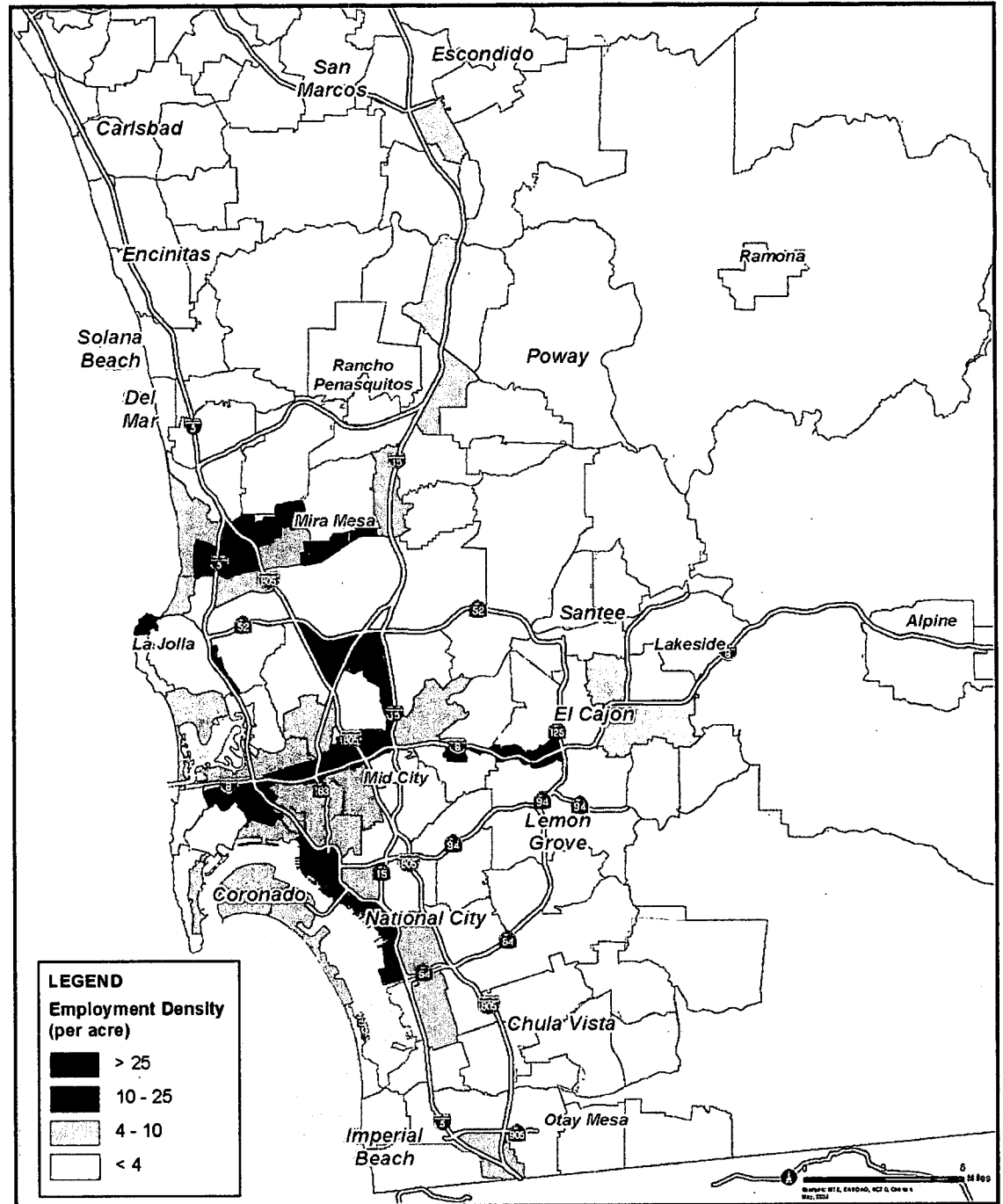
Commute Market Assessment

- Step 1: Identify high demand commute patterns (origin-destination pairs)
- Step 2: Identify market segments present at origins
- Step 3: Determine travel attributes required by specific market segments
- Step 4: Determine if travel attributes can be met cost effectively given underlying land use conditions and competitiveness of other travel options



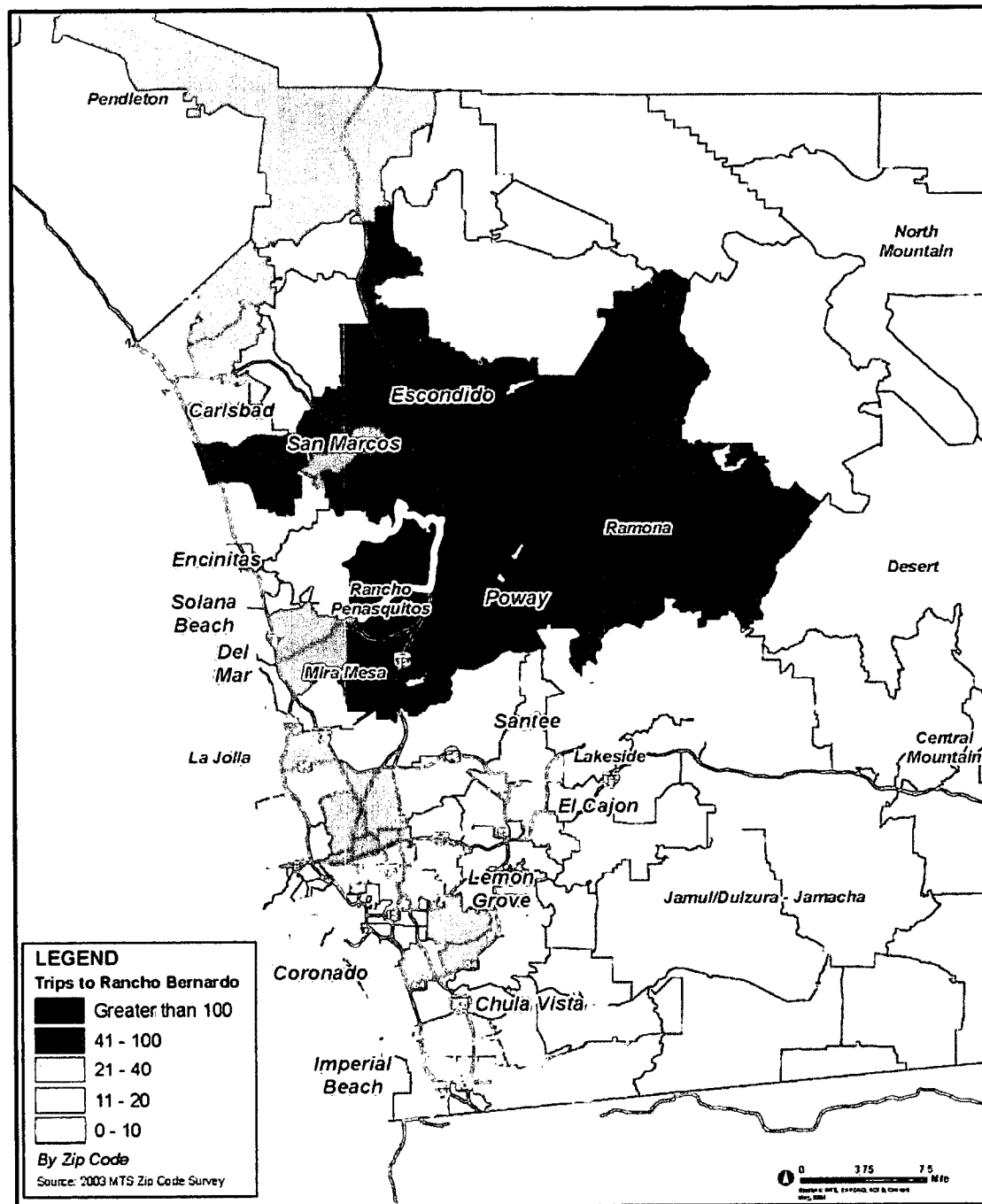
High Density of Employment

- Rancho Bernardo
- Poway
- Mira Mesa
- Golden Triangle
- Kearny Mesa
- Mission Valley
- Downtown SD
- 32nd Street



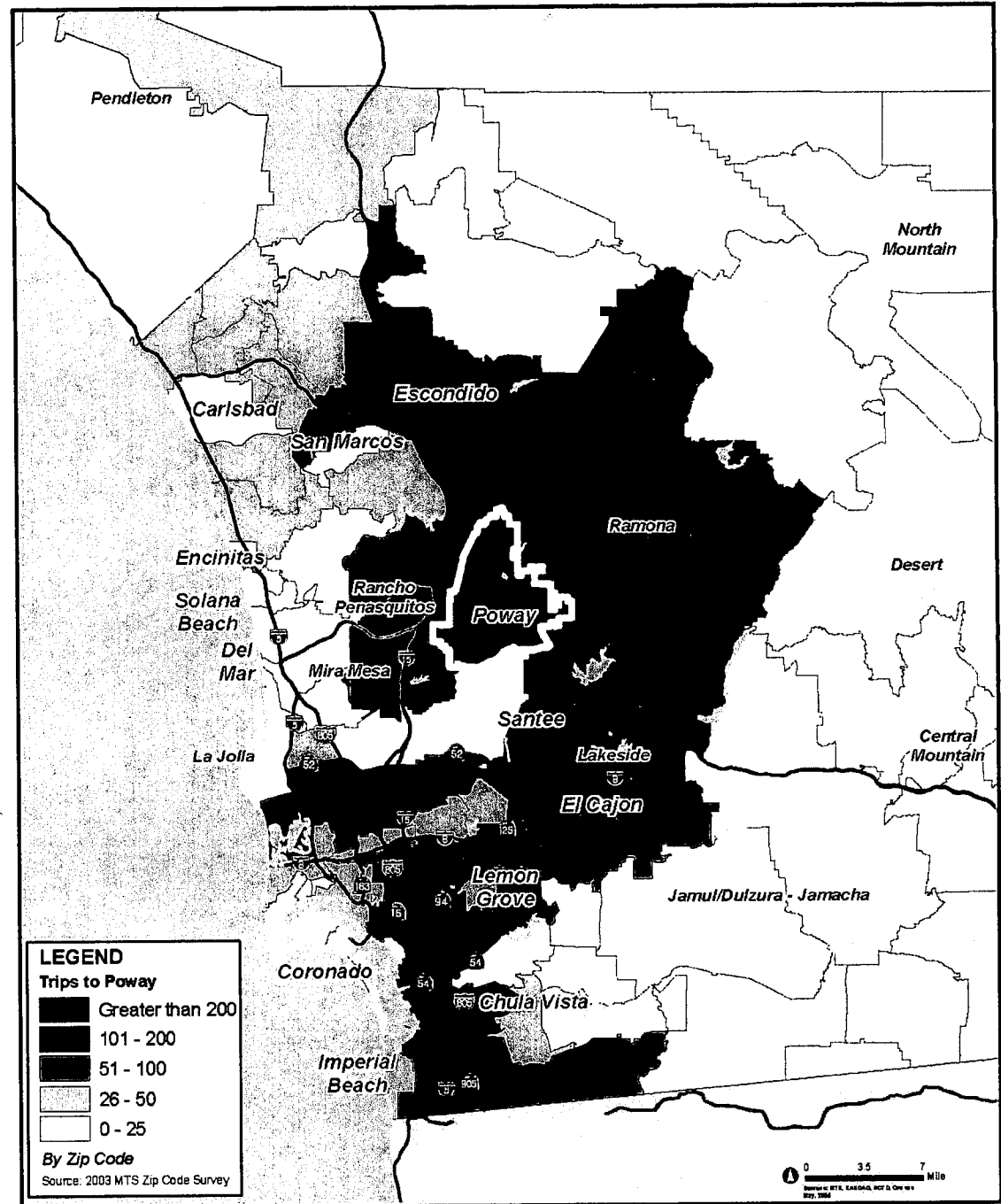
Employment Density

High Demand for Specific Travel Patterns - *Rancho Bernardo Employee Origins*



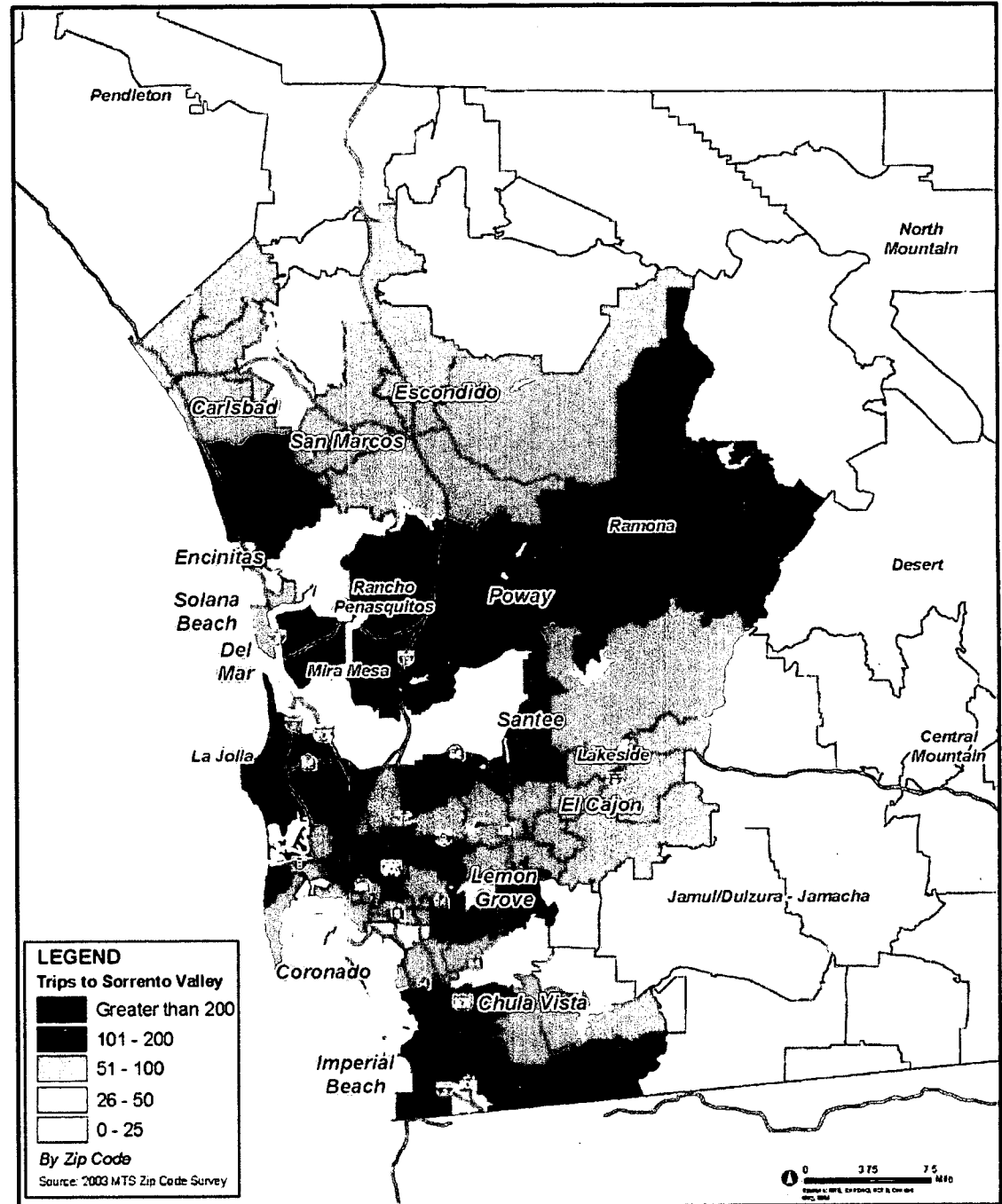
Commute Travel Patterns
Commuters to Rancho Bernardo (2,366 respondents)

High Demand for Specific Travel Patterns - *Poway* *Employee Origins*



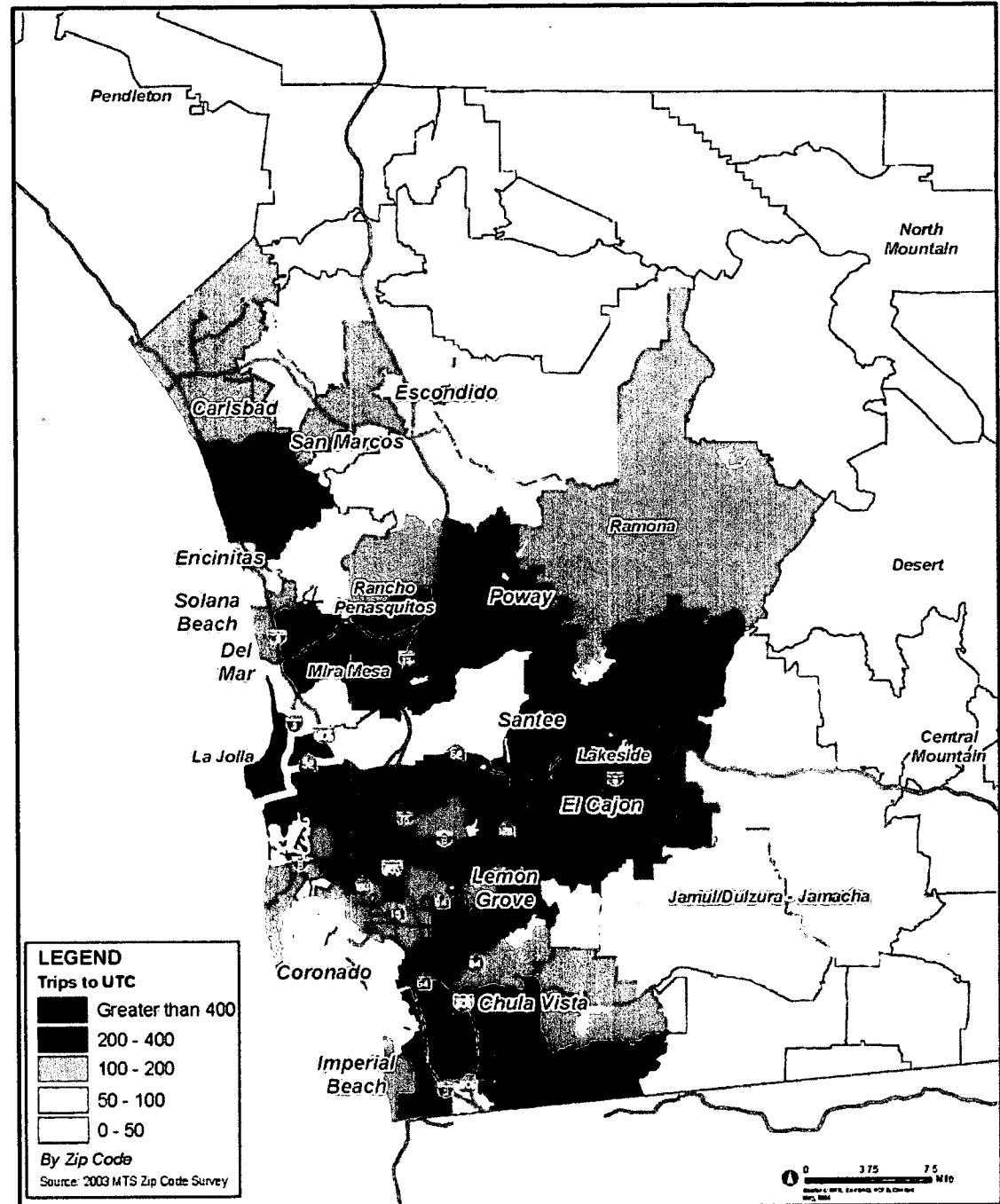
Commute Travel Patterns
Commuters to Poway (5,510 respondents)

High Demand for Specific Travel Patterns - Sorrento Valley Employee Origins



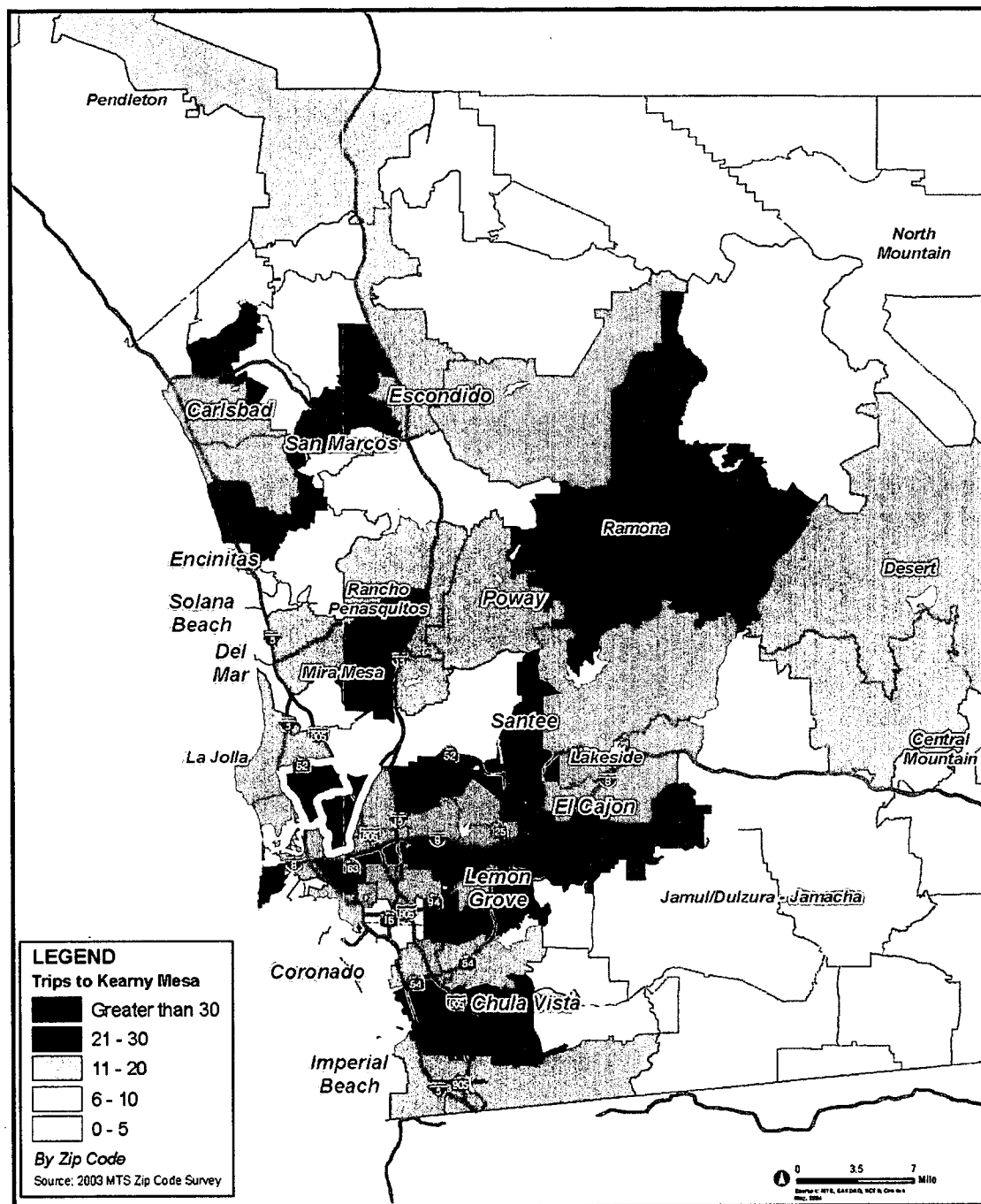
Commute Travel Patterns
Commuters to Sorrento Valley (8,047 respondents)

High Demand for Specific Travel Patterns - *UTC* Employee Origins



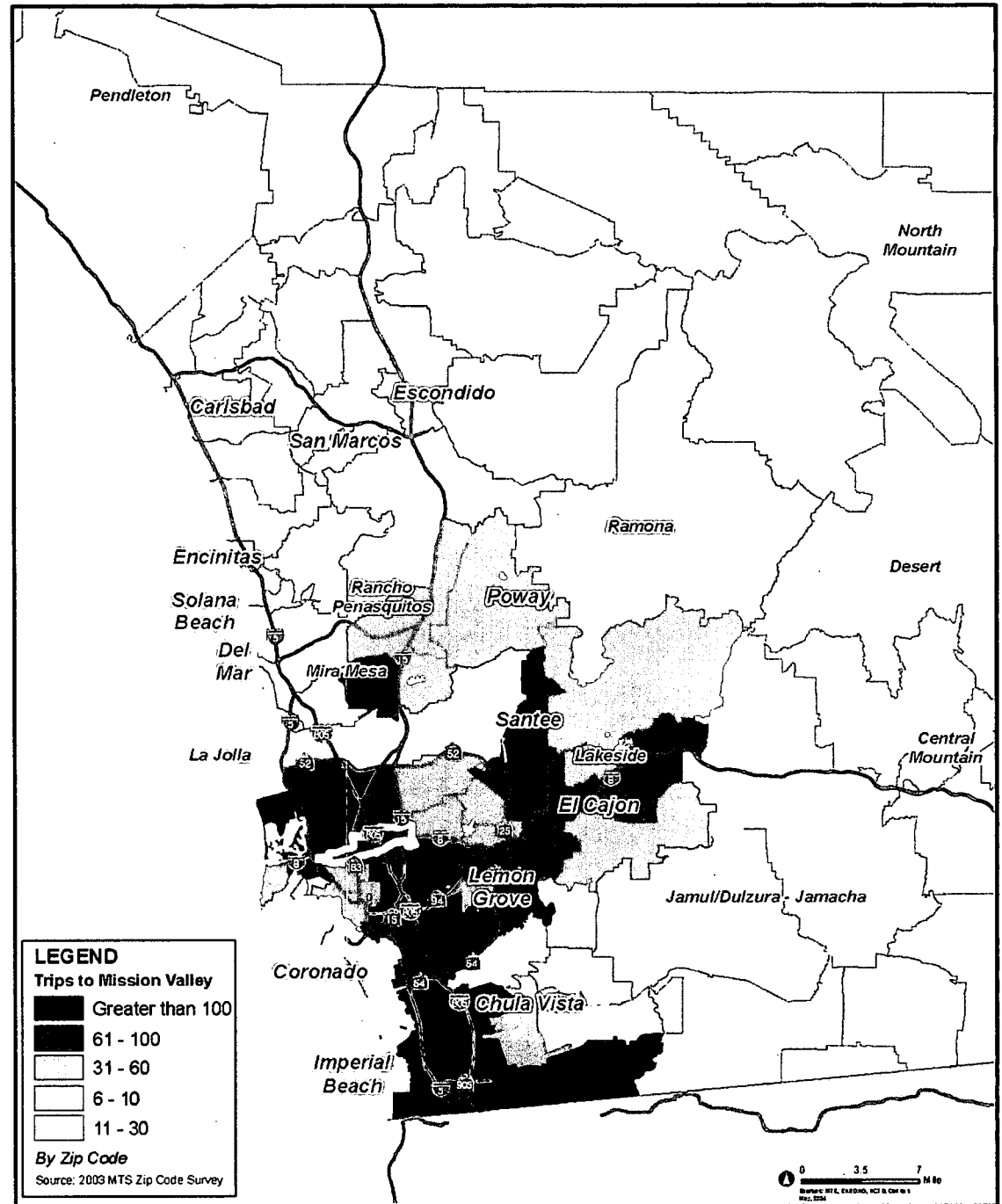
Commute Travel Patterns
Commuters to UTC (17,299 respondents)

High Demand for Specific Travel Patterns - *Kearny Mesa* *Employee Origins*



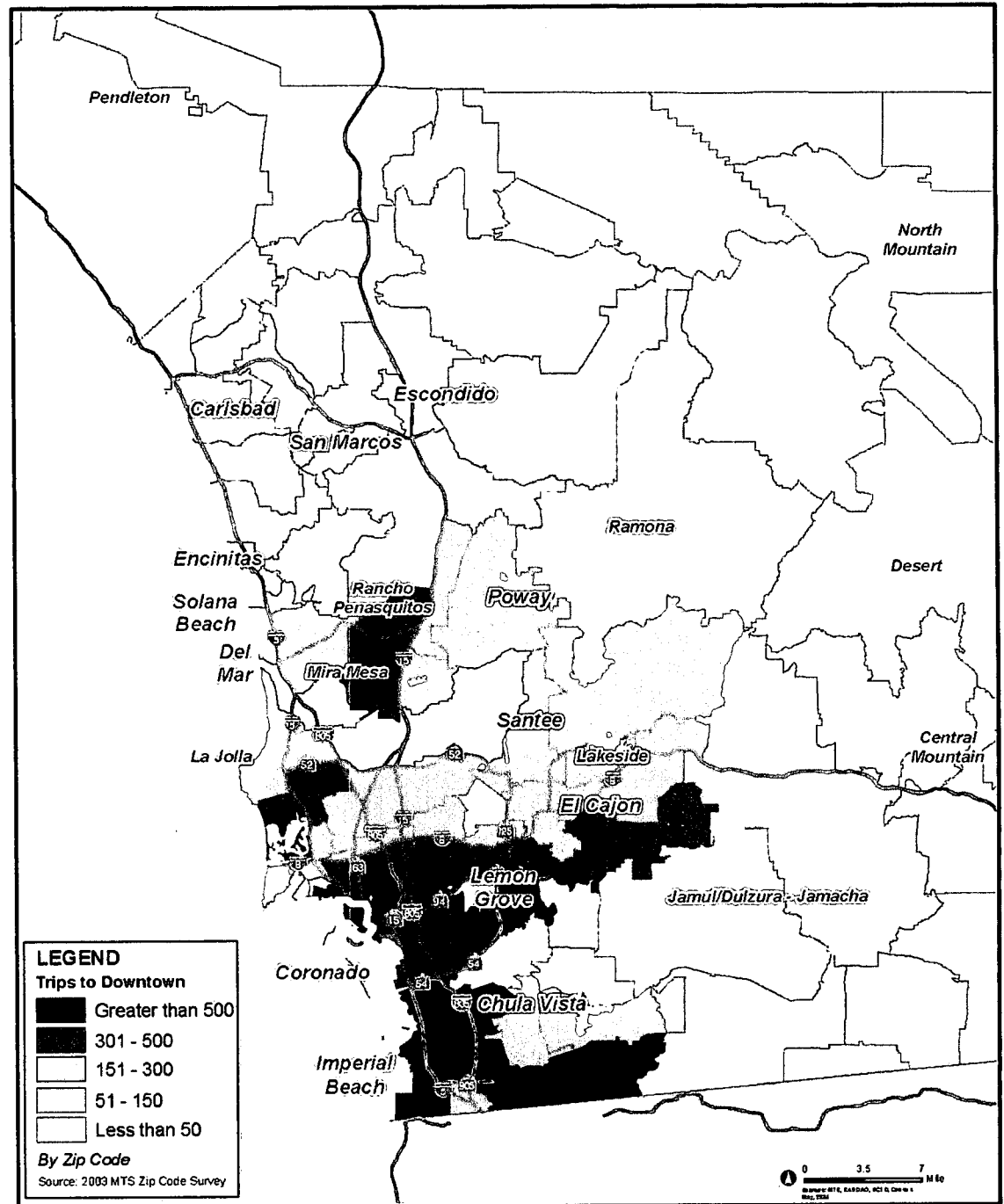
Commute Travel Patterns
Commuters to Kearny Mesa (1,292 respondents)

High Demand for Specific Travel Patterns - *Mission Valley Employee Origins*



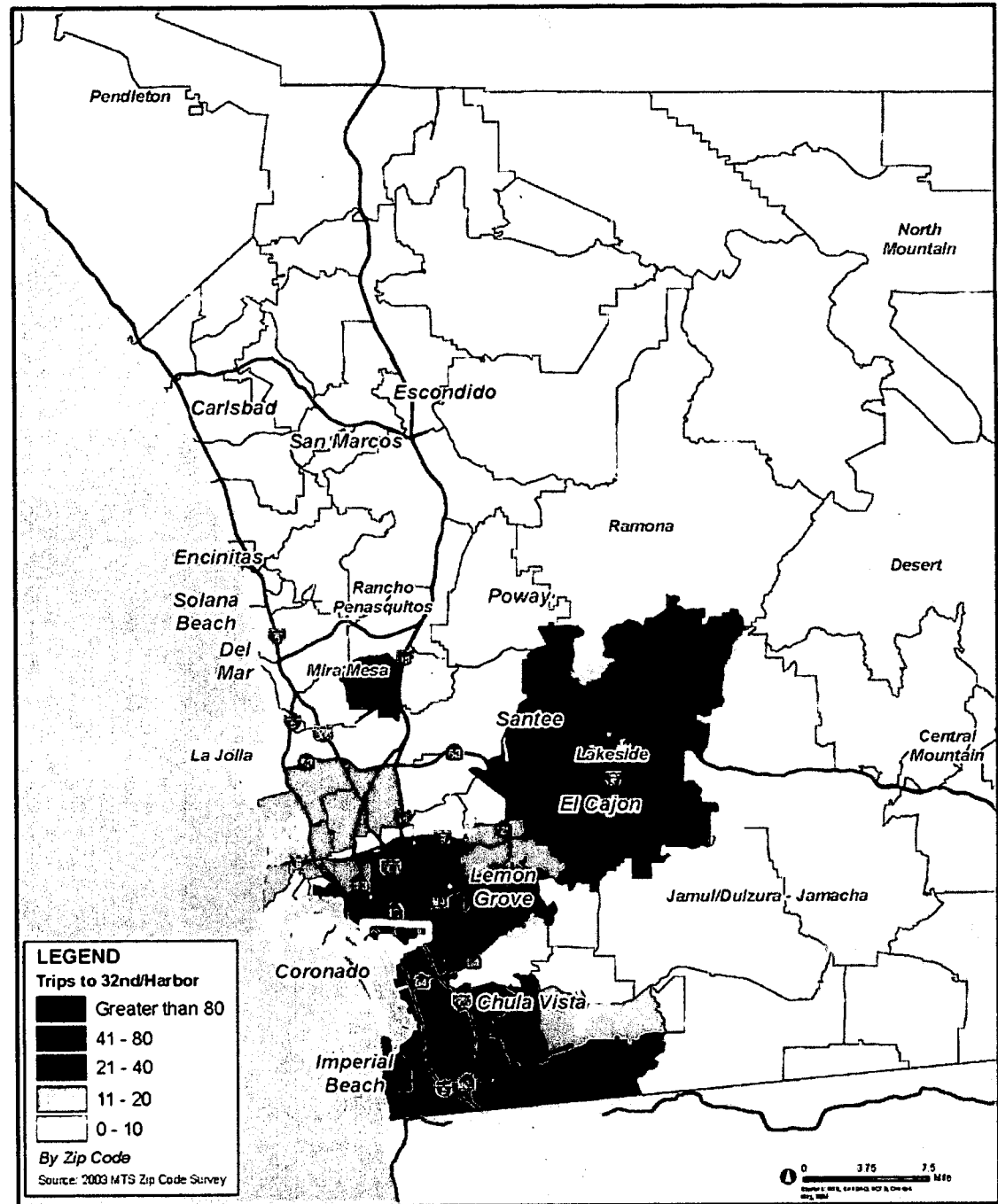
Commute Travel Patterns
Commuters to Mission Valley (3,547 respondents)

High Demand for Specific Travel Patterns - Downtown Employee Origins



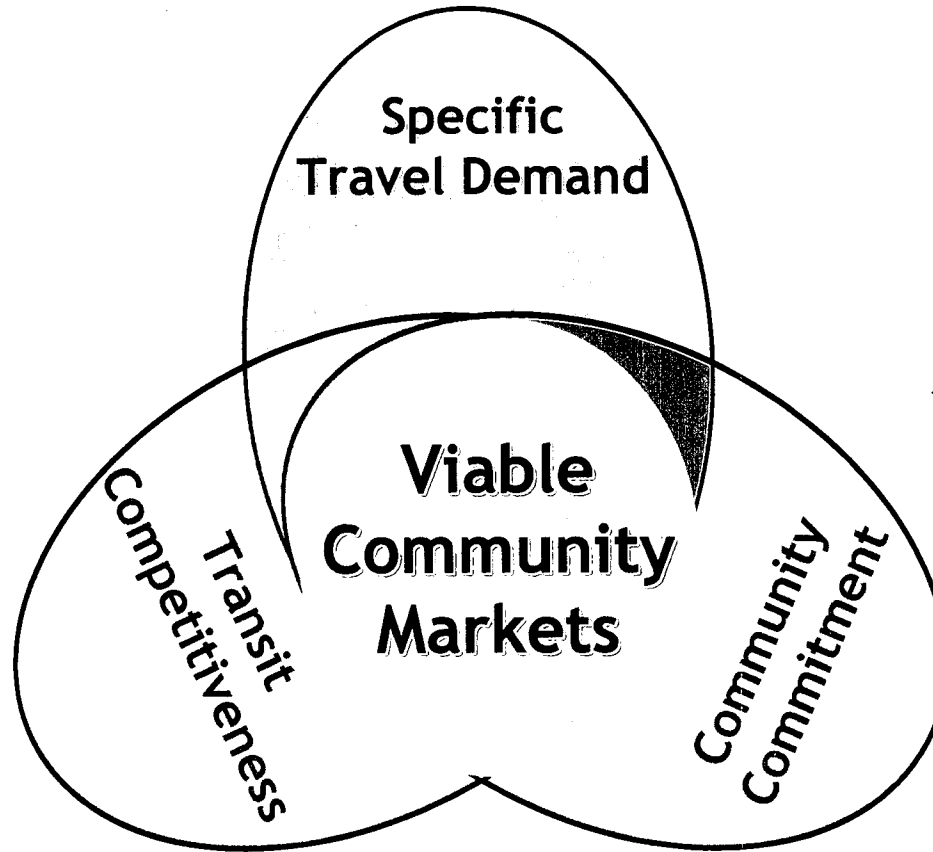
Commute Travel Patterns
Commuters to Downtown (15,837 respondents)

High Demand for Specific Travel Patterns - 32nd/Harbor Employee Origins



Commute Travel Patterns
Commuters to 32nd/Harbor (1,770 respondents)

Community Service Requirements



Community Service Assessment

- **Commitment by community**
 - Advocacy
 - Ownership
 - Funding
- **Creative Service Solutions**
 - Community circulators
 - Service routes for youth/seniors
 - Station connectors (station cars, business shuttles)
 - Community vanpools
 - Other?



BRC/CAC Feedback

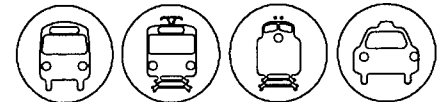
- Positive feedback from CAC on service development guidelines
- Markets served should focus on the “volunteer” dependency of choice riders as well as true transit dependency
- 15 minute frequency not enough for spontaneous use, should be around 7-8 minutes during peak periods
- Reliability should be a focus of service performance
- Partnerships with employers, universities, organizations and other agencies important in improving system performance
- “Core” network should be renamed to deemphasize it as the single most important component of the system
- Providing attractive and frequent commuter services to key employment destinations is equally important as the All Day Network



Comprehensive Operational Analysis

Regional Service Concept

July 14, 2005





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

Agenda

Item No. 31

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

CIP 10426.13

July 14, 2005

Subject:

MTS: OPERATION AND MAINTENANCE AGREEMENT FOR THE MISSION VALLEY
EAST LIGHT RAIL TRANSIT STATION AND BUS TRANSIT CENTER AT SAN DIEGO
STATE UNIVERSITY

RECOMMENDATION:

That the Board of Directors:

1. authorize the Chief Executive Officer (CEO) to execute the Operation and Maintenance Agreement (O&MA) for the Mission Valley East (MVE) Light Rail Transit Station (Station at SDSU) and Bus Transit Center (BTC) at San Diego State University (SDSU), in substantially the same format as attached (Attachment A); and
2. authorize the CEO to approve modifications or changes to the exhibits to the O&MA from time to time so long as the exhibits are consistent with the terms and conditions of the O&MA.

Budget Impact

None at this time.

Executive Committee Recommendation

At its meeting on July 7, 2005, the Executive Committee recommended forwarding this item to the Board for approval.



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS 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.

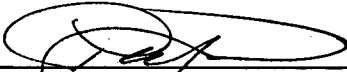
DISCUSSION:

At the start of the MVE Project, MTS entered into a Development and Construction Agreement (DCA) with SDSU, which governed the terms and conditions of the construction of the underground station (Station at SDSU) and the above-ground BTC. The DCA contemplated that MTS and SDSU would separately negotiate an agreement that would govern operational and maintenance activities upon completion of the MVE Project. Over the past year, the CEO has met with the SDSU Vice President of Business Affairs, to negotiate the terms and conditions of the O&MA. On June 30, 2005, MTS and SDSU concluded their negotiations. Staff is now seeking Board approval of the O&MA; a copy of the final draft is included as Attachment A. The following are the highlights:

1. Grant of Exclusive Easements. After much negotiating, SDSU has agreed to grant MTS an exclusive easement over the SDSU Campus for bus and light rail transit operations. In exchange, MTS has agreed to grant SDSU an exclusive easement over the old bus transit center (property located at the corner of Campanile Drive and Hardy Avenue). SDSU will use the property as an access point to and from campus. Each party was also given a right of access over the other party's property in order to conduct routine maintenance activities as required by the O&MA.
2. Term. The O&MA provides that each Grant of Easement shall remain in effect until such time as all public transportation permanently ceases to operate on both the BTC and Station at SDSU. The O&MA also provides for a renegotiation of the easement in the event that MTS ceases to operate only bus service or only light rail transit service. In addition, if MTS does not operate public transportation service for a period of ten years, SDSU has the right to appear before the MTS Board of Directors and request a formal resolution.
3. Revenue-Generating Activities. MTS has the exclusive right to conduct revenue-generating activities inside the Station at SDSU. Potential activities include payphones, concessions, advertising, fiber-optic cable leasing, cell phone tower leasing, and other revenue-generating activities consistent with other light rail transit stations operated by MTS. MTS may not conduct these activities in the BTC, with the exception of any bus bench or shelter advertisements, unless prior approval is obtained from SDSU. SDSU has comparable rights on its Exclusive Easement. The parties also have the ability to conduct joint activities if agreed to in writing.
4. Maintenance. MTS has agreed to maintain the tunnel, Station at SDSU, concrete columns inside of the Station at SDSU, glass walls of the elevator structures, traction power substations, escalators, interior lighting and artwork, all track work and catenary, interior of the security office at the Station at SDSU, and BTC shelters and shelter lighting. SDSU has agreed to maintain all other improvements, including the elevators.
5. Indemnity. One of the biggest discussions took place over indemnification after repeated statements that SDSU would not indemnify MTS. SDSU has now agreed to a cross-indemnification provision whereby each agency would indemnify the other for any actions, omissions, failures to comply, or sole negligence.

6. Security Protocol. MTS Security and the SDSU Police Department separately negotiated who the first responders would be in the Station at SDSU and the BTC. MTS will have the primary responsibility of responding to all calls with SDSU providing assistance. The negotiated Memorandum of Understanding is Exhibit "J" to the O&MA.
7. Insurance. After conducting a comprehensive analysis of the appropriate insurance levels, both parties have agreed to a \$75 million dollar insurance limit covering General Liability, Automobile Liability, and Workers' Compensation. This limit is consistent with MTS's existing coverage level and will therefore not require MTS to procure additional insurance.

Staff is requesting that the Board of Directors authorize the CEO to execute the O&MA, in substantially the same format as attached, and approve modifications or changes to the exhibits to the O&MA from time to time so long as the exhibits are consistent with the terms and conditions of the O&MA.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Paul Jablonski, 619.557.4583, paul.jablonski@sdmts.com

JGarde
JULY14-05.31.SDSUAGREEMT.PJABLO
7/6/05

Attachment: A. Proposed Operation and Maintenance Agreement **(Board Only)**

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

31

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****

@ 9:24

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 2005-07-21Name (PLEASE PRINT) Clive RichardAddress 5153 La Dorne St
San Diego, CA 92115-1530Telephone 619.582.4036

Organization Represented (if any) _____

Subject of your remarks: good neighbors

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

Revised

Agenda

Item No. 32

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

FIN 300 (PC 50601)

July 14, 2005

Subject:

**MTS: INTERIM INTEREST RATE LOCK OF PENSION OBLIGATION BONDS,
VARIABLE RATE SERIES**

RECOMMENDATION:

That the Board of Directors:

1. direct staff to proceed with locking in the interest rate of the variable rate series of the pension obligation bonds for an interim period of time;
2. authorize the Chief Executive Officer to approve the financing documents so MTS can be ready to lock in the interest rate at the opportune market time; and
3. approve Resolution No. 05-12 authorizing the execution of an Interest Rate Management Agreement in connection with the San Diego Metropolitan Transit System Taxable Pension Obligation Bonds 2004 Series B (Variable Rate Demand Bonds) and other matters relating thereto.

Executive Committee Recommendation

At its meeting on July 7, 2005, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

At the direction of the Board of Directors, MTS funded 85% of its unfunded actuarially accrued liability last October through an issuance of \$77.49 million of pension obligation bonds by MTS. A hybrid bond issue was structured with 50% of the bonds issued as



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS 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.

fixed-rate debt and 50% of the bonds issued as variable-rate debt. The objectives of this structure were to:

- lock in historically low fixed interest rates;
- take advantage of low variable rates at that time; and
- preserve the flexibility of principal repayment through the variable rate series, which can be redeemed at any time if, for example, the market value of the plan assets exceeds the actuarial value of the assets.

The bonds were structured such that the fixed-rate series amortized taking advantage of the front end of the yield curve, followed by the amortization of the variable rate bonds. The fixed-rate bonds were priced with an average interest cost of 4.95%. The interest rate on the variable-rate bonds resets every seven days. The benchmark for the interest rate of the variable rate bonds is the 30-day London Interbank Offered Rate (LIBOR) index; MTS's variable-rate series should price closely to 100% of the 30-day LIBOR index. The initial interest rate of the variable-rate series was set at 1.87% on October 24, 2004. Short-term interest rates have been on the rise corresponding to increases in the federal funds rate. The most recent interest rate reset for MTS's variable-rate bonds was 3.20% on June 22, 2005. Shown below is a table of the weekly interest rate history of the variable rate bonds. The table also expresses the interest rate as a percentage of the benchmark 30-day LIBOR index.

MTS			MTS		
Date	Taxable Rate	% of LIBOR	Date	Taxable Rate	% of LIBOR
10/28/2004	1.87%	93.60%	3/2/2005	2.65	96.90
11/3/2004	1.87	90.60	3/9/2005	2.62	93.90
11/10/2004	2.07	98.80	3/16/2005	2.75	96.80
11/17/2004	2.08	97.40	3/23/2005	2.85	100.00
11/24/2004	2.08	95.00	3/30/2005	2.85	99.60
12/1/2004	2.09	90.20	4/6/2005	2.89	99.50
12/8/2004	2.18	91.60	4/13/2005	2.90	98.00
12/15/2004	2.32	96.30	4/20/2005	2.95	98.30
12/22/2004	2.32	96.00	4/27/2005	3.03	98.60
12/29/2004	2.47	102.60	5/4/2005	3.06	99.00
1/5/2005	2.33	96.50	5/11/2005	3.07	99.40
1/12/2005	2.33	94.40	5/18/2005	3.07	99.40
1/19/2005	2.33	93.20	5/25/2005	3.07	99.40
1/26/2005	2.33	90.70	6/1/2005	3.09	98.70
2/2/2005	2.56	98.80	6/8/2005	3.09	97.10
2/16/2005	2.57	99.00	6/15/2005	3.12	95.41
2/23/2005	2.57	96.70	6/22/2005	3.20	96.68

At the time that the pension obligation bonds were authorized, the Board of Directors had asked staff to address potential interest rate risks associated with the variable-rate bonds. The finance team indicated there are options that MTS can take to reduce interest rate risk even in a rising interest rate environment. One strategy that was discussed with the Board of Directors was to lock in the interest rate of the variable-rate bonds for an interim period of time. This could be achieved efficiently through an interest rate exchange agreement or synthetic fixed-rate swap. The table below

indicates the current interest rate that can be locked in for the variable rate series for different terms:

Rates as of June 23, 2005

TERM	INTEREST RATE
1 year	3.95%
2 years	4.01%
3 years	4.13%
4 years	4.18%
5 years	4.23%

The mechanics of an interest rate exchange agreement, or synthetic fixed-rate swap, are simple. A financial institution, or counterparty, would pay MTS 100% of the 30-day LIBOR index, which should closely match the trading history of the MTS's variable-rate bonds. MTS would in effect use the variable-rate payment from the counterparty to offset the interest payment on the variable-rate bonds every seven days. In exchange, MTS would pay the counterparty a fixed interest rate.

A synthetic rate fixed-rate swap is a common product used among public agencies as a debt management tool. For example, the San Diego Association of Governments (SANDAG) executed a transaction based on a synthetic fixed-rate swap (called a swaption) in 2002 to lock in savings to refund its 1996 Series A sales tax bonds. SANDAG is currently evaluating opportunities to lock in the interest rate *today* for its future bond issuances (when TransNet II takes effect in 2008) through a synthetic fixed-rate forward swap. Other Southern California public agencies that have utilized synthetic fixed-rate swaps in the past 24 months include Orange County Transportation Authority, Los Angeles County Metropolitan Transportation Authority, Rancho Water District, Metropolitan Water District of Southern California, County of San Bernardino, and Southern California Public Power Authority. Issuers of pension obligation bonds that have utilized this strategy include the County of San Bernardino, State of Wisconsin, Milwaukee County, City of New Orleans, and City of Detroit.

Since the interest rate exchange agreement would only be in effect for an interim period of time, basis risk is the primary risk. Basis risk refers to the mismatch between the interest rate received from the swap contract and the interest actually owed on the variable rate bonds. As shown by the table on the prior page, thus far, MTS's variable-rate bonds have been trading on average 96.5% of the 30-day LIBOR index. MTS would receive 100% of the 30-day LIBOR index from UBS.

In conclusion, staff recommends moving forward with fixing out the interest rate of the variable rate bonds for an interim period with the continuing rise of the interest rate. The interest rate on the variable rate series that can be locked in today for an interim period of 1-5 years would still be less than the historically low 4.95% interest cost on the fixed-rate series that was priced last October. Due to the fact that interest rates are

continuing to increase and that there is only one scheduled Board meeting in July, staff also recommends that the Chief Executive Officer be authorized to approve the financing documents in July so the interest rate can be locked in as soon as possible.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Cliff Telfer, 619.238.0100, Ext. 404, cliff.telfer@sdmts.com

JGarde/JULY14-05.32.POB.CTELFER
7/6/05

Attachments: A. Resolution No. 05-12

San Diego Metropolitan Transit Development Board
Resolution No. 05-12

Resolution of the Board of Directors of the San Diego Metropolitan Transit Development Board Authorizing
the Execution of an Interest Rate Management Agreement in Connection with the San Diego
Metropolitan Transit Development Board Taxable Pension Obligation Bonds 2004 Series B
(Variable Rate Demand Bonds) and Other Matters Relating Thereto

WHEREAS, the San Diego Metropolitan Transit Development Board ("MTDB") has issued its Taxable Pension Obligation Bonds 2004 Series B (Variable Rate Demand Bonds) (the "Bonds");

WHEREAS, to minimize debt service and maximize benefits to MTDB in connection with the Bonds, it may be desirable to enter into an interest rate swap agreement, including any related schedules, confirmations, and credit support arrangements with UBS AG ("Interest Rate Management Agreement") pursuant to which MTDB will pay a fixed rate of interest for a period of up to seven years; NOW, THEREFORE, BE IT IS RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the San Diego Metropolitan Transit Development Board as follows:

SECTION 1. The Board of Directors of MTDB hereby finds and declares that that execution and delivery of an Interest Rate Management Agreement will result in a lower cost of borrowing when used in combination with the Bonds. The Chief Executive Officer of MTDB is authorized to negotiate the terms and provisions of an Interest Rate Management Agreement, including any confirmations, schedules, guarantees, and collateral agreements with UBS AG. The Chief Executive Officer of MTDB is authorized to hire legal counsel, a financial advisor, or such other professional services as necessary in connection with the negotiation of the Interest Rate Management Agreement.

SECTION 2. The Chair, Vice Chair, or Chief Executive Officer of MTDB are hereby authorized to execute and deliver on behalf of MTDB an Interest Rate Management Agreement with UBS AG; provided, however, that the term of the Interest Rate Management Agreement shall not exceed seven years, that MTDB's obligations shall be contingent upon certain performance by the counterparty to the agreement or arrangement and that MTDB will have the right to terminate the agreement or arrangement upon the occurrence of certain circumstances.

SECTION 3. This resolution shall take effect immediately upon its adoption at a duly constituted regular or special meeting called for that purpose.

PASSED AND ADOPTED by the Board of Directors this _____ day of July 2005, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Chairman
San Diego Metropolitan Transit Development Board

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit Development Board

Office of General Counsel
San Diego Metropolitan Transit Development Board

JGarde
\\Sdmtsna1\mtdb_netshare\Global\
Resolutions\2005\RES-05-12.POBs.CTELFER.DOC
7/8/05



Locking In the Interest Rate on the Variable Rate
Pension Obligation Bond Series



July 14, 2005

Executive Summary

- ◆ MTS funded 85% of its unfunded actuarially accrued liability in October 2004 through an issuance of \$77.49 million of pension obligation bonds by the MTDB
- ◆ A hybrid bond structure was utilized with approximately 50% of the bonds issued as fixed rate bonds and 50% of the bonds issued as variable rate bonds
 - Locked in historically low fixed rates
 - Took advantage of low variable rates with the understanding that strategies can be taken to mitigate interest rate exposure
 - Preserved the flexibility of principal repayment through the variable rate series



Financing Results

- ◆ Fixed rate series was amortized first from 2005 to 2023 to take advantage of the front end of the yield curve, followed by the variable rate series amortizing from 2023 to 2033
- ◆ Fixed rates series was priced at a true interest cost of 4.95%
- ◆ Variable rate series prices every 7 days — initial interest rate was set at 1.87% and latest interest rate was reset on July 6th at 3.31%



2



Variable Rate Series Trading History

Date	Rate	% of LIBOR	Date	Rate	% of LIBOR
10/28/04	1.87%	93.60%	03/09/05	2.62%	93.90
11/03/04	1.87	90.60	03/16/05	2.75	96.80
11/10/04	2.07	98.80	03/23/05	2.85	100.00
11/17/04	2.08	97.40	03/30/05	2.85	99.60
11/24/04	2.08	95.00	04/06/05	2.89	99.50
12/01/04	2.09	90.20	04/13/05	2.90	98.00
12/08/04	2.18	91.60	04/20/05	2.95	98.30
12/15/04	2.32	96.30	04/27/05	3.03	98.60
12/22/04	2.32	96.00	05/04/05	3.06	99.00
12/29/04	2.47	102.60	05/11/05	3.07	99.40
01/05/05	2.33	96.50	05/18/05	3.07	99.40
01/12/05	2.33	94.40	05/25/05	3.07	99.40
01/19/05	2.33	93.20	06/01/05	3.09	98.70
01/26/05	2.33	90.70	06/08/05	3.09	97.10
02/02/05	2.56	98.80	06/15/05	3.12	95.41
02/16/05	2.57	99.00	06/22/05	3.20	96.68
02/23/05	2.57	96.70	06/29/05	3.32	99.40
03/02/05	2.65	96.90	07/06/05	3.31	99.10

- ◆ The interest rate of the variable rate series prices closely to the 30-day LIBOR index in a stable market environment

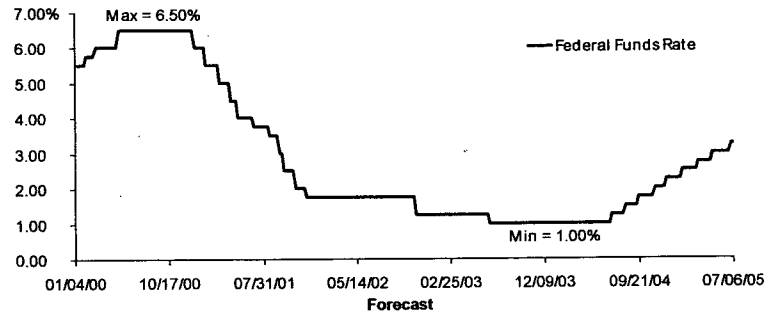


3



Short Term Interest Rates Continue to Rise

Federal Funds Rate



- ◆ The Fed increased Federal Funds Rate 6 times since October 2004
 - 1.75% on October 25, 2004 and 3.25% currently
- ◆ Latest increase was last week on June 29, 2005
- ◆ Most economists on Wall Street forecast a Fed Fund rate of at least 4% by year end 2005



4



Recommendation: Lock-in Interest Rate of Variable Rate Series for an Interim Period

- ◆ Continues to preserve redemption flexibility while reducing interest rate exposure in a higher interest rate environment
- ◆ 1-5 year term

As of July 6, 2005

Term (Years)	Rate
1	4.10%
2	4.22
3	4.29
4	4.35
5	4.39
6	4.43
7	4.47

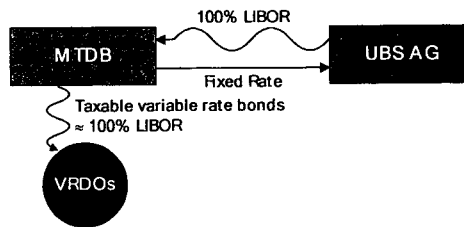


5



Mechanics: Interest Rate Exchange Agreement (Synthetic Fixed Rate Swap)

Structure:



Mechanism:

- ♦ MTDB receives floating (100% LIBOR) and pays fixed against existing floating rate bonds
 - 100% receiver rate should match closely to rate on the variable rate bonds

Results

- ♦ Manage existing variable rate exposure
- ♦ Achieve lower fixed rate



6



Agencies Who Have Recently Utilized Interest Rate Exchange Agreements to Lock-in Rates

Southern California:

- ♦ SANDAG
- ♦ Los Angeles County Metropolitan Transportation Authority
- ♦ Orange County Transportation Authority
- ♦ County of San Bernardino
- ♦ Rancho Water District
- ♦ Metropolitan Water District of Southern California
- ♦ Southern California Public Power Authority

Pension Obligation Bonds:

- ♦ County of San Bernardino
- ♦ State of Wisconsin
- ♦ City of New Orleans
- ♦ City of Detroit
- ♦ Milwaukee County



7



Considerations

- ◆ As a benchmark, MTDB's 2004 Series A fixed rate bonds priced at an average rate of 4.95%
- ◆ Attractive rates can be locked in today for 1-5 year terms that would still be less than the interest rate on the fixed rate series
- ◆ A short-term swap to fixed mitigates interest rate risk while still preserving redemption flexibility in the long-term
- ◆ Primary risk for a short-term swap is basis risk — however, MTDB's variable rate series has traded closely to 100% of LIBOR





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

Agenda

Item No. 32

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

FIN 300 (PC 50601)

July 14, 2005

Subject:

MTS: INTERIM INTEREST RATE LOCK OF PENSION OBLIGATION BONDS,
VARIABLE RATE SERIES

RECOMMENDATION:

That the Board of Directors:

1. direct staff to proceed with locking in the interest rate of the variable rate series of the pension obligation bonds for an interim period of time; and
2. authorize the Chief Executive Officer to approve the financing documents so MTS can be ready to lock in the interest rate at the opportune market time.

Executive Committee Recommendation

At its meeting on July 7, 2005, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

At the direction of the Board of Directors, MTS funded 85% of its unfunded actuarially accrued liability last October through an issuance of \$77.49 million of pension obligation bonds by MTS. A hybrid bond issue was structured with 50% of the bonds issued as fixed-rate debt and 50% of the bonds issued as variable-rate debt. The objectives of this structure were to:

- lock in historically low fixed interest rates;
- take advantage of low variable rates at that time; and



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS 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.

- preserve the flexibility of principal repayment through the variable rate series, which can be redeemed at any time if, for example, the market value of the plan assets exceeds the actuarial value of the assets.

The bonds were structured such that the fixed-rate series amortized taking advantage of the front end of the yield curve, followed by the amortization of the variable rate bonds. The fixed-rate bonds were priced with an average interest cost of 4.95%. The interest rate on the variable-rate bonds resets every seven days. The benchmark for the interest rate of the variable rate bonds is the 30-day London Interbank Offered Rate (LIBOR) index; MTS's variable-rate series should price closely to 100% of the 30-day LIBOR index. The initial interest rate of the variable-rate series was set at 1.87% on October 24, 2004. Short-term interest rates have been on the rise corresponding to increases in the federal funds rate. The most recent interest rate reset for MTS's variable-rate bonds was 3.20% on June 22, 2005. Shown below is a table of the weekly interest rate history of the variable rate bonds. The table also expresses the interest rate as a percentage of the benchmark 30-day LIBOR index.

MTS			MTS		
Date	Taxable Rate	% of LIBOR	Date	Taxable Rate	% of LIBOR
10/28/2004	1.87%	93.60%	3/2/2005	2.65	96.90
11/3/2004	1.87	90.60	3/9/2005	2.62	93.90
11/10/2004	2.07	98.80	3/16/2005	2.75	96.80
11/17/2004	2.08	97.40	3/23/2005	2.85	100.00
11/24/2004	2.08	95.00	3/30/2005	2.85	99.60
12/1/2004	2.09	90.20	4/6/2005	2.89	99.50
12/8/2004	2.18	91.60	4/13/2005	2.90	98.00
12/15/2004	2.32	96.30	4/20/2005	2.95	98.30
12/22/2004	2.32	96.00	4/27/2005	3.03	98.60
12/29/2004	2.47	102.60	5/4/2005	3.06	99.00
1/5/2005	2.33	96.50	5/11/2005	3.07	99.40
1/12/2005	2.33	94.40	5/18/2005	3.07	99.40
1/19/2005	2.33	93.20	5/25/2005	3.07	99.40
1/26/2005	2.33	90.70	6/1/2005	3.09	98.70
2/2/2005	2.56	98.80	6/8/2005	3.09	97.10
2/16/2005	2.57	99.00	6/15/2005	3.12	95.41
2/23/2005	2.57	96.70	6/22/2005	3.20	96.68

At the time that the pension obligation bonds were authorized, the Board of Directors had asked staff to address potential interest rate risks associated with the variable-rate bonds. The finance team indicated there are options that MTS can take to reduce interest rate risk even in a rising interest rate environment. One strategy that was discussed with the Board of Directors was to lock in the interest rate of the variable-rate bonds for an interim period of time. This could be achieved efficiently through an interest rate exchange agreement or synthetic fixed-rate swap. The table below

indicates the current interest rate that can be locked in for the variable rate series for different terms:

Rates as of June 23, 2005

TERM	INTEREST RATE
1 year	3.95%
2 years	4.01%
3 years	4.13%
4 years	4.18%
5 years	4.23%

The mechanics of an interest rate exchange agreement, or synthetic fixed-rate swap, are simple. A financial institution, or counterparty, would pay MTS 100% of the 30-day LIBOR index, which should closely match the trading history of the MTS's variable-rate bonds. MTS would in effect use the variable-rate payment from the counterparty to offset the interest payment on the variable-rate bonds every seven days. In exchange, MTS would pay the counterparty a fixed interest rate.

A synthetic rate fixed-rate swap is a common product used among public agencies as a debt management tool. For example, the San Diego Association of Governments (SANDAG) executed a transaction based on a synthetic fixed-rate swap (called a swaption) in 2002 to lock in savings to refund its 1996 Series A sales tax bonds. SANDAG is currently evaluating opportunities to lock in the interest rate *today* for its future bond issuances (when TransNet II takes effect in 2008) through a synthetic fixed-rate forward swap. Other Southern California public agencies that have utilized synthetic fixed-rate swaps in the past 24 months include Orange County Transportation Authority, Los Angeles County Metropolitan Transportation Authority, Rancho Water District, Metropolitan Water District of Southern California, County of San Bernardino, and Southern California Public Power Authority. Issuers of pension obligation bonds that have utilized this strategy include the County of San Bernardino, State of Wisconsin, Milwaukee County, City of New Orleans, and City of Detroit.

Since the interest rate exchange agreement would only be in effect for an interim period of time, basis risk is the primary risk. Basis risk refers to the mismatch between the interest rate received from the swap contract and the interest actually owed on the variable rate bonds. As shown by the table on the prior page, thus far, MTS's variable-rate bonds have been trading on average 96.5% of the 30-day LIBOR index. MTS would receive 100% of the 30-day LIBOR index from UBS.

In conclusion, staff recommends moving forward with fixing out the interest rate of the variable rate bonds for an interim period with the continuing rise of the interest rate. The interest rate on the variable rate series that can be locked in today for an interim period of 1-5 years would still be less than the historically low 4.95% interest cost on the fixed-rate series that was priced last October. Due to the fact that interest rates are

continuing to increase and that there is only one scheduled Board meeting in July, staff also recommends that the Chief Executive Officer be authorized to approve the financing documents in July so the interest rate can be locked in as soon as possible.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Cliff Telfer, 619.238.0100, Ext. 404, cliff.telfer@sdmts.com

JGarde/JULY14-05.32.POB.CTELFER
7/6/05



Locking In the Interest Rate on the Variable Rate Pension Obligation Bond Series



July 14, 2005

Executive Summary

- ◆ MTS funded 85% of its unfunded actuarially accrued liability in October 2004 through an issuance of \$77.49 million of pension obligation bonds by the MTDB
- ◆ A hybrid bond structure was utilized with approximately 50% of the bonds issued as fixed rate bonds and 50% of the bonds issued as variable rate bonds
 - Locked in historically low fixed rates
 - Took advantage of low variable rates with the understanding that strategies can be taken to mitigate interest rate exposure
 - Preserved the flexibility of principal repayment through the variable rate series



Financing Results

- ◆ Fixed rate series was amortized first from 2005 to 2023 to take advantage of the front end of the yield curve, followed by the variable rate series amortizing from 2023 to 2033
- ◆ Fixed rates series was priced at a true interest cost of 4.95%
- ◆ Variable rate series prices every 7 days — initial interest rate was set at 1.87% and latest interest rate was reset on July 6th at 3.31%



Variable Rate Series Trading History

Date	Rate	% of LIBOR
10/28/04	1.87%	93.60%
11/03/04	1.87	90.60
11/10/04	2.07	98.80
11/17/04	2.08	97.40
11/24/04	2.08	95.00
12/01/04	2.09	90.20
12/08/04	2.18	91.60
12/15/04	2.32	96.30
12/22/04	2.32	96.00
12/29/04	2.47	102.60
01/05/05	2.33	96.50
01/12/05	2.33	94.40
01/19/05	2.33	93.20
01/26/05	2.33	90.70
02/02/05	2.56	98.80
02/16/05	2.57	99.00
02/23/05	2.57	96.70
03/02/05	2.65	96.90

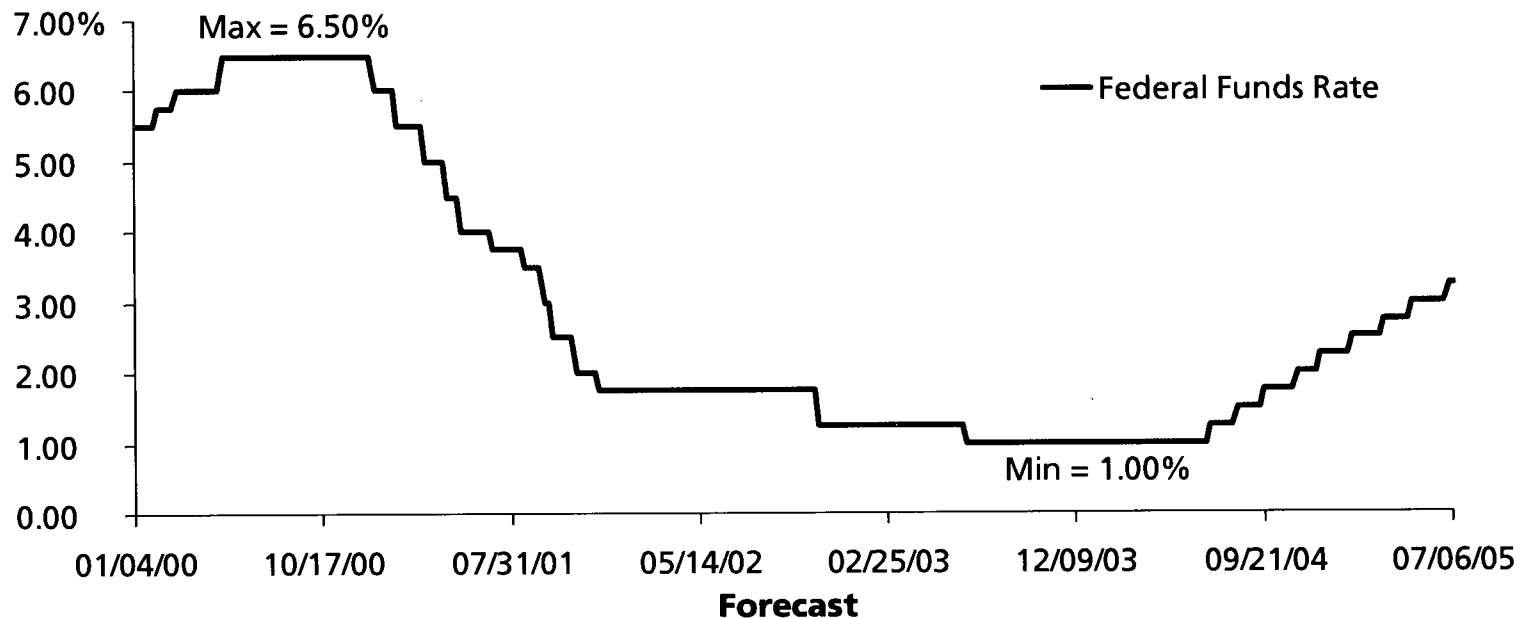
Date	Rate	% of LIBOR
03/09/05	2.62%	93.90
03/16/05	2.75	96.80
03/23/05	2.85	100.00
03/30/05	2.85	99.60
04/06/05	2.89	99.50
04/13/05	2.90	98.00
04/20/05	2.95	98.30
04/27/05	3.03	98.60
05/04/05	3.06	99.00
05/11/05	3.07	99.40
05/18/05	3.07	99.40
05/25/05	3.07	99.40
06/01/05	3.09	98.70
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06/22/05	3.20	96.68
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07/06/05	3.31	99.10

- ◆ The interest rate of the variable rate series prices closely to the 30-day LIBOR index in a stable market environment



Short Term Interest Rates Continue to Rise

Federal Funds Rate



- ◆ The Fed increased Federal Funds Rate 6 times since October 2004
 - 1.75% on October 25, 2004 and 3.25% currently
- ◆ Latest increase was last week on June 29, 2005
- ◆ Most economists on Wall Street forecast a Fed Fund rate of at least 4% by year end 2005



Recommendation: Lock-in Interest Rate of Variable Rate Series for an Interim Period

- ◆ Continues to preserve redemption flexibility while reducing interest rate exposure in a higher interest rate environment
- ◆ 1-5 year term

As of July 6, 2005

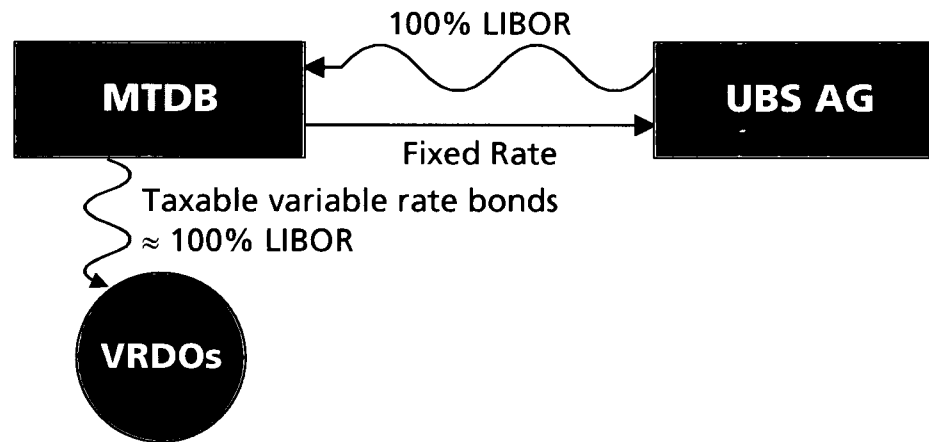
Term (Years)	Rate
1	4.10%
2	4.22
3	4.29
4	4.35
5	4.39
6	4.43
7	4.47



Mechanics: Interest Rate Exchange Agreement

(Synthetic Fixed Rate Swap)

Structure:



Mechanism:

- ♦ MTDB receives floating (100% LIBOR) and pays fixed against existing floating rate bonds
 - 100% receiver rate should match closely to rate on the variable rate bonds

Results

- ♦ Manage existing variable rate exposure
- ♦ Achieve lower fixed rate



Agencies Who Have Recently Utilized Interest Rate Exchange Agreements to Lock-in Rates

Southern California:

- ◆ SANDAG
- ◆ Los Angeles County Metropolitan Transportation Authority
- ◆ Orange County Transportation Authority
- ◆ County of San Bernardino
- ◆ Rancho Water District
- ◆ Metropolitan Water District of Southern California
- ◆ Southern California Public Power Authority

Pension Obligation Bonds:

- ◆ County of San Bernardino
- ◆ State of Wisconsin
- ◆ City of New Orleans
- ◆ City of Detroit
- ◆ Milwaukee County



Considerations

- ◆ As a benchmark, MTDB's 2004 Series A fixed rate bonds priced at an average rate of 4.95%
- ◆ Attractive rates can be locked in today for 1-5 year terms that would still be less than the interest rate on the fixed rate series
- ◆ A short-term swap to fixed mitigates interest rate risk while still preserving redemption flexibility in the long-term
- ◆ Primary risk for a short-term swap is basis risk — however, MTDB's variable rate series has traded closely to 100% of LIBOR



Agenda

Item No. 33

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

OPS 970.2
(PC 30102)

July 14, 2005

Subject:

SDTI: VINTAGE TROLLEY CONCEPT – PCC CARS

RECOMMENDATION:

That the Board of Directors to:

1. support staff's recommendation for conceptual approval for a vintage trolley operation subject to funding availability;
2. authorize staff to pursue the purchase and transport of two vintage PCC streetcars from Lake Tahoe to San Diego and to allow storage and restoration at SDTI facilities in a manner so as not to interfere with regular light rail transit operations or maintenance; and
3. direct staff to evaluate options for the solicitation of private funds to support the purchase, transport, and restoration of the historic PCC cars.

Executive Committee Recommendation

At its meeting on June 16, 2005, the Executive Committee recommended forwarding this item to the Board for approval.

Budget Impact

Not to exceed \$10,000 for legal fees and related costs associated with establishing a foundation to control, operate, and solicit funds to rehabilitate the vehicles.



DISCUSSION:

At the request of ex officio Board Member Harry Mathis, staff was asked to present this item to the Board of Directors.

On April 24, 1949, San Diego ended an era of public transportation by electric streetcar service dating back to 1887. In the post-war era, after enjoying an extensive regional streetcar network, San Diego became one of the first major cities in the United States to abandon its trolley system in favor of buses.

From 1950 to 1952, San Diego sold 20 of the streamlined PCC streetcars to the City of El Paso, Texas. El Paso intended to integrate them into its existing 43-mile streetcar network including service to border towns. In 1974 El Paso closed its streetcar lines and stored the original San Diego cars at various locations at an airport where they remain to this date. Unfortunately, they are not in what is considered restorable condition due to exposure to weather extremes and other deteriorating conditions.

Between 1983 and 1992, there was a varying degree of interest in restoring some form of vintage trolley service in San Diego. While several small studies have been done, there has been no progress to move this concept forward due to a variety of reasons, including lack of a dedicated funding source to support such an operation, lack of a viable operating plan, accessibility concerns, and uncertainty as to the availability of vintage streetcars that could be utilized for such an operation.

However, over the past decade, a number of U.S. cities; e.g., San Francisco, Philadelphia, Tampa, Sacramento, Portland, and Kenosha, have successfully implemented vintage trolley service using specially manufactured vintage streetcars (new streetcars designed to look old) or rehabilitated 1936-1950 vintage PCC streetcars. Most recently, San Francisco purchased 15 additional PCC cars to add to its existing fleet of service on a number of different routes in the city (Attachment A).

Within the past year, a private owner in Lake Tahoe, who has up to 20 PCC-type vintage streetcars that formerly operated in San Francisco and Cleveland, contacted San Diego Trolley, Inc. staff and indicated a strong willingness to sell several cars in response to local pressure to relocate the cars to make room for a development project. The owner is willing to set aside two of the cars that are in reasonably good shape and have them transported to San Diego to store in the LRT Yard until such time as future consideration can be given to purchase the cars or have them restored for limited vintage operation in San Diego.

While many of the same elements still exist with regard to concerns for funding, operations, regulatory issues, and Americans with Disabilities Act (ADA) elements, moving forward to transport the cars here seems like an appropriate course of action so the opportunity to secure these cars is not lost.



Paul C. Jablonski
Chief Executive Officer

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

JGarde/JULY14-05.33.PCCCARS.PTERESCHUCK

Attachment: A. History of the PCC Streetcar



Philadelphia Transportation Page

The PCC Trolley

- A General History -



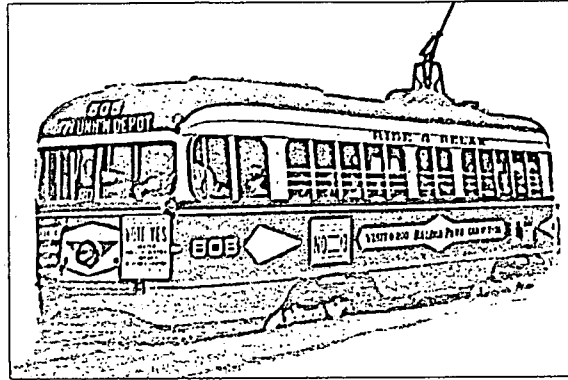
PCC trolleys in Newark, Philadelphia, and Boston

The PCC trolley was developed in the early 1930's in response to the declining ridership that was plaguing transit systems throughout North America. A group known as the Electric Railway Presidents Conference Committee was formed in 1929 by the presidents of North American streetcar systems to design the first truly modern trolley. The result was the PCC car, a popular and historic design that made its debut in Brooklyn, New York in 1936.

What made the PCC different from its predecessors was features like the smoothness of the ride, the quick acceleration, the comfort of the seats, and, of course, the appealing streamlined body. Another important thing that made the PCC so different from its predecessors was the fact that the PCC was a standardized design. In other words, a PCC in Pittsburgh would be essentially the same as a PCC in San Francisco, though, as any enthusiast will point out, there were some significant variations, and the basic design did evolve over time (especially between prewar and postwar cars). The major advantage of this standardization was that, with the PCCs, any city's trolleys could run on just about any other's. This is what allowed the trade in used PCCs that developed over time. Cities that could not afford initially to re-equip their systems with new PCCs could later purchase them second (or third) hand. Philadelphia and Toronto both used this method to add significant numbers of PCC cars to their fleets.

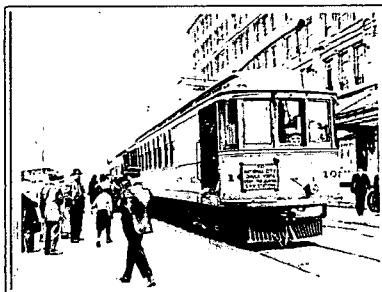
The PCC trolleys were very successful in the cities that used them, and over 5,000 were produced between 1936 and 1952. Unfortunately, because of the changing situations in American public transportation and politics over time, streetcar systems continued to shut down. The PCCs continued to serve in a good number of cities through the 1960's, and can still be found in Boston, Newark, Philadelphia, and San Francisco, which operate them on the new F-Line.

San Diego Vintage Trolley

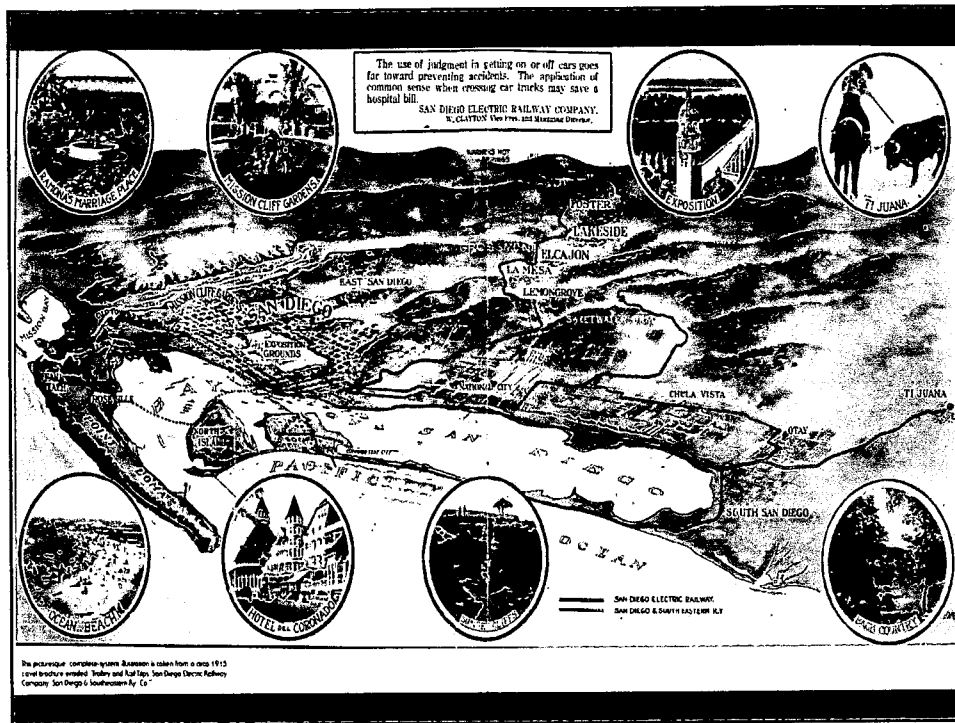


SILVER LINE

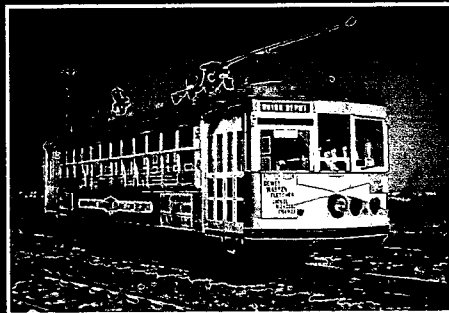
San Diego Electric Railway



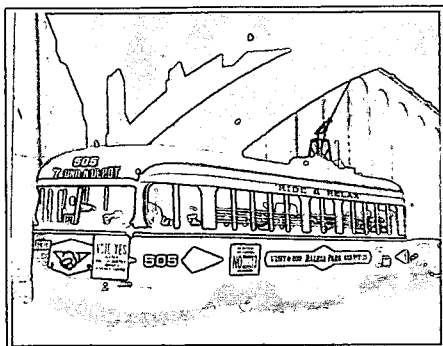
Broadway, c. early 1900's



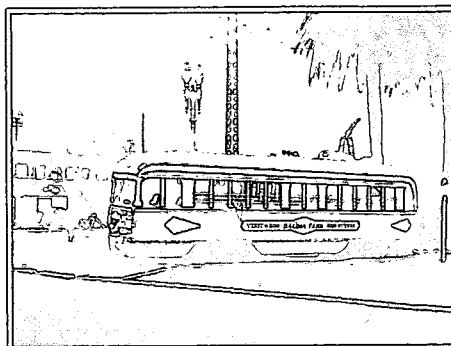
The Golden Years



San Diego



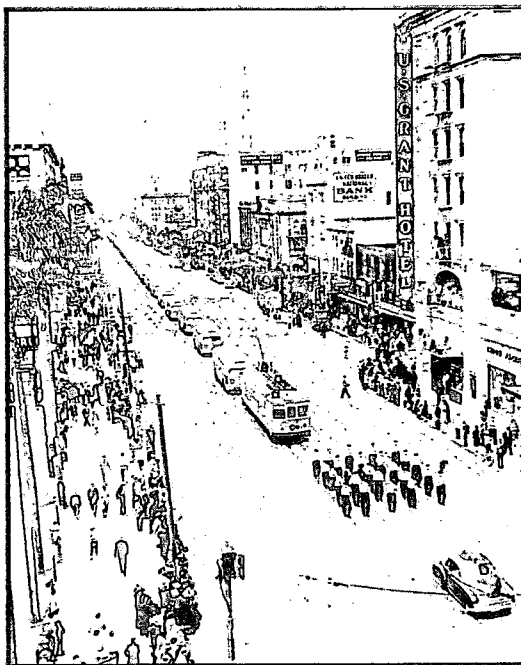
University Avenue
Georgia Street Bridge, c.
1948



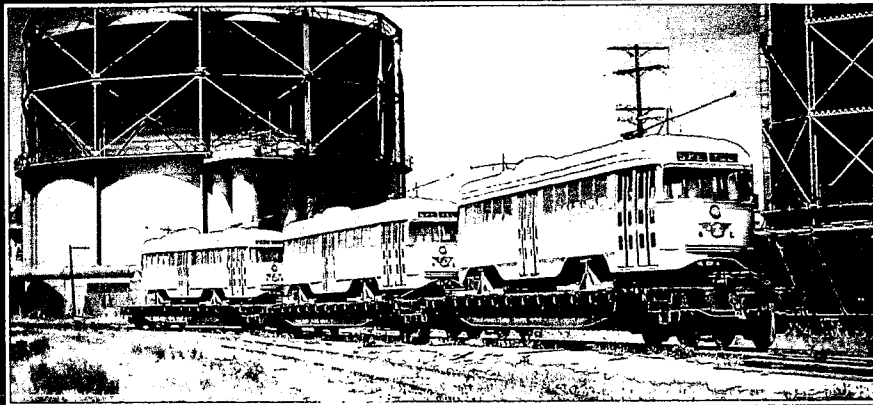
Union Depot / Broadway Loop, c. 1949

Last Day of Trolley Service in San Diego

April 23, 1949



PCC Cars in Transit



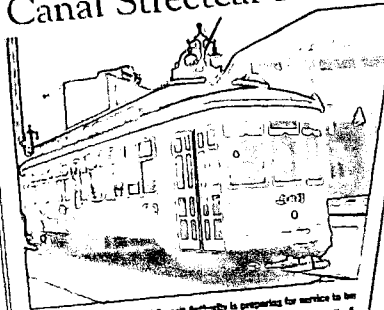
Awaiting Shipment to El Paso, May 1950

Orange Empire Trolley Museum Perris, CA



Renewed Interest in Vintage Streetcar Service

New Orleans Reviving Canal Streetcar Line



In New Orleans, the Regional Transit Authority is preparing for service to be the Canal Streetcar Line, operating both ways along the 3.1-mile line. When the RTA will restore streetcar service to the length of Canal Street, from the Warehouse City Park Station, for the first time since 1964. The \$14.1 million project began 2001, and RTA workers are almost finished building 24 rail cars to the nation's streetcar fleet. In addition, construction will continue through the center also along North Canfield Avenue that will connect the Canal Street Line with Y Park, scheduled to enter service by late February.

Tampa's TECO Streetcars Mark First Anniversary



Streetcar riders wait at the Centre Street station in Tampa, Fla., as the TECO Line Streetcar System celebrates its first anniversary of service on Oct. 18 and 19. See story on page 3.

Philadelphia



Present day

San Jose



Present day

Portland



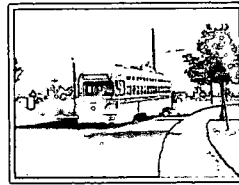
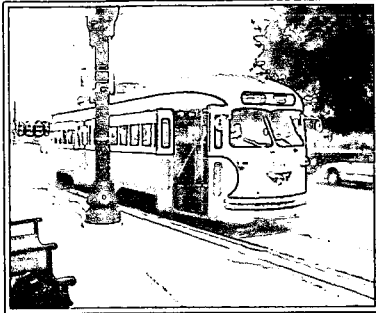
Present day

Toronto



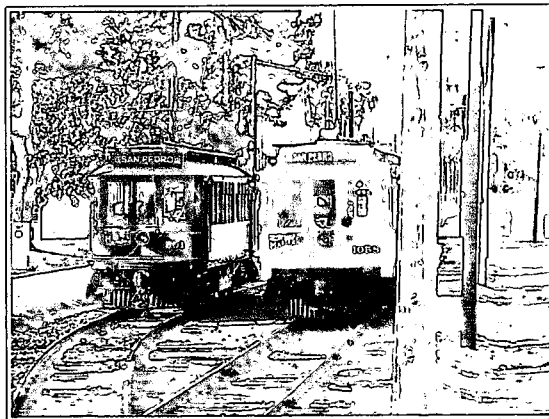
Present day

Kenosha, Wisconsin



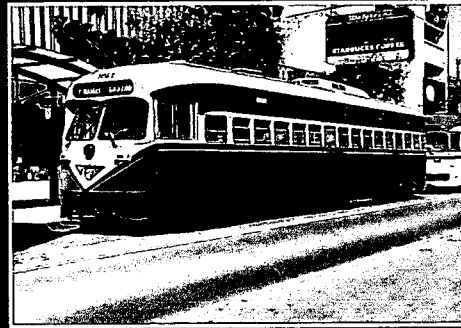
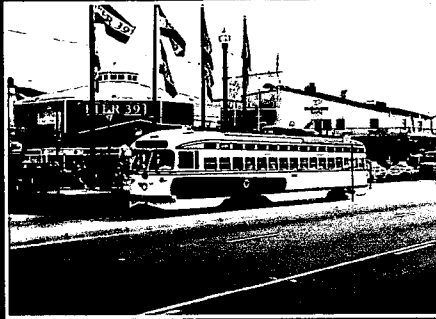
Present day

San Pedro



Present day

San Francisco (MUNI)

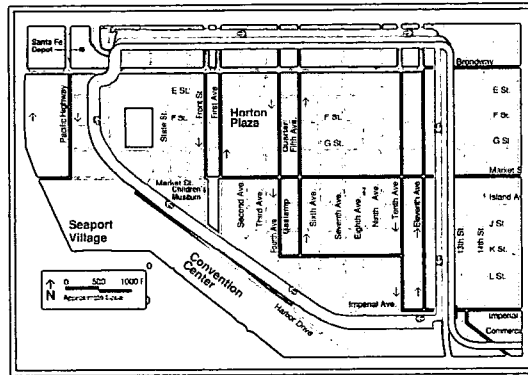


Present day

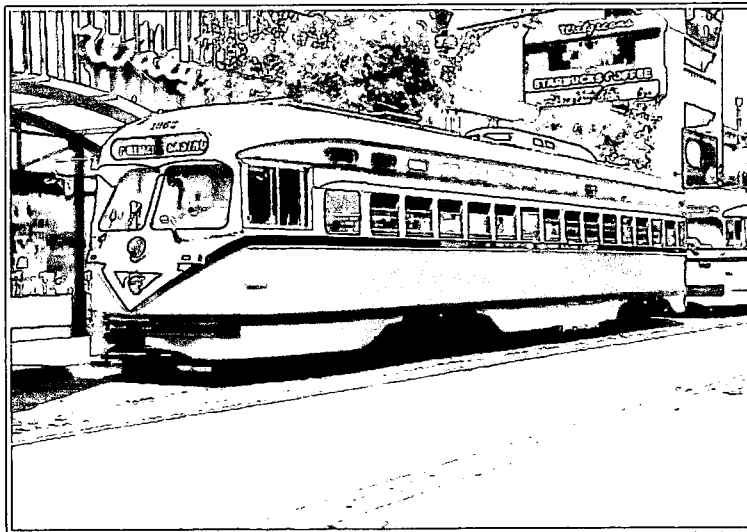
Previous Local Efforts

- MTDB Gaslamp/Seaport Village Trolley Feasibility Study
1983
- Joint MTDB/CCDC Gaslamp Historic Trolley Feasibility Assessment
1992 - 1994

Silver Line Service Concept



Post-War PCC



Lake Tahoe



Lake Tahoe



San Diego Silver Line: Phase One

Conceptual approval of Silver Line
authorizing, pending funding:

- Acquisition of two post-war PCCs from Lake Tahoe.
- Shipment to SDTI yard for storage and restoration.
- Use of voluntary labor for restoration.
- Establishing the means for receiving donations.



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

Agenda

Item No. 34

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

OPS 920.05
(PC 50751)

July 14, 2005

Subject:

MTS: COUNTY REGIONAL COMMUNICATIONS SYSTEM AGREEMENT

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute an option with the County of San Diego (County) to join the Regional Communications System (RCS) with Equity Partner status for up to 350 radios.

Budget Impact

None. The project amount of \$1,305,918 has been budgeted from Transportation Development Act (TDA) Capital reserves (in CIP 1140900). An operating cost savings of \$43.69 per unit per month would be implemented as a result of this action.

DISCUSSION:

The County implemented the RCS in May 1998. County Transit System (CTS) services were among the first users of the system. Since then, the RCS has grown to include over 200 federal, state, and city departments as well as special districts and other parties permitted.

CTS bought radio equipment that was installed in County-owned buses and some contractor-owned vehicles when the RCS began. The purchase and installation of this equipment was accomplished at a cost of approximately \$674,500. Additional equipment was purchased to equip the paratransit dispatch center at a cost of approximately \$50,000.



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

On February 13, 2002, the San Diego County Board of Supervisors approved the divestiture of CTS to MTS effective on July 1, 2002. As part of that action, all of the above equipment was transferred to MTS. An agreement between the RCS and MTS (Doc. No. G0763.0-02—Attachment A) was entered into allowing MTS to continue using the RCS. Additionally, County TDA reserves were transferred to MTS for the purpose of funding the capital contribution required if MTS desired to exercise the option to join the RCS. Continuing to fund the difference between the Equity Partner rate and the Customer rate is not an option after July 1, 2005. The three-year option to credit \$40.72 per unit per month of the monthly fees toward the initial cost of becoming a member expires July 31. This credit of \$272,742.56 will be lost if this agreement is not approved.

These MTS radios are grouped so that different transit services each have their own talk group. Each talk group consists of dispatch, transit tactical, countywide tactical, and emergency channels. Every radio is programmed to contact any of the other radios. This is particularly desirable in the event of an emergency or disaster. For example, during the Cedar's fire, Rural Bus was standing by to assist in evacuations at the request of the County Disaster Preparedness Team. The team had identified tactical channels for use by fire crews, California Department of Forestry, California Highway Patrol, Sheriff's Department, California Department Transportation (Caltrans), and County Public Works crews.

Staff recommends the Board of Directors authorize the CEO to execute an option with the County of San Diego to join the RCS with Equity Partner status for up to 350 radios.



Paul G. Jablonski
Chief Executive Officer

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

JGarde/
JULY14-05.34.RCS.JKEHOE
7/5/05

Attachments: A. Standard Agreement (Doc. No. G0763.0-02)
B. RCS Member List

MTDB Doc. No. G0763.0-02
AG 240.1 (PC 30100)

SAN DIEGO COUNTY
REGIONAL COMMUNICATIONS SYSTEM
CUSTOMER SERVICE AGREEMENT

This Customer Service Agreement (hereafter referred to as Agreement) for use of the San Diego County Regional Communications System (referred to herein as RCS) is made this 13TH day of August, 2002. The Agreement is between the County of San Diego, a political subdivision of the State of California, acting by and through its Sheriff's Department (referred to herein as RCS) and the Metropolitan Transit Development Board (referred to herein as MTDB).

RECITALS

Witness that whereas:

- A. RCS (Regional Communications System) has constructed a wireless voice communications network that provides a high degree of coverage throughout San Diego County for the purpose of improving public safety and public service communications and interoperability; and
- B. MTDB desires to pay the RCS for use of the RCS Network for purposes that have been approved by the RCS Board of Directors (referred to herein as RCS Board); and
- C. Nothing in this Agreement is intended to lessen MTDB's authority over and responsibility for events occurring within its jurisdiction.

NOW THEREFORE, it is mutually agreed by and between the parties as follows:

1. Recitals

The Recitals identified above are incorporated into this Agreement by reference.

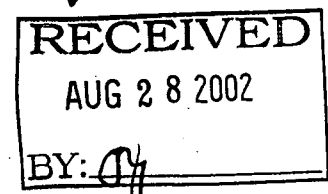
2. System Operation

The RCS shall provide a wireless radio communications network for MTDB's use.

3. Governance

In entering this Agreement, MTDB acknowledges that the RCS Board, a governing board acting on the authority of the County of San Diego Board of Supervisors to administer the RCS, will control use of the RCS. MTDB further understands that MTDB is precluded from serving in any official capacity in respect to RCS administration, management, or operation.

No actions by the RCS Board or the County of San Diego Board of Supervisors may be so broad in nature that they negatively affect or impact the operational or legal integrity of MTDB.



4. Monthly Fees for RCS Use

- 4.1 MTDB agrees to pay the RCS \$67.22 per radio, per month, as may be modified by Section 5, not to exceed 225 radios which MTDB places in service on the RCS network. Included in this cost, RCS agrees to establish initial talk groups and program MTDB radios for operation on the RCS. RCS further agrees to reprogram MTDB radios when needed or when approved by the RCS Board.
- 4.2 MTDB agrees to pay the RCS \$26.50 per radio, per month, as may be modified by Section 5, not to exceed 35 radios which MTDB places in service on the RCS network for the purpose of providing rural bus services solely funded by the County of San Diego.
- 4.3 MTDB agrees to pay the RCS \$70 per hour, per incident, to install, service, and maintain radios as needed. RCS agrees that the radios referenced in Section 4.2 will not be subject to this maintenance fee.

5. Monthly Fee Changes

The monthly fee for RCS use will be reviewed annually in January and, with RCS Board recommendation and Board of Supervisors approval, will be adjusted to reflect the percent of change in the San Diego Consumer Price Index (CPI) for the previous year. The RCS reserves the right to increase the monthly MTDB fee more than the percent of change in the CPI and at a time other than the annual January review if RCS network conditions warrant. Monthly fee changes will be effective 60 calendar days following written notice to MTDB.

6. Payment of Fees

RCS agrees to provide a timely and detailed invoice to MTDB on a monthly basis for the active programmed radios available for RCS use for the preceding month. The charge for active programmed radios will be prorated by the day, using a 30-day month. MTDB agrees to submit full payment for RCS invoices, payable to AUDITOR, County of San Diego, within 30 calendar days of invoice date. RCS reserves the right to apply a 10 percent surcharge to MTDB for late payment.

7. Three-Year Option to Join

RCS agrees to credit MTDB \$40.72 per radio, per month, of the monthly fees documented in Section 4.1 toward the initial cost of becoming an RCS member if MTDB exercises the option to join RCS as a member within three calendar years of the effective date of this Agreement.

8. MTDB Radios:

MTDB agrees to provide and use only RCS-authorized radios on the RCS. RCS agrees to provide MTDB with specifications, including brands and models, of radios and associated equipment that is authorized for use on the RCS. MTDB agrees to submit equipment specifications to RCS staff prior to purchase to ensure RCS compatibility. MTDB may purchase authorized radios from Motorola, Inc., through the RCS Radio Equipment Contract Price Book, which includes County negotiated pricing.

9. MTDB Radio Limit

MTDB is not authorized to exceed the radio limits discussed in Sections 4.1 and 4.2 without approval of the RCS Board.

10. MTDB Prohibited from Selling RCS Service

MTDB is prohibited from selling or transferring service on the RCS network to another agency or entity without prior approval of the RCS Board.

11. MTDB Training

MTDB agrees to provide its users with approved RCS training. MTDB also agrees to use only RCS-authorized trainers, curriculum, staffing requirements, and training materials to provide RCS training or retraining. RCS agrees to provide MTDB with a list of authorized trainers and the trainer hourly rate, which is currently \$50 per hour, per trainer. RCS may periodically adjust the trainer pay rate. MTDB selects trainer(s) and pays trainer(s) directly.

12. MTDB Radio Maintenance

If MTDB has maintenance performed by other than RCS Wireless Services Unit staff, MTDB agrees to provide repaired radios to RCS staff for inspection prior to reuse. RCS agrees to provide inspection and any necessary reprogramming of repaired radios at no additional cost. MTDB agrees to use only RCS-authorized radio repair facilities for radio maintenance tasks.

13. Confidentiality of MTDB Radio Programming

The RCS considers programming of RCS radios confidential and agrees not to divulge MTDB programming information unless necessary for network operations. MTDB agrees not to divulge RCS programming in any way to a non-RCS entity or person. Only RCS Wireless Services Unit staff may program MTDB radios. MTDB is prohibited from reprogramming or allowing the reprogramming of MTDB radios using the RCS, including copying programming from one radio to another or in disassembling RCS radio programming in any other manner.

14. Cost of Connection to RCS

Unless otherwise determined by separate agreement, the demarcation point between RCS network responsibility and MTDB responsibility is the microwave radio channel bank equipment termination blocks that are used to interconnect MTDB radio consoles and other electronic devices used for voice communications to the channel banks. MTDB shall bear the expense of integrating, connecting, and maintaining dispatch center radios, control station radios, or similar in-building radio, computer, or other electronic equipment to the RCS network, including the cost of telecommunications lines or microwave connections.

15. MTDB Network Access Priority

The RCS Board will provide MTDB radios on the RCS with the public service user access priority level, which is the same priority level used by all other public service users on the RCS.

16. Term of Agreement

The term of this Agreement is for five years from the date this Agreement is signed by all parties.

17. Agreement Modification; Entire Agreement

This Agreement may only be amended in writing with the approval of RCS and MTDB. Prior to processing an amendment, a recommendation shall be requested from the RCS Board. This Agreement constitutes the entire agreement of the parties and any previous oral or written agreements are superseded by this Agreement.

18. Termination of Agreement

Either party may terminate this Agreement by providing no less than a one-year written notice of intent to terminate to the other party.

19. Grievance Procedure

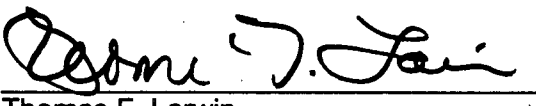
MTDB has the right to submit a written grievance to the RCS Board for resolution of any network performance, radio configuration, or network administration issue that has not been satisfactorily resolved through other means. The RCS Board will adjudicate any MTDB grievance at the earliest possible date. The RCS Board decision will be deemed final. The RCS grievance procedure does not preclude MTDB from seeking legal relief after exhaustion of the grievance procedure.

In witness whereof, the parties hereto do affix their signatures.

RCS BOARD OF DIRECTORS

METROPOLITAN TRANSIT DEVELOPMENT
BOARD

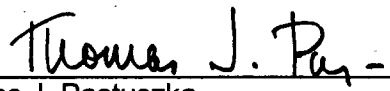

Thomas A. Zoll
Chairman



Thomas F. Larwin
General Manager

Date: 5 Aug 02

Date: 6/14/02

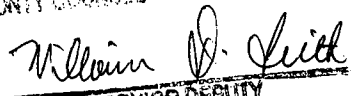
COUNTY OF SAN DIEGO


Thomas J. Pastuszka
Clerk of the Board

Approved and/or authorized by the Board
of Supervisors of the County of San Diego
Date 8/13/02 Minute Order No. 9
THOMAS J. PASTUSZKA
Clerk of the Board of Supervisors
By 
Deputy Clerk

Date: 8.19.02

APPROVED AS TO FORM AND LEGALITY
COUNTY COUNSEL

BY 
SENIOR DEPUTY

PSmith/SStroh / AG - / AG-COUNTYRCS.SHAFFNER — 5/31/02

7/1/02

Regional Communications System Agencies

City of Carlsbad

- 1 Fire/EMS
- 2 Police
- 3 Lifeguard
- 4 Public Works

City of Chula Vista

- 5 Police
- 6 Fire/EMS
- 7 Public Works

City of Coronado

- 8 Fire/EMS
- 9 Police
- 10 Lifeguard
- 11 Public Services
- 12 Recreation

City of Del Mar

- 13 Fire/EMS
- 14 Law (Sheriff)
- 15 Lifeguard
- 16 Public Works

City of El Cajon

- 17 Fire/EMS
- 18 Police
- 19 Public Works

City of Encinitas

- 20 Fire/EMS
- 21 Law (Sheriff)
- 22 Lifeguard
- 23 Public Works

City of Escondido

- 24 Police
- 25 Fire/EMS
- 26 Public Works

City of Imperial Beach

- 27 Fire/EMS
- 28 Law (Sheriff)
- 29 Lifeguard
- 30 Public Works

City of La Mesa

- 31 Police
- 32 Fire/EMS
- 33 Public Works

City of Lemon Grove

- 34 Fire/EMS
- 35 Law (Sheriff)
- 36 Public Works

City of Poway

- 37 Fire/EMS
- 38 Law (Sheriff)
- 39 Public Works

City of Oceanside

- 40 Fire
- 41 Law
- 42 Public Works
- 43 Parks & Recreation
- 44 Harbor Patrol

City of San Marcos

- 45 Fire/EMS
- 46 Law (Sheriff)
- 47 Public Works

City of Santee

- 48 Fire/EMS
- 49 Law (Sheriff)
- 50 Public Works

City of Solana Beach

- 51 Fire/EMS
- 52 Law (Sheriff)
- 53 Lifeguards
- 54 Public Works

City of Vista

- 55 Law (Sheriff)
- 56 Fire/EMS
- 57 Public Works

San Diego County Depts.

- 58 Agriculture
- 59 Animal Control
- 60 Office of Emergency Services
- 61 District Attorney
- 62 EMS (CSA 17)
- 63 General Services
- 64 Health Services
- 65 Medical Examiner
- 66 Parks & Recreation
- 67 Planning & Land Use
- 68 Probation
- 69 Public Administrator
- 70 Public Works
- 71 Sheriff's Department

Fire Districts

- 72 Alpine Fire
- 73 Bonita-Sunnyside Fire
- 74 Borrego Springs Fire
- 75 Boulevard Fire
- 76 Campo Fire
- 77 Deer Springs Fire
- 78 DeLuz Fire
- 79 East County Fire
- 80 Elfin Forest Fire
- 81 Intermountain Fire
- 82 Julian-Cuyamaca Fire

Fire Districts (cont'd.)

- 83 Lakeside Fire
- 84 Mt. Laguna Fire
- 85 North County Fire
- 86 Ocotillo Wells Fire
- 87 Palomar Mountain Fire
- 88 Pine Valley Fire
- 89 Ramona Fire
- 90 Ranchita Fire
- 91 Rancho Santa Fe Fire
- 92 Rural Fire
- 93 San Miguel Fire
- 94 San Pasqual Fire
- 95 Shelter Valley Fire
- 96 Sunshine Summit Fire
- 97 Warner Springs Fire
- 98 Valley Center Fire
- 99 Vista Fire

EMS Trauma Network

- 100 Alvarado Hospital
- 101 American Medical Response
- 102 Balboa Ambulance
- 103 Balboa Naval Hospital
- 104 Barona Ambulance
- 105 San Diego Blood Bank
- 106 Care Ambulance
- 107 Children's Hospital
- 108 Coronado Hospital
- 109 Event Medical
- 110 Fallbrook Hospital
- 111 Grossmont Hospital
- 112 Kaiser Hospital
- 113 Mercy Air
- 114 Naval Medical-Pendleton
- 115 Palomar Medical Center
- 116 Paradise Valley Hospital
- 117 Pomerado Hospital
- 118 Priority One
- 119 Schaefer Ambulance
- 120 Scripps Chula Vista
- 121 Scripps Encinitas
- 122 Scripps La Jolla
- 123 Scripps Mercy
- 124 Sharp Chula Vista
- 125 Sharp Memorial
- 126 Sycuan Ambulance
- 127 Star Ambulance
- 128 Thornton Hospital
- 129 Tri City Medical Center
- 130 UCSD Medical Center

Regional Communications System Agencies

Others

- 131 VA Hospital
- 132 Americare Services
- 133 Borrego Sun Newspaper
- 134 California Highway Patrol
- 135 Cajon Valley School District
- 136 CALTRANS, District 11
- 137 Cal State San Marcos PD
- 138 City News Service
- 139 Freeway Service Patrol
- 140 Grossmont College Police
- 141 Grossmont School District
- 142 Heritage Security
- 143 Imperial County EMS
- 144 KFMB
- 145 KGTV
- 146 KNSD
- 147 KOGO/Clear Channel
- 148 KSWB
- 149 MTDB
- 150 North County Times
- 151 North County Transit Sec.
- 152 Palomar College
- 153 Padre Dam Water District
- 154 Poway Unified School Dist
- 155 Rancho Santa Fe Patrol
- 156 SDG&E Watershed Team
- 157 San Diego Humane Society
- 158 San Diego State University
- 159 Santee School District
- 160 State Corrections (Parole)
- 161 Union Tribune
- 162 USD Police
- 163 Vista Unified School District
- 164 XETV

Pending Imperial County

County of Imperial

- 165 Imperial County Sheriff's Dept.
- 166 Probation Department
- 167 Imperial County Fire Dept.

City of El Centro

- 168 El Centro Police Department
- 169 El Centro Fire Department
- 170 El Centro Public Works

City of Holtville

- 171 Holtville Police Department
- 172 Holtville Fire Department

City of Brawley

- 173 Brawley Police Department
- 174 Brawley Fire Department

City of Calexico

- 175 Calexico Police Department
- 176 Calexico Fire Department

City of Calipatria

- 177 Calipatria Police Department

City of Westmoreland

- 178 Westmoreland Police Dept.

City of Imperial

- 179 Imperial Police Department
- 180 Imperial Fire Department

Mutual Aid Agencies

- 181 Air National Guard
- 182 Barona Reservation Fire
- 183 CDF
- 184 Camp Pendleton Fire
- 185 Campo Reservation Fire
- 186 FAA Gillespie Field
- 187 FBI
- 188 Harbor Police
- 189 Helix Water District

Mutual Aid Agencies (con't.)

- 190 INS
- 191 MCAS Miramar Fire
- 192 Legoland
- 193 Olivenhain Water District
- 194 Marine Corp Recruit Depot
- 195 Metro.Med.Strike Team EMS
- 196 National City Fire
- 197 National City Law
- 198 North Island Air EMS
- 199 San Diego Fire
- 200 SD Intl. Airport Operations
- 201 San Diego Police
- 202 State Park Colo. Desert Dist.
- 203 Sycuan Reservation Fire
- 204 U.S. Bureau of Land Mgmt
- 205 U.S. Customs
- 206 U.S. Fish & Wildlife
- 207 U.S. Forest Service

Dispatch Centers

- 1 CALTRANS TMC
- 2 Carlsbad Dispatch
- 3 Chula Vista Police-Fire
- 4 Coronado Police-Fire
- 5 Sheriff's Dispatch
- 6 El Cajon Police Dispatch
- 7 Escondido Police-Fire
- 8 Heartland Comm. Fire JPA
- 9 La Mesa Police
- 10 Monte Vista CDF Dispatch
- 11 Oceanside Police-Fire
- 12 Rancho Santa Fe JPA

Pending Dispatch Ctrs.

- 13 Imperial County Sheriff Disp.
- 14 El Centro Dispatch

Regional Communication System (RCS) Agreement

July 14, 2005



Background

- RCS implemented in May 1988
 - County Transit System (CTS) among the first users of the system
 - RCS has grown to include over 200 federal, state and city department



RCS Advantage

- Each project is their own talk group
- Each talk group consists of dispatch, transit tactical, countywide tactical, and emergency channels
- During Cedar fires, projects were plugged directly into emergency/tactical channels
- Area of signal coverage far superior to other systems
- Virtually no dead areas



Infrastructure Investment

- Significant investment already done in communication equipment on former CTS vehicles
- Radio equipment on vehicles was around a \$675K investment
- Base station and other equipment was a \$50K investment



Current Opportunity

- CTS divestiture to MTDB initiated a transfer of all RCS equipment
- Three year option to join RCS on an equity basis
 - One time RCS credit of approximately \$273K available towards RCS equity buy in
 - RCS credit must be used by July 31, 2005 or it is lost



Funding

Approved CIP project 1140900 exists

One time \$1.5M Equity Fee consists of:

- TDA Capital Reserves of \$1.3M
- RCS credit of \$273K



Recommendation

- Authorize CEO to execute option with County of San Diego to join RCS as an Equity Partner
- Authorize buy in for up to 350 radios



Table 1
Rural Bus Service

867	(Ramona - El Cajon, 6 days per week)
888	(Campo - Alpine via Old Highway 80, 6 days per week)
889	(Alpine - El Cajon via Harbison Canyon, 7 days per week)*
891	(Borrego - Julian - Ramona, 1 day per week)
891A	(Borrego - Julian - Cuyamaca - Ramona, 1 day per week)*
892	(Borrego - Santa Ysabel - Ramona, 1 day per week)
892A	(Borrego - Oak Grove - Santa Ysabel - Ramona, 1 day per week)*
893	(Borrego - Ocotillo - Shelter Valley - Ramona, 1 day per week)*
894	(Campo - El Cajon via Tecate, 7 days per week)

** Will be discontinued in September 2005 as part of Comprehensive Operational Analysis (COA) Phase I.*

These routes provide service between rural communities, such as Alpine, Borrego Springs, and Campo, and the urbanized areas of San Diego County. As shown in Attachment A, the population and employment densities within these communities are generally low. Therefore, ridership and productivity of these services have historically been low, while costs continue to increase.

At its June 23, 2005, meeting the Board directed staff to conduct a route-by-route service analysis of rural services, to make a recommendation for possible service reductions within the lifeline service provision of MTS Policy No. 42. This agenda item outlines three options for rural bus service adjustments. Option 1 is based on the productivity of each route using the route-by-route analysis presented in Attachment B. Option 2 considers the lifeline service provisions of Policy No. 42: New and Existing Service Evaluation. Option 3 maintains geographic coverage throughout the rural areas.

Option 1: Productivity-Based Adjustments

Based on the route-by-route analysis, Option 1 proposes to discontinue Routes 867, 888, 889, 891, and 892. Each route ranks extremely low when compared with the MTS system and carries very few passengers. No route carries more than 28 passengers per day or 2.4 passengers per revenue service hour compared to a systemwide bus average of 23.1 passengers per revenue service hour. Further, minor service adjustments would not appear be practical nor result in any significant savings in cost.

The sole proposed remaining service among the rural routes operated under contract B0397.0-03 would be Route 894 linking Lake Morena and Tecate with El Cajon. Although Route 894 also ranks low, the service carries over 105 passengers each weekday and 50 to 60 passengers on weekends. The areas served by this route tend to have higher proportions of individuals that are transit dependant and do not have access to a personal vehicle.

The estimated cost savings for Option 1 is \$626,901 on an annualized basis. This is a preliminary figure and subject to change. Additional savings in costs may be achieved through contract negotiations.

Option 2: Lifeline Service Policy-Based Adjustments

In addition to the route-by route analysis, the Board directed staff to evaluate the merits of rural bus service given the lifeline service provision of MTS Policy No. 42: New and Existing Service Evaluation. Policy No. 42 outlines a process for identifying appropriate service reductions based on the productivity and cost efficiency of routes. The process involves evaluating each route against other routes within its classification to calculate an overall index score for the route. The index score represents a comparison between the route's performance (as measured by subsidy per passenger, passenger per revenue hour, and passengers per revenue mile) and the average in its classification. An index score of 1.00 signifies that the route is performing on par with the average of the route category. A score of less than 1.00 suggests that the route is performing below the category average, and a score greater than 1.00 indicates that the route is performing better than the category average.

Policy No. 42 states that lifeline services should be maintained based on the following criteria:

1. Segments must be at least a one-half-mile distance from other segments AND have a Policy No. 42 index score of 1.00 or higher; or
2. Segments must be at least a one-half-mile distance from other segments AND have a Policy No. 42 index score from 0.75 to 0.99 AND operate in areas of "medium" densities or serve major activity centers.

Table 2 provides an analysis of rural services against the lifeline criteria outlined in Policy No. 42. Per the analysis, Routes 867, 888, and 894 satisfy the base lifeline service criteria; however, Routes 889, 891, and 892 do not meet the criteria.

Table 2
Lifeline Service Evaluation

Route	Index Score	Half-Mile Distance	Med. Den. or Mjr Act. Cntr	Satisfy Criteria #1	Satisfy Criteria #2
867 (Ramona - El Cajon, 6 days/week)	0.88	y	y		YES
888 (Jacumba - Alpine, 6 days/week)	1.10	y	n	YES	
889 (Alpine - El Cajon, 7 days/week)*	0.57	y	n	NO	NO
891 (Borrego - Ramona, 1 day/week)	0.65	y	n	NO	NO
891A (Borrego - Ramona, 1 day/week)	n/a	n/a	n/a	-	-
892 (Borrego - Ramona, 1 day/week)	0.64	y	n	NO	NO
892A (Borrego - Ramona, 1 day/week)	n/a	n/a	n/a	-	-
893 (Borrego - Ramona, 1 day/week)	n/a	n/a	n/a	-	-
894 (Campo - El Cajon, 7 days/week)	2.32	y	y	YES	

Note: Routes shaded in grey will be discontinued in September 2005 as part of Phase I of the COA.

Based on guidance outlined in Board Policy No. 42, Option 2 proposes to discontinue Routes 889, 891, and 892 and retain Routes 867, 888, and 894 for lifeline service.

The estimated cost savings under the existing contract for this alternative is \$289,556 on an annualized basis. This is a preliminary figure and subject to change. Additional savings in costs may be achieved through contract negotiations.

Option 3: Coverage-Based Adjustments

Option 3 proposes the following service changes:

Route 867 – Route 867 currently operates six (6) round-trips per day from Monday through Friday, and three (3) round-trips on Saturday. Option 3 would reduce service from six (6) round-trips to three (3) round-trips Monday through Saturday.

Route 888/889 – Route 888 currently operates two (2) round-trips Monday through Saturday between Jacumba and El Cajon via Alpine. Route 889 currently operates five (5) round-trips Monday through Friday between Alpine and El Cajon. Since Route 888 currently provides service between Alpine and El Cajon, Option 3 would discontinue Route 889. Alpine to El Cajon service would be retained on Route 888.

Route 891/892 – Route 891 currently operates four (4) round-trips on Saturday, and Route 892 operates four (4) round-trips on Thursday. Option 3 would reduce service on both routes to two (2) round-trips one day per week.

Route 894 – Route 894 currently operates four (4) round-trips Monday through Friday, and two (2) round trips on Saturday and Sunday. Option 3 would reduce Monday through Friday service to two (2) round-trips per day.

The above adjustments would retain geographic coverage throughout the rural areas and result in an estimated cost savings of \$507,453, on an annualized basis. These preliminary service adjustments may be revised through the community outreach process. It should be noted that this is a preliminary figure and subject change.

Contractual Issues

After the decision regarding the rural service level is approved, negotiations with the existing service provider would take place in order to reduce the operating costs. The current operating contract includes a fixed and variable rate structure, which would need to be renegotiated in order to correspond to the reduction in hours.

Attachment C is a cost matrix of each of the options under the existing contractual structure. Staff would hope to also reduce the amount of fixed costs, which are listed as a result of negotiations. As the chart indicates, there are currently \$468,919 of expenses that are classified as fixed costs.

Next Steps

In the event that the Board of Directors chooses to adjust a route by the more than 15 percent, in terms of daily revenue miles of service, a public hearing is required to receive input. Therefore, each service adjustment options proposed above would require a public hearing. In addition, given that the affected rural areas are far from the



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

Agenda

Item No. 35

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

OPS 980 (PC 20484)

July 14, 2005

Subject:

MTS: RURAL BUS SERVICE ADJUSTMENTS

RECOMMENDATION:

That the Board of Directors:

1. receive the rural services route-by-route analysis as included as Attachment B;
2. approve either Option 1, 2, or 3 for adjustments to rural bus services.

Budget Impact

If implemented, Option 1 would result in an FY 2006 net subsidy savings of \$302,869 (\$626,901 annualized), and Option 2 would result in an FY 2006 net subsidy savings of \$186,795 (\$289,556 annualized). Option 3 would result in an FY 2006 net subsidy savings of \$274,537 (\$507,453 annualized). These figures are preliminary and subject to change. Additional savings in costs may be achieved through contract negotiations (see section on 'Contractual Issues' below).

DISCUSSION:

Rural bus service currently consists of nine (9) routes, and is presented in Table 1. However, Route 889 weekend service will be discontinued in July 2005, and Routes 891A, 892A, and 893 will be discontinued in September 2005.



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS 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.

public hearing location here at MTS, it is recommended that staff conduct a community meeting in the areas most affected and receive input on the service adjustments. A community meeting could be scheduled in early August 2005, and staff could return with feedback to the public hearing, which could be scheduled for August 25, 2005. Implementation of any changes could take place as early as January 2006.

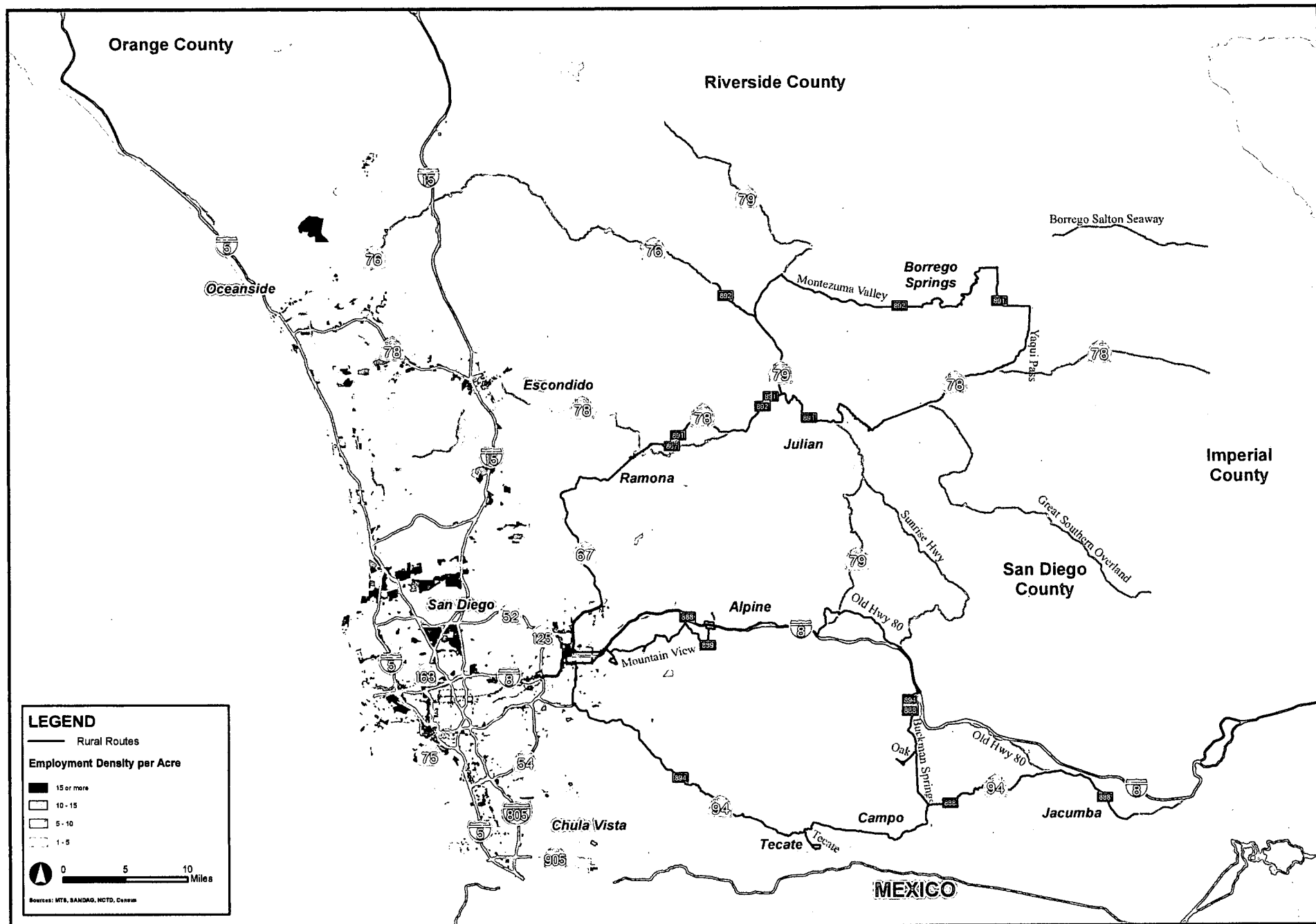


Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Brandon Farley, 619.595.4920, Brandon.Farley@sdmts.com

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Attachments: A. Population and Employment Densities in San Diego County
B. Route-by-Route Rural Bus Service Analysis
C. Rural Bus Service Adjustment Cost Projections



ROUTE-BY-ROUTE RURAL BUS SERVICE ANALYSIS

The following is a route-by-route analysis of rural services operated per contractual agreement with Laidlaw Transit Services. This analysis was conducted per request of the Metropolitan Transit System Board of Directors at its June 23, 2005 meeting. The purpose of this analysis is to evaluate these services and develop a recommended set of service adjustments.

Route Description and Level of Service

Route 867: This service links Ramona to Santee and El Cajon. Service is provided Monday through Friday with six (6) trips in each direction and on Saturdays with three (3) trips in each direction.

Route 888: This service links Jacumba in far southeastern San Diego County to Campo, Lake Morena, and Alpine. Service is provided Monday through Friday with two (2) end-to-end trips in each direction and one (1) truncated trip in each direction between Descanso and Campo. Two trips in each direction are operated on Saturdays.

Route 889: This service links Alpine to El Cajon via Harbison Canyon. Service is provided Monday through Friday with five (5) trips in each direction. Weekend service will be discontinued in July 2005 (this month).

Route 891: This service links Borrego Springs to Ramona via Scissor Crossings, Shelter Valley, Julian, and Santa Ysabel. Service is provided on Saturdays only with four (4) trips operated in each direction.

Route 891A: This service is similar to Route 891. Exceptions include that it operates two (2) total trips on Tuesdays providing additional service to Cuyamaca. This service is being discontinued in September 2005.

Route 892: This service links Borrego Springs to Ramona via Lake Henshaw and Santa Ysabel. Service is provided on Thursdays only with four (4) trips operated in each direction.

Route 892A: This service is similar to Route 892. Exceptions include that it operates two (2) total trips on Wednesdays providing additional service to Oak Grove and Warner Springs. This service is being discontinued in September 2005.

Route 893: This service is similar to Route 892A, except that it additionally serves Ocotillo Wells and Aqua Caliente and is operated on Friday only. This service is being discontinued in September 2005.

Route 894: This service links Morena Village to El Cajon via Campo, Tecate, and Jamul. Service is provided Monday through Friday with six (6) trips in each direction and on Saturdays and Sundays with two (2) trips in each direction.

Route Performance Indicators

The table below provides projected FY 2005 annual performance statistics for rural services. This table is similar to what was presented to the Board of Directors at its June 23, 2005, meeting. Additional information indicating average daily boardings is provided.

Route	Daily Pass.	Pass. Per Veh. Trip	Pass. Per Rev. Hour	Farebox Ratio	Sub. Per Pass. Trip
867 (Ramona - El Cajon, 6 days/wk)	25-28	2.7	2.3	6.9%	\$27.71
888 (Jacumba - Alpine, 6 days/wk)	24-28	5.9	1.9	5.7%	\$34.22
889 (Alpine - El Cajon, 7 days/wk)*	13	1.2	1.0	3.1%	\$63.67
891 (Borrego - Ramona, 1 day/wk)	20	3.6	1.5	4.6%	\$43.00
891A (Borrego - Ramona, 1 day/wk)*	14	2.6	1.6	4.8%	\$41.21
892 (Borrego - Ramona, 1 day/wk)	20	3.7	1.3	4.0%	\$50.05
892A (Borrego - Ramona, 1 day/wk)*	13	2.8	1.5	4.7%	\$41.99
893 (Borrego - Ramona, 1 day/wk)*	14	3.5	1.1	3.5%	\$57.44
894 (Campo - El Cajon, 7 days/wk)	55-106	13.5	5.5	16.9%	\$10.18
Rural Service Total		5.0	2.8	8.4%	\$22.43
MTS Bus Average **		23.1	24.2	30.2%	\$2.04

* Routes shaded in grey will be discontinued in September 2005 as part of Phase I of the COA.

** MTS Bus average includes: San Diego Transit Corporation, Contract Services Fixed-Route Bus, Contract Services Paratransit Service, Chula Vista Transit, and National City Transit. San Diego Trolley, Inc. and the Coronado Ferry are not included.

On a performance basis, the rural routes perform very poorly compared to other fixed-route services operated by MTS. The reason for this is because they serve so few people and there are no major activity centers or destinations. Adjusting service on these routes would not significantly affect their performance. The merits of these services are that they provide connectivity to the outback for those who are transit dependant.

The tables below identify projected FY 2005 average passenger boardings for individual blocks or trips operated by each route.

FY 2005 Projected Average Passenger Boardings by Day and Trip

Route 867

Trip	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	WKDY Avg
1	11.0	15.9	11.1	12.1	12.8	25.2		12.6
2	15.2	17.2	15.8	13.3	15.9			15.5
Per Day	26.1	33.2	26.9	25.4	28.7	25.2		28.1

Route 888

Trip/Block	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	WKDY Avg
1i	8.2	8.4	7.5	8.8	9.1	8.1	5.3	8.4
1o	7.0	7.9	7.7	7.5	6.0	6.2	3.7	7.2
2i	4.4	4.7	4.3	4.6	4.6	3.5	3.7	4.5
2o	8.1	7.5	7.2	9.1	7.3	5.8	3.8	7.8
3	0.6	0.2	0.4	0.1	0.1			0.3
Per Day	28.2	28.8	27.0	30.1	27.2	23.7	16.4	28.2

Route 889

Trip	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	WKDY Avg
1	8.3	8.0	9.1	7.2	7.9	5.2	4.4	8.1
2	4.5	4.3	4.8	5.0	3.8			4.5
Per day	12.9	12.3	13.9	12.2	11.7	5.2	4.4	12.6

Route 891 - Saturday Only

Block	Total PAX
1	8.7
2	11.3
Total	20.0

Route 892 - Thurs. Only

Block No	Total PAX
1	11.1
2	8.7
Total	19.8

Route 891A - Tuesday Only	
Block	Total PAX
1	7.8
2	6.0
Total	13.8

Route 892A - Wed. Only	
Block No	Total PAX
1	8.0
2	5.1
Total	13.2

Route 893 - Friday Only	
Block No	Total PAX
1	7.8
2	5.9
Total	13.7

Route 894

Trip/Block	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	WKDY Avg
1i	19.5	17.8	17.5	17.5	18.0	21.1	16.5	18.0
1o	8.8	7.1	7.3	6.2	9.0	12.6	8.0	7.7
2i	22.4	16.8	16.9	16.7	17.9	9.9	15.1	18.1
2o	9.8	6.6	7.4	6.6	8.9	18.1	15.8	7.9
3i	11.4	9.8	10.7	10.0	13.4			11.1
3o	19.9	19.1	18.3	19.0	28.8			21.0
4i	7.1	7.3	6.3	5.8	9.5			7.2
4o	13.2	12.8	14.3	15.9	19.7			15.2
Per Day	112.3	97.4	98.6	97.6	125.2	61.7	55.3	106.2

Shaded areas depict services that have recently been discontinued or will be discontinued in summer 2005.

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Route 867

Trip	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	WKDY Avg
1	11.0	15.9	11.1	12.1	12.8	25.2		12.6
2	15.2	17.2	15.8	13.3	15.9			15.5
Per Day	26.1	33.2	26.9	25.4	28.7	25.2		28.1

Route 888

Trip/Block	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	WKDY Avg
1i	8.2	8.4	7.5	8.8	9.1	8.1	5.3	8.4
1o	7.0	7.9	7.7	7.5	6.0	6.2	3.7	7.2
2i	4.4	4.7	4.3	4.6	4.6	3.5	3.7	4.5
2o	8.1	7.5	7.2	9.1	7.3	5.8	3.8	7.8
3	0.6	0.2	0.4	0.1	0.1			0.3
Per Day	28.2	28.8	27.0	30.1	27.2	23.7	16.4	28.2

Route 889

Trip	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	WKDY Avg
1	8.3	8.0	9.1	7.2	7.9	5.2	4.4	8.1
2	4.5	4.3	4.8	5.0	3.8			4.5
Per day	12.9	12.3	13.9	12.2	11.7	5.2	4.4	12.6

Route 891 - Saturday Only

Block	Total PAX
1	8.7
2	11.3
Total	20.0

Route 892 - Thurs. Only

Block No	Total PAX
1	11.1
2	8.7
Total	19.8

Route 891A - Tuesday Only	
Block	Total PAX
1	7.8
2	6.0
Total	13.8

Route 892A - Wed. Only	
Block No	Total PAX
1	8.0
2	5.1
Total	13.2

Route 893 - Friday Only	
Block No	Total PAX
1	7.8
2	5.9
Total	13.7

Route 894

Trip/Block	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	WKDY Avg
1i	19.5	17.8	17.5	17.5	18.0	21.1	16.5	18.0
1o	8.8	7.1	7.3	6.2	9.0	12.6	8.0	7.7
2i	22.4	16.8	16.9	16.7	17.9	9.9	15.1	18.1
2o	9.8	6.6	7.4	6.6	8.9	18.1	15.8	7.9
3i	11.4	9.8	10.7	10.0	13.4			11.1
3o	19.9	19.1	18.3	19.0	28.8			21.0
4i	7.1	7.3	6.3	5.8	9.5			7.2
4o	13.2	12.8	14.3	15.9	19.7			15.2
Per Day	112.3	97.4	98.6	97.6	125.2	61.7	55.3	106.2

Shaded areas depict services that have recently been discontinued or will be discontinued in summer 2005.

July 14, 2005

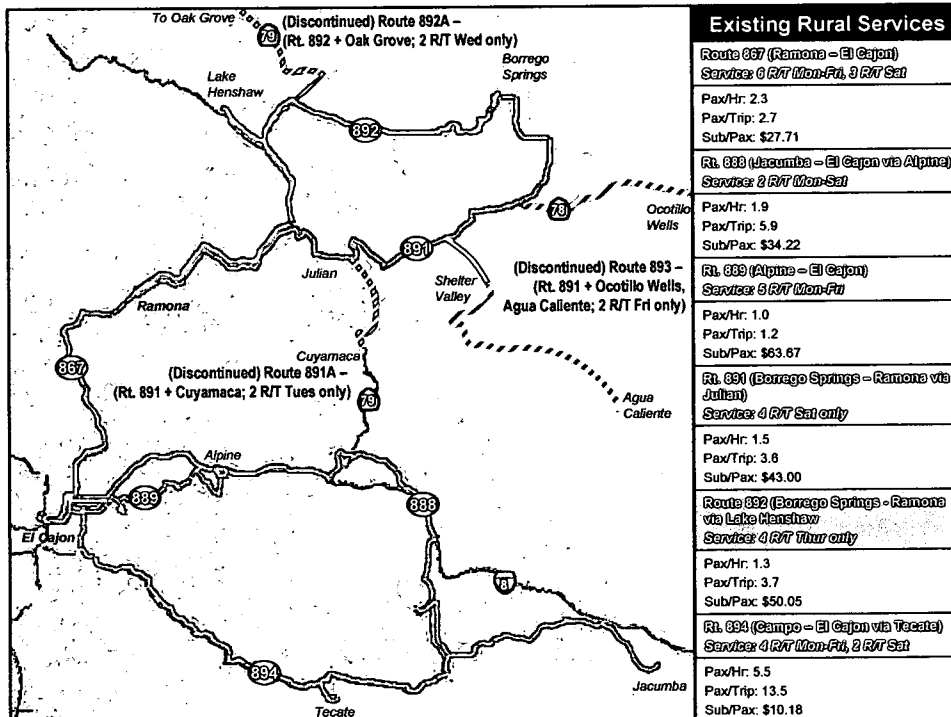
	FY 2006			
	Original	Option 1	Option 2	Option 3
Expenses - Variable	\$ 1,105,676	\$ 762,807	\$ 913,881	\$ 747,968
Expenses - Fixed	\$ 468,919	\$ 468,919	\$ 468,919	\$ 468,919
Total Estimated Expenses	\$ 1,574,595	\$ 1,231,726	\$ 1,382,800	\$ 1,216,887
Revenue Estimate	\$ 120,000	\$ 80,000	\$ 115,000	\$ 115,000
Estimated Net Subsidy	\$ (1,454,595)	\$ (1,151,726)	\$ (1,267,800)	\$ (1,101,887)
Cost Savings		\$ 302,869	\$ 186,795	\$ 352,708

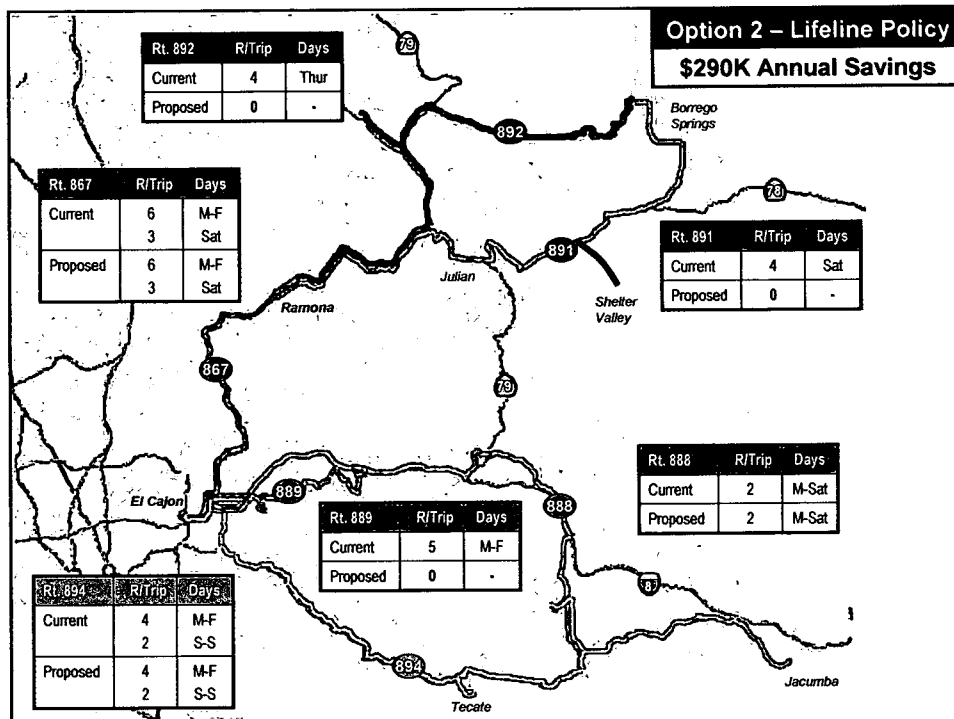
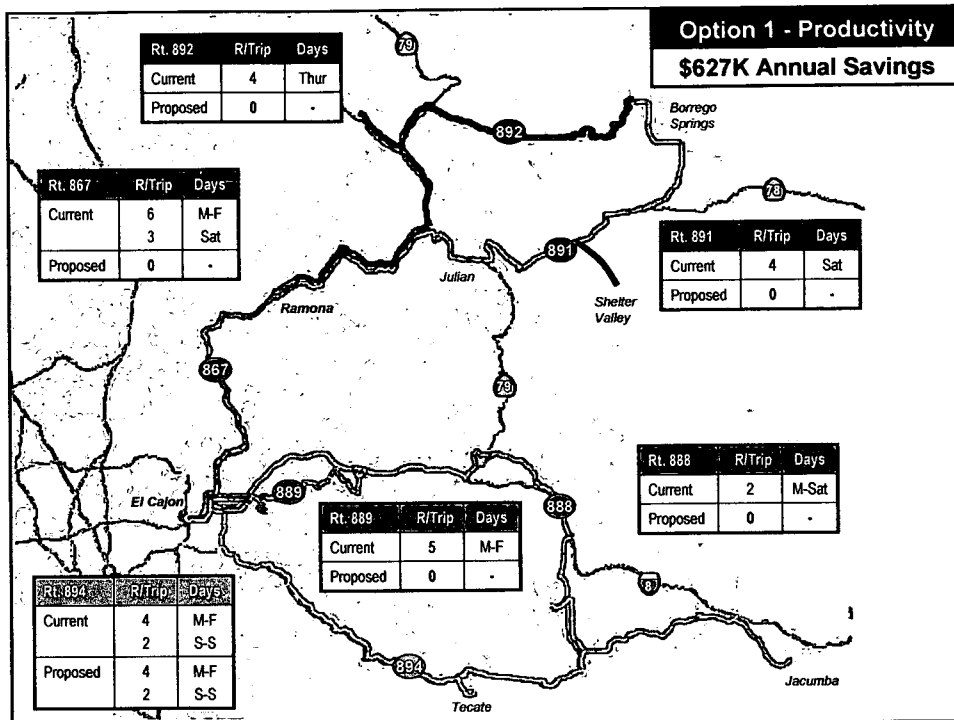
Assume Route Eliminations effective 1/01/06

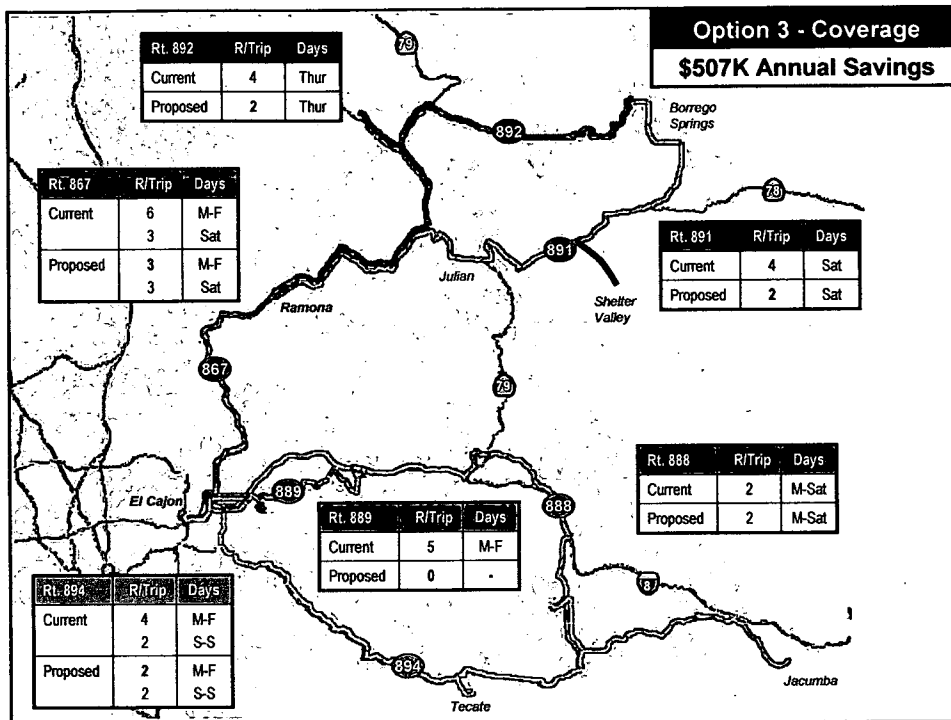
	FY 2007			
	Original	Option 1	Option 2	Option 3
Expenses - Variable	\$ 1,138,846	\$ 469,945	\$ 836,290	\$ 420,812
Expenses - Fixed	\$ 482,987	\$ 482,987	\$ 482,987	\$ 482,987
Total Estimated Expenses	\$ 1,621,833	\$ 952,932	\$ 1,319,277	\$ 903,799
Revenue Estimate	\$ 122,000	\$ 80,000	\$ 109,000	\$ 80,000
Estimated Net Subsidy	\$ (1,499,833)	\$ (872,932)	\$ (1,210,277)	\$ (823,799)
Cost Savings		\$ 626,901	\$ 289,556	\$ 676,034

Rural Bus Service Adjustments

July 14, 2005







Annualized Budget Implications

	Existing	Option 1	Option 2	Option 3
Expenses - Variable	\$ 1,138,846	\$ 469,945	\$ 836,290	\$ 589,393
Expenses - Fixed	\$ 482,987	\$ 482,987	\$ 482,987	\$ 482,987
Total Estimated Expenses	\$ 1,621,833	\$ 952,932	\$ 1,319,277	\$ 1,072,380
Revenue Estimate	\$ 122,000	\$ 80,000	\$ 109,000	\$ 80,000
Estimated Net Subsidy	\$ (1,499,833)	\$ (872,932)	\$ (1,210,277)	\$ (992,380)
Cost Savings		\$ 626,901	\$ 289,556	\$ 507,453

Figures are preliminary and subject to change. Additional savings in costs may be achieved through contract negotiations.



Rural Bus Service Adjustments

July 14, 2005



REVISED ATTACHMENT

7/14/05, AI # 35

Route Performance Indicators

The table below provides projected FY 2005 annual performance statistics for rural services. This table is similar to what was presented to the Board of Directors at its June 23, 2005, meeting. Additional information indicating average daily boardings is provided.

Route		Daily Pass.	Pass. Per Veh. Trip	Pass. Per Rev. Hour	Farebox Ratio	Sub. Per Pass. Trip
867	(Ramona - El Cajon, 6 days/wk)	25-28	2.7	2.3	6.9%	\$27.71
888	(Jacumba - El Cajon, 6 days/wk)	24-28	5.9	1.9	5.7%	\$34.22
889	(Alpine - El Cajon, 7 days/wk)*	13	1.2	1.0	3.1%	\$63.67
891	(Borrego - Ramona, 1 day/wk)	20	3.6	1.5	4.6%	\$43.00
891A	(Borrego - Ramona, 1 day/wk)*	14	2.6	1.6	4.8%	\$41.21
892	(Borrego - Ramona, 1 day/wk)	20	3.7	1.3	4.0%	\$50.05
892A	(Borrego - Ramona, 1 day/wk)*	13	2.8	1.5	4.7%	\$41.99
893	(Borrego - Ramona, 1 day/wk)*	14	3.5	1.1	3.5%	\$57.44
894	(Campo - El Cajon, 7 days/wk)	55-106	13.5	5.5	16.9%	\$10.18
Rural Service Total			5.0	2.8	8.4%	\$22.43
MTS Bus Average **			23.1	24.2	30.2%	\$2.04

* Routes shaded in grey will be discontinued in September 2005 as part of Phase I of the COA.

** MTS Bus average includes: San Diego Transit Corporation, Contract Services Fixed-Route Bus, Contract Services Paratransit Service, Chula Vista Transit, and National City Transit. San Diego Trolley, Inc. and the Coronado Ferry are not included.

On a performance basis, the rural routes perform very poorly compared to other fixed-route services operated by MTS. The reason for this is because they serve so few people and there are no major activity centers or destinations. Adjusting service on these routes would not significantly affect their performance. The merits of these services are that they provide connectivity to the outback for those who are transit dependant.

REVISED ATTACHMENT

7/14/05, AI # 35

The tables below identify projected FY 2005 average passenger boardings for individual blocks or trips operated by each route.

FY 2005 Projected Average Passenger Boardings by Day and Trip

Route 867

Block	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	WKDY Avg
1	11.0	15.9	11.1	12.1	12.8	25.2		12.6
2	15.2	17.2	15.8	13.3	15.9			15.5
Per Day	26.1	33.2	26.9	25.4	28.7	25.2		28.1

Route 888

Trip/Block	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	WKDY Avg
1i	8.2	8.4	7.5	8.8	9.1	8.1	5.3	8.4
1o	7.0	7.9	7.7	7.5	6.0	6.2	3.7	7.2
2i	4.4	4.7	4.3	4.6	4.6	3.5	3.7	4.5
2o	8.1	7.5	7.2	9.1	7.3	5.8	3.8	7.8
3	0.6	0.2	0.4	0.1	0.1			0.3
Per Day	28.2	28.8	27.0	30.1	27.2	23.7	16.4	28.2

Route 889

Block	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	WKDY Avg
1	8.3	8.0	9.1	7.2	7.9	5.2	4.4	8.1
2	4.5	4.3	4.8	5.0	3.8			4.5
Per day	12.9	12.3	13.9	12.2	11.7	5.2	4.4	12.6

Route 891 - Saturday Only

Block No	Total PAX
1	8.7
2	11.3
Total	20.0

Route 892 - Thurs. Only

Block No	Total PAX
1	11.1
2	8.7
Total	19.8

Route 891A - Tuesday Only	
Block No	Total PAX
1	7.8
2	6.0
Total	13.8

Route 892A - Wed. Only	
Block No	Total PAX
1	8.0
2	5.1
Total	13.2

Route 893 - Friday Only	
Block No	Total PAX
1	7.8
2	5.9
Total	13.7

Route 894

Trip/Block	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	WKDY Avg
1i	19.5	17.8	17.5	17.5	18.0	21.1	16.5	18.0
1o	8.8	7.1	7.3	6.2	9.0	12.6	8.0	7.7
2i	22.4	16.8	16.9	16.7	17.9	9.9	15.1	18.1
2o	9.8	6.6	7.4	6.6	8.9	18.1	15.8	7.9
3i	11.4	9.8	10.7	10.0	13.4			11.1
3o	19.9	19.1	18.3	19.0	28.8			21.0
4i	7.1	7.3	6.3	5.8	9.5			7.2
4o	13.2	12.8	14.3	15.9	19.7			15.2
Per Day	112.3	97.4	98.6	97.6	125.2	61.7	55.3	106.2

Shaded areas depict services that have recently been discontinued or will be discontinued in summer 2005.

Route Performance Indicators

The table below provides projected FY 2005 annual performance statistics for rural services. This table is similar to what was presented to the Board of Directors at its June 23, 2005, meeting. Additional information indicating average daily boardings is provided.

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3	0.6	0.2	0.4	0.1	0.1			0.3
Per Day	28.2	28.8	27.0	30.1	27.2	23.7	16.4	28.2

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2i	22.4	16.8	16.9	16.7	17.9	9.9	15.1	18.1
2o	9.8	6.6	7.4	6.6	8.9	18.1	15.8	7.9
3i	11.4	9.8	10.7	10.0	13.4			11.1
3o	19.9	19.1	18.3	19.0	28.8			21.0
4i	7.1	7.3	6.3	5.8	9.5			7.2
4o	13.2	12.8	14.3	15.9	19.7			15.2
Per Day	112.3	97.4	98.6	97.6	125.2	61.7	55.3	106.2

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JUL 13 2005

MTS

Bill Horn*Supervisor, Fifth District
San Diego County Board of Supervisors*

July 12, 2005

Leon Williams, Chairman
Metropolitan Transit System Board of Directors
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

Re: July 14, 2005 Meeting of the Board of Directors for Metropolitan Transit System,
Agenda Item No. 35 - Rural Bus Service Adjustments

Dear Chairman Williams:

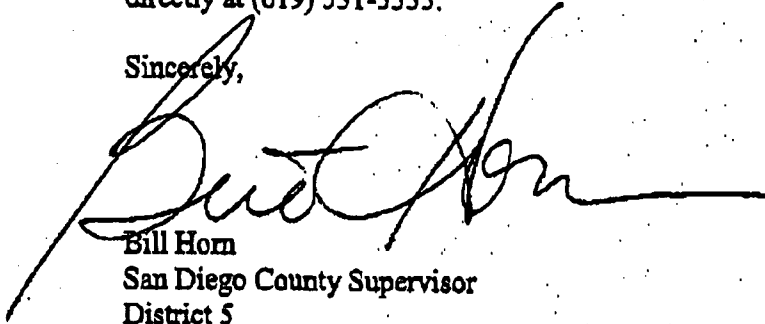
It has come to my attention that the Board of Directors for the Metropolitan Transit System will consider the above referenced proposal to reduce and/or eliminate rural bus service to areas of the unincorporated county. I would like to express my concern with this proposal.

In this time of tight budgets for transit operators, and as a fellow transit board director, I share your concern for maximizing agency resources by providing the most financially efficient services to the largest number of citizens as possible. However, the desire to provide highly productive bus routes must be tempered by the responsibility to provide critical, albeit more expensive, "lifeline" services to members of our community that rely on public transportation but do not happen to live near highly productive transit routes.

It is imperative that the Board of Directors take into consideration the effects these changes may have on the lives of people that are dependent on these services when contemplating this proposal. Open communication between MTS and the potentially impacted communities is a critical step in the process and is necessary for the Board of Directors to make a fully informed decision. To that end, I request that the Board of Directors allow sufficient time before any changes to services are implemented for the potentially impacted communities of Borrego Springs, Alpine, Ramona, and Campo to be allowed to assess the effect of such changes on their communities and express their opinions to the Board. Working with these communities to find a mutually agreeable solution is the best way to both maximize the goals of the Metropolitan Transit System and ensure that the needs of citizens that depend on your organization for service are provided for.

Thank you for considering this request. If you have any questions, please contact me directly at (619) 531-5555.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Horn", written over a horizontal line.

Bill Horn
San Diego County Supervisor
District 5

BH/pr

Cc: Board of Directors, Metropolitan Transit System
Gwenn Marie, President, Borrego Springs Chamber of Commerce



DIANNE JACOB

SUPERVISOR, SECOND DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS

July 12, 2005

RECEIVED

JUL 12 2005

MTS

Serving the
cities of:
El Cajon
La Mesa
Lemon Grove
Poway
Santee

Serving the
communities of:
Agua Caliente
Allied Gardens
Alpine
Barrett
Blossom Valley
Bonsonia
Boulevard
Campo
Canabrala
Casa de Oro
Crest
Cuyamaca
Dehesa
Del Cerro
Descanso
Dulzura
Eucalyptus Hills
Fernbrook
Firm Springs
Granite Hills
Grainville
Guatay
Harbison Canyon
Jacumba
Jamul
Julian
Lake Moreno
Lakeside
Mission Hills
Mission Laguna
Pine Hills
Pine Valley
Potrero
Ramona
Rancho San Diego
San Carlos
San Pasqual
Santa Ysabel
Shelter Valley
Spring Valley
Tecate
Tierra del Sol
Vallecitos

Serving the Indian
reservations of:
Barona
Campo
Cosmit
Cuyamapae
Inaja
Jamul
La Posta
Maricopa
Sonia Ysabel
Sycuan
Viejas

The Honorable Leon Williams
Metropolitan Transit System Board of Directors
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

Re: July 14, 2005 MTS Board Meeting, Item No. 35 (Rural Bus Service Adjustments)

Dear Chairman Williams:

As the Supervisor representing the Second District which includes the backcountry and the many rural communities of San Diego's East County, I am writing to you out of concern over the Metropolitan Transit System Board's consideration of the reduction or elimination of some of the transportation services provided by MTS to the rural areas of San Diego County.

While I understand the need of Metropolitan Transit System (MTS) to streamline costs while still providing quality service, it is my hope that the MTS Board of Directors would not take any action on either of the proposed options at Thursday's meeting, but rather postpone such action and direct MTS staff to conduct community meetings in the affected areas in order to find better solutions for both the users of the rural transit services as well as for MTS. I suggest these meetings be held as soon as possible in the communities of Alpine, Ramona, Campo/Jacumba and Borrego Springs. Once the discussions with the affected communities have been made, the MTS Board of Directors would be in a much better position to make a fully informed decision on how best to proceed with possible cuts or reductions at a future meeting.

Those in rural areas who currently rely on these transportation services should not be victims of hasty decisions and instant reductions in service. They should be given the opportunity to work with MTS to come up with a solution that could meet their needs and your needs as you tighten your fiscal belt. If, upon further analysis, your research supports the reduction of rural transport services as staff has proposed, I urge you to continue to work with the community so that the adopted plan meets both the needs of the rural transit users as well as those of the Metropolitan Transit System.

Thank you for your consideration. If you have any further questions you may contact me directly at (619) 531-5522.

Sincerely,

DIANNE JACOB
Supervisor, Second District

cc: Board of Directors, Metropolitan Transit System

1800 PACIFIC HIGHWAY, ROOM 335 • SAN DIEGO, CALIFORNIA 92101-2470
(619) 531-5522 • FAX: (619) 896-7253 • TOLL FREE: 800-852-7322
250 E. MAIN STREET, SUITE 169 • EL CAJON, CALIFORNIA 92020-3941
www.diannejacob.com • EMAIL: dianne.jacob@sdcounty.ca.gov

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

Agenda

Item No. 36

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

FIN 300 (PC 50601)

July 14, 2005

Subject:

MTS: PROCUREMENT FOR FY 05 AUDIT SERVICES

RECOMMENDATION:

That the Board of Directors:

1. waive the formal bid requirement of Policy No. 13; and
2. allow the Chief Executive Officer (CEO) to enter into a negotiated contract for auditing services for a one-year period not to exceed \$350,000.

Budget Impact

FY 06 potential budget impact of \$69,000 depending on the amount negotiated. All MTS agencies combined (MTS, San Diego Transit Corporation, and San Diego Trolley, Inc.) have budgeted \$281,000 for audit services in FY 06 to complete the FY 05 audit based upon the existing contract with KPMG.

DISCUSSION:

Background

The audit for FY 03 was issued in June 2004—six months late. The reasons were primarily due to the transfer of finance staff to the San Diego Association of Governments (SANDAG) and scheduling issues with KPMG.

The audit for FY 04 should be issued in late July or early August 2005. The reasons are primarily due to reestablishing a Finance Department with sufficient staffing, gaining



institutional history needed for audit completion, cleanup of significant split-off issues related to Senate Bill 1703, finishing up FY 03, and scheduling issues with KPMG. There are several reasons why a timely audit is needed. These include agreements with bondholders, reporting requirements of state and federal funding agencies, insurance requirements, and to ensure an accurate base for budgeting.

In July 2002, Congress passed the Sarbanes-Oxley Act. This act was passed in response to accounting scandals, most prominently at Enron and WorldCom. The act requires publicly held companies to significantly increase accounting oversight and adopt stringent internal controls.

While MTS is not subject to the provisions of Sarbanes-Oxley Act, its influence has affected all audits. First, auditing standards and documentation rules for all auditors have increased. Second, the demand for accounting and auditing services by publicly held companies has changed dramatically. Audits done on low fixed-price bids have been replaced by cost-plus contracts with significantly increased billing rate structures. Auditing firms have more work from publicly held companies at very profitable rates than they can properly work. As an example, KPMG, MTS's auditor, is moving out of governmental accounting as expeditiously as it is able.

Current Situation

Finance staff entered into discussions with KPMG regarding what was necessary in order to produce audited financial statements for FY 05 at a more reasonable time frame, such as November 2005. The contract stipulates a draft within 90 days of the close of the fiscal year and a final report within 135 days. Staff discussed with KPMG being ready for the audit by September 16. The reason for this was to allow time to complete the FY 04 audit as well as complete a chart of accounts conversion for SDTC and SDTI occurring on July 1. This time frame would allow KPMG six to eight weeks for the audit with financial statements being delivered occurring mid- to late November. This would essentially allow KPMG and MTS 45-60 days beyond the 90-day contract point. The discussions ended with KPMG agreeing to produce a time line toward delivering financial statements as close to the goal as possible.

We were subsequently informed that this was not possible as KPMG has slotted its staff resources to more profitable publicly held companies. We were advised to seek a different audit firm or the audit would have to be done at a later date when convenient to KPMG. There was no commitment as to when this might be. Staff is currently pressing KPMG for a commitment date, which is not available as of Board mail out. Staff will advise at the Board meeting.

Rather than accepting late financial statements and working through an audit on a confrontational basis, staff recommends seeking another audit firm and negotiating a one-year contract. This would be subsequently be followed by a solicitation of bids for a multiyear contract.

At this time \$350,000 is estimated as the maximum amount necessary to secure a one-year contract, and it is anticipated to be secured at less than this amount. There are several reasons for the significant escalation in estimated cost. The original contract was executed four years ago. The changes in the audit environment and market cost for audit services as result of Sarbanes-Oxley Act have significantly increased the cost of all audits since then. Additionally, a change in auditors involves additional work and costs. This is typically built into the pricing of a multiyear contract; however, this is not applicable with a one-year engagement.



Paul C. Jablonski
Chief Executive Officer

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

JGarde
JULY14-05.36.FY05AUDITSVCS.TLYNCH
6/29/05



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

Agenda

Item No. 45

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

FIN 310.1 (PC 50601)

July 14, 2005

SUBJECT:

MTS: OPERATIONS BUDGET STATUS REPORT FOR MAY FY 2005

RECOMMENDATION:

That the Board of Directors receive the Metropolitan Transit System (MTS) Operations Budget Status Report for May FY 05.

Budget Impact

None at this time.

DISCUSSION:

This report compares operating expenditures compared to budget for May 2005 (Attachment A-1 is a summary). 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.

MTS OPERATIONS

Summary

As indicated within Attachment A-1, May 2005 produced an unfavorable net operating subsidy of \$138,000 (-1.3%). The MTS operating area had a \$133,000 negative net-operating subsidy variance, and the administrative area had a \$5,000 negative net operating subsidy variance.



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS 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.

Year-to-date through May 2005, the MTS net operating subsidy unfavorable variance totaled \$273,000 (-0.2%). Operations produced a \$740,000 unfavorable variance offset by the administrative area contributing a \$467,000 positive variance.

REVENUES

Fare Revenue – May 2005

Combined fare revenue for May 2005 aggregated \$5,207,000 compared to the amended budget of \$5,569,000, which represents a \$362,000 (-6.5%) unfavorable variance. Ridership within rail operations was less than projected and, as a result, fare revenue for rail operations was \$303,000 (-13.0%) under budget. Fare revenues associated with internal bus operations were \$1,629,000 compared to a budget of \$1,636,000 resulting in a \$7,000 (-0.4%) unfavorable variance. Combined contract bus operations and other operations (Chula Vista and National City Transit) fare revenue was \$52,000 (-3.3%) under budget.

Total passengers for May 2005 were 6,650,000 compared to a budget of 6,753,000, representing an unfavorable ridership variance of 103,000.

Fare Revenue – Year-to-Date May 2005

Combined fare revenue for May 2005 year-to-date was \$61,561,000 compared to the year-to-date budget of \$63,267,000, representing a \$1,706,000 (-2.7%) unfavorable year-to-date variance. From a year-to-date perspective, internal bus operations produced a positive variance of \$43,000. Compared to the amended budget, rail operations had a \$1,476,000 (-5.9%) year-to-date unfavorable variance. Combined contracted bus operations (fixed-route and paratransit) were \$167,000 (-1.1%) under budget while all other year-to-date bus-related operations were \$106,000 (-3.1%) under budget.

Total passengers for the first 11 months of the 2005 fiscal year totaled 70,069,000 for all MTS operations compared to year-to-date budgeted ridership totaling 70,768,000, representing a 699,000 unfavorable variance in ridership.

Other Revenue

Other revenue totaled \$190,000 compared to a May 2005 budget of \$100,000, resulting in a favorable variance of \$90,000 (90.0%). Increases within advertising revenue continued to help bring bus operations' other revenue variance to \$85,000 over the May-amended budget of \$75,000.

Year-to-date other revenues through May 2005 were \$1,076,000 compared to the year-to-date budget of \$1,073,000, representing a \$3,000 (0.3%) favorable variance. This primarily represents higher advertising demand toward the end of the fiscal year within bus operations.

Subsidy

Combined subsidy for May 2005 was \$9,059,000 compared to a \$10,290 budget. This represents a \$1,231,000 (12.0%) unfavorable variance. Year-to-date combined subsidy through May 2005 was \$101,402,000 compared to a year-to-date subsidy budget of \$103,958,000 or \$2,556,000 (-2.5%) under budget.

EXPENSES

Personnel Costs

Total personnel-related costs for May 2005 were \$7,214,000 compared to the budget at \$7,561,000, resulting in a \$347,000 (4.6%) favorable variance. Wages produced a positive variance of \$70,000. Rail operations contributed \$26,000 to this wage positive variance primarily due to the continued Mission Valley East ramp-up. Bus operations had a favorable variance of \$5,000 and combined contracted bus operations contributed a positive variance of \$39,000. Fringes produced a positive variance of \$277,000 (10.7%). Bus Operations' fringe expenses contributed a positive variance of \$210,000, which was due to lower workers' compensation expenses than budgeted. Rail operations' fringe costs were under budget by \$62,000, which was primarily due to health and workers' compensation-related expenses. Year-to-date employee-related costs totaled \$77,945,000 compared to a year-to-date budgetary figure of \$79,081,000. Year-to-date personnel costs were under budget by \$1,135,000 (1.4%).

Outside Services and Purchased Transportation

Total outside services expenses totaled \$5,227,000 compared to a budgetary figure of \$5,373,000, resulting in a favorable expense variance of \$146,000 (2.7%). This favorable variance is primarily due to other services and purchased transportation running under budget by \$118,000 (38.3%) and \$124,000 (3.0%), respectively. This was offset by security, repair, and maintenance services, and engine and transmission rebuilds running over budget by a combined \$96,000. Total outside services for the first 11 months of the fiscal year totaled \$56,623,000 compared to \$57,192,000 resulting in a year-to-date positive variance of \$569,000 (1.0%).

Materials and Supplies

Total combined materials and supplies costs were \$1,063,000 for May 2005 compared to the budget of \$715,000, resulting in an unfavorable expense variance of \$348,000 (-48.7%). This unfavorable variance is primarily due to year-to-date inventory adjustments in preparation of the fiscal year annual audit within rail operations totaling approximately \$250,000. Year-to-date materials and supplies expenses totaled \$8,492,000 compared to a budgetary figure of \$8,027,000, resulting in an unfavorable expense variance of \$465,000 (-5.8%).

Energy – May 2005

Total energy costs were \$1,889,000 for the month compared to the budget of \$1,721,000. This unfavorable variance of \$168,000 (-9.8%) is the result of higher-than-expected diesel fuel costs of \$70,000 (-12.8%), compressed natural gas (CNG) fuel costs of \$75,000 (-12.6%), and electricity costs of \$23,000 (-4.0%) over budget. Diesel prices for the month averaged \$1.869 per gallon compared to the budgetary rate of \$1.60 per gallon. CNG averaged \$1.133 per therm compared to a budgetary rate of \$1.050 per therm.

Energy – Year-to-Date May 2005

Total year-to-date energy costs were \$18,673,000 compared to the budget of \$18,545,000 resulting in a year-to-date unfavorable variance of \$128,000 (-0.7%). Year-to-date diesel fuel expenses were over budget by \$67,000 (-1.1%), CNG was over budget by \$135,000 (-2.1%), and electricity-related expenses were under budget by \$74,000 (1.2%). Year-to-date diesel prices averaged \$1.658 per gallon compared to the annual budgetary rate of \$1.60 per gallon. Year-to-date CNG prices averaged \$1.056 per gallon compared to the annual budgetary rate of \$1.050 per gallon.

Risk Management

Risk management costs were \$339,000 for May 2005 compared to a \$501,000 budgetary figure, resulting in a favorable variance of \$162,000 (32.3%). Year-to-date expenses for risk management were \$252,000 (-5.3%) over budget. This year-to-date unfavorable variance is primarily due to more legal-fee volume over the past quarter within internal bus operations (\$190,000 over budget) and an unfavorable variance of \$70,000 (-4.0%) within rail operations.

General and Administrative

General and administrative costs were \$87,000 for the month compared to the amended budget of \$65,000, resulting in an unfavorable expense variance of \$22,000 (-33.5%). Year-to-date general and administrative costs were \$4,000 (0.7%) under budget totaling \$579,000 through May 2005 compared to a year-to-date budget of \$584,000.

Month-End Summary

The total unfavorable net operating subsidy variance of \$133,000 for the month of May 2005 was produced by various factors. Total passenger fare revenue was \$362,000 under budget. Other materials and supplies were over budget by \$348,000 primarily due to inventory audit issues in rail operations. Total personnel expenses for May 2005 contributed a favorable variance of \$346,000, which was primarily the result of lower workers' compensation expenses within Bus Operations and the Mission Valley East ramp-up. Other categories contributing favorable variances were total outside services (\$146,000) and risk management (\$162,000) offset by energy (-\$168,000) and general and administrative expenses (-\$22,000).

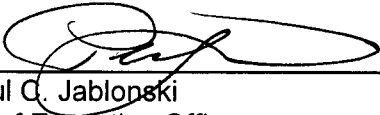
Year-to-Date Summary

The May 2005 year-to-date net operating subsidy totaled an unfavorable variance of \$740,000 (-0.7%) primarily due to operating revenues lower than expected, higher materials expenses, energy, and risk management-related expenses offset by personnel expenses, outside services and general and administrative costs.

OTHER EXPENDITURES

Attachment A-1 summarizes total nonoperating other expenditures.

The May 2005 combined unfavorable variance for other expenditures totaled \$5,000. Total year-to-date expenses totaled \$6,009,000 compared to a year-to-date amended budget of \$6,476,000 resulting in a positive variance of \$467,000 (7.2%) through May 2005.



Paul C. Jablonski
Chief Executive Officer

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

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Attachment: A. FY 05 Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Att. A, AI 45,
7/14/04, FIN 310.1

COMBINED OPERATIONS TRANSIT OPERATORS NET SUBSIDY AND OTHER EXPENDITURES

COMPARISON TO BUDGET - FY 2005

MAY 31, 2005

(in \$000's)

	MONTH			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
MTS Net Operating Subsidy				
Internal Bus Operations	4,236	4,747	512	10.8%
Rail Operations	2,468	1,778	(691)	-38.9%
Contracted Bus Operations - Fixed Route	2,401	2,358	(43)	-1.8%
Contracted Bus Operations - Para Transit	846	970	124	12.8%
Other Operators	471	437	(34)	-7.8%
Total MTS Net Operating Subsidy	10,423	10,290	(133)	-1.3%
Other Expenditures				
Administrative Pass Thru	0	0	0	-
Taxicab Administration	28	3	(25)	-783.3%
San Diego and Arizona Eastern	25	12	(12)	-101.7%
Debt Service	0	0	0	-
General Fund	658	690	32	4.6%
Grand Total Expenditures	11,134	10,996	(138)	-1.3%

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
MTS Net Operating Subsidy				
Internal Bus Operations	47,911	48,698	787	1.6%
Rail Operations	19,351	17,312	(2,037)	-11.8%
Contracted Bus Operations - Fixed Route	23,854	23,878	24	0.1%
Contracted Bus Operations - Para Transit	8,573	9,008	435	4.8%
Other Operators	5,011	5,062	50	1.0%
Total MTS Net Operating Subsidy	104,699	103,958	(740)	-0.7%
Other Expenditures				
Administrative Pass Thru	344	344	0	0.0%
Taxicab Administration	(40)	(53)	(13)	24.1%
San Diego and Arizona Eastern	21	68	47	69.1%
Debt Service	-	0	0	-
General Fund	5,684	6,118	433	7.1%
Grand Total Expenditures	110,708	110,434	(273)	-0.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

COMBINED OPERATIONS

COMPARISON TO BUDGET - FY 2005

MAY 31, 2005

(in \$000's)

	MONTH			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 5,207	\$ 5,569	\$ (362)	-6.5%
Other Revenue	190	100	90	90.0%
Total Operating Revenue	\$ 5,397	\$ 5,669	\$ (272)	-4.8%
Subsidy	9,059	10,290	(1,231)	-12.0%
Total Revenue	\$ 14,456	\$ 15,959	\$ (1,503)	-9.4%
Wages	\$ 4,891	\$ 4,961	\$ 70	1.4%
Fringes	2,323	2,600	277	10.7%
Services	1,151	1,173	22	1.9%
Purchased Transportation	4,076	4,200	124	3.0%
Materials	1,063	715	(348)	-48.7%
Energy	1,889	1,721	(168)	-9.8%
Risk Management	339	501	162	32.3%
General and Administrative	87	65	(22)	-33.8%
Vehicle/Facility Lease	-	23	23	-
Total Costs	\$ 15,820	\$ 15,959	\$ 139	0.9%
Total Revenue Less Total Costs	\$ (1,364)	\$ -	\$ (1,364)	100.0%
Net Operating Subsidy	\$ (10,423)	\$ (10,290)	\$ (133)	-1.3%

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 61,561	\$ 63,267	\$ (1,706)	-2.7%
Other Revenue	1,076	1,073	3	0.3%
Total Operating Revenue	\$ 62,637	\$ 64,340	\$ (1,703)	-2.6%
Subsidy	101,402	103,958	(2,556)	-2.5%
Total Revenue	\$ 164,039	\$ 168,299	\$ (4,260)	-2.5%
Wages	\$ 51,348	\$ 51,488	\$ 140	0.3%
Fringes	26,598	27,593	995	3.6%
Services	11,906	12,050	144	1.2%
Purchased Transportation	44,717	45,142	425	0.9%
Materials	8,492	8,027	(465)	-5.8%
Energy	18,673	18,545	(128)	-0.7%
Risk Management	4,967	4,715	(252)	-5.3%
General and Administrative	579	584	4	0.7%
Vehicle/Facility Lease	56	156	100	64.1%
Total Costs	\$ 167,336	\$ 168,299	\$ 963	0.6%
Total Revenue Less Total Costs	\$ (3,297)	\$ -	\$ (3,297)	100.0%
Net Operating Subsidy	\$ (104,699)	\$ (103,958)	\$ (740)	-0.7%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

COMBINED OPERATIONS

**FINANCIAL COMPARISON TO BUDGET
ELEVEN MONTHS ENDING MAY 31, 2005**

FY Month: <u>11</u>	CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
REVENUE										
Passenger Fares	\$ 5,206,912	\$ 5,568,643	\$ (361,730)	-6.5%	\$ 61,561,334	\$ 63,266,901	\$ (1,705,567)	-2.7%	\$ 68,912,400	\$ 7,351,066
Advertising	134,374	61,300	73,074	119.2%	661,155	678,701	(17,546)	-2.6%	740,000	78,845
Contracted Service Revenue	-	6,250	(6,250)	-	-	18,750	(18,750)	-	25,000	25,000
Other	55,588	32,798	22,790	69.5%	414,472	375,972	38,501	10.2%	411,269	(3,203)
Total Operating Revenue	\$ 5,396,874	\$ 5,668,990	\$ (272,116)	-4.8%	\$ 62,636,961	\$ 64,340,323	\$ (1,703,362)	-2.6%	\$ 70,088,669	\$ 7,451,708
Subsidy	9,059,428	10,290,088	(1,230,660)	-12.0%	101,401,791	103,958,290	(2,556,499)	-2.5%	114,294,729	12,892,939
Total Revenue	\$ 14,456,302	\$ 15,959,079	\$ (1,502,777)	-9.4%	\$ 164,038,752	\$ 168,298,613	\$ (4,259,861)	-2.5%	\$ 184,383,398	\$ 20,344,646
EXPENSES										
<u>Personnel</u>										
Wages	\$ 4,891,364	\$ 4,961,128	\$ 69,764	1.4%	\$ 51,347,598	\$ 51,487,833	\$ 140,235	0.3%	\$ 56,341,293	\$ 4,993,695
Fringes	2,323,176	2,599,851	276,675	10.6%	26,597,773	27,592,915	995,142	3.6%	30,048,924	3,451,151
Total Personnel	\$ 7,214,539	\$ 7,560,979	\$ 346,439	4.6%	\$ 77,945,371	\$ 79,080,748	\$ 1,135,376	1.4%	\$ 86,390,217	\$ 8,444,846
<u>Outside Services</u>										
Security	\$ 519,181	\$ 486,976	\$ (32,205)	-6.6%	\$ 4,944,338	\$ 4,832,740	\$ (111,598)	-2.3%	\$ 5,322,613	\$ 378,275
Repair/Maintenance Services	306,136	258,295	(47,841)	-18.5%	3,310,725	3,068,514	(242,212)	-7.9%	3,335,511	24,785
Engine and Transmission Rebuild	134,977	118,817	(16,160)	-13.6%	810,120	868,987	58,867	6.8%	1,012,003	201,883
Other Outside Services	190,920	309,261	118,341	38.3%	2,840,726	3,279,791	439,065	13.4%	3,903,113	1,062,387
Purchased Transportation	4,075,844	4,199,927	124,083	3.0%	44,717,197	45,141,697	424,500	0.9%	49,557,717	4,840,520
Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
Total Outside Services	\$ 5,227,058	\$ 5,373,276	\$ 146,218	2.7%	\$ 56,623,106	\$ 57,191,728	\$ 568,623	1.0%	\$ 63,130,957	\$ 6,507,851
<u>Materials & Supplies</u>										
Lubricants	\$ 21,351	\$ 16,958	\$ (4,393)	-25.9%	\$ 187,102	\$ 149,114	\$ (37,988)	-25.5%	\$ 165,772	\$ (21,330)
Tires	43,665	50,409	6,744	13.4%	527,179	563,874	36,695	6.5%	614,407	87,228
Other Materials and Supplies	998,323	647,712	(350,611)	-54.1%	7,777,750	7,313,621	(464,129)	-6.3%	7,530,370	(247,380)
Total Main. Parts and Supplies	\$ 1,063,339	\$ 715,079	\$ (348,260)	-48.7%	\$ 8,492,032	\$ 8,026,609	\$ (465,422)	-5.8%	\$ 8,310,549	\$ (181,483)
<u>Energy</u>										
Diesel Fuel	\$ 615,485	\$ 545,624	\$ (69,861)	-12.8%	\$ 6,010,257	\$ 5,942,973	\$ (67,285)	-1.1%	\$ 6,488,321	\$ 478,063
CNG	671,602	596,250	(75,352)	-12.6%	6,639,892	6,505,327	(134,565)	-2.1%	7,090,261	450,369
Fuel and Electricity for Facilities	601,901	578,711	(23,190)	-4.0%	6,022,856	6,096,851	73,995	1.2%	6,677,389	654,533
Total Energy	\$ 1,888,989	\$ 1,720,585	\$ (168,404)	-9.8%	\$ 18,673,006	\$ 18,545,151	\$ (127,855)	-0.7%	\$ 20,255,971	\$ 1,582,965
<u>Risk Management</u>										
	\$ 339,229	\$ 501,248	\$ 162,018	32.3%	\$ 4,967,005	\$ 4,715,044	\$ (251,962)	-5.3%	\$ 5,432,070	\$ 465,065
<u>General and Administrative</u>										
	\$ 86,675	\$ 64,912	\$ (21,762)	-33.5%	\$ 579,469	\$ 583,545	\$ 4,076	0.7%	\$ 671,434	\$ 91,966
<u>Vehicle/facility Lease</u>										
	\$ -	\$ 23,000	\$ 23,000	-	\$ 55,642	\$ 155,788	\$ 100,146	64.3%	\$ 192,200	\$ 136,558
TOTAL EXPENSES	\$ 15,819,829	\$ 15,959,079	\$ 139,250	0.9%	\$ 167,335,630	\$ 168,298,613	\$ 962,983	0.6%	\$ 184,383,398	\$ 17,047,768
Total Revenue Less Total Costs	\$ (1,363,527)	\$ -	\$ (1,363,527)	-	\$ (3,296,878)	\$ -	\$ (3,296,878)	-	\$ (0)	\$ 3,296,878
NET OPERATING SUBSIDY	\$ (10,422,955)	\$ (10,290,088)	\$ (132,867)	-1.3%	\$ (104,698,669)	\$ (103,958,290)	\$ (740,379)	-0.7%	\$ (114,294,729)	\$ (9,596,060)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

BUS OPERATIONS (SAN DIEGO TRANSIT CORPORATION)

COMPARISON TO BUDGET - FY 2005

MAY 31, 2005

(in \$000's)

	MONTH			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 1,629	\$ 1,636	\$ (7)	-0.4%
Other Revenue	159	75	85	113.3%
Total Operating Revenue	\$ 1,788	\$ 1,711	\$ 78	4.6%
Subsidy	4,493	4,747	(255)	-5.4%
Total Revenue	\$ 6,281	\$ 6,458	\$ (177)	-2.7%
Wages	\$ 2,769	\$ 2,774	\$ 5	0.2%
Fringes	1,964	2,174	210	9.7%
Services	117	252	135	53.6%
Purchased Transportation	-	-	-	-
Materials	313	371	58	15.6%
Energy	652	596	(56)	-9.4%
Risk Management	157	247	90	36.4%
General and Administrative	52	44	(8)	-18.2%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 6,024	\$ 6,458	\$ 434	6.7%
Total Revenue Less Total Costs	\$ 257	\$ -	\$ 257	100.0%
Net Operating Subsidy	\$ (4,236)	\$ (4,747)	\$ 512	-10.8%

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 19,632	\$ 19,590	\$ 43	0.2%
Other Revenue	812	787	24	3.0%
Total Operating Revenue	\$ 20,444	\$ 20,377	\$ 67	0.3%
Subsidy	45,360	48,698	(3,337)	-6.9%
Total Revenue	\$ 65,804	\$ 69,075	\$ (3,271)	-4.7%
Wages	\$ 29,741	\$ 29,380	\$ (361)	-1.2%
Fringes	22,192	23,146	955	4.1%
Services	2,530	2,850	320	11.2%
Purchased Transportation	-	-	-	-
Materials	4,190	4,222	31	0.7%
Energy	6,596	6,533	(64)	-1.0%
Risk Management	2,767	2,577	(190)	-7.4%
General and Administrative	338	367	29	7.9%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 68,355	\$ 69,075	\$ 720	1.0%
Total Revenue Less Total Costs	\$ (2,550)	\$ -	\$ (2,550)	100.0%
Net Operating Subsidy	\$ (47,911)	\$ (48,698)	\$ 787	1.6%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**BUS OPERATIONS
(SAN DIEGO TRANSIT CORPORATION)**

**FINANCIAL COMPARISON TO BUDGET
ELEVEN MONTHS ENDING MAY 31, 2005**

		CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
FY Month: <u>MAY</u>		ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
REVENUE											
	Passenger Fares	\$ 1,629,010	\$ 1,635,750	\$ (6,740)	-0.4%	\$ 19,632,422	\$ 19,589,596	\$ 42,826	0.2%	\$ 21,180,000	\$ 1,547,578
	Advertising	134,374	61,300	73,074	119.2%	661,155	678,701	(17,546)	-2.6%	740,000	78,845
	Contracted Service Revenue	-	6,250	(6,250)	-	-	18,750	(18,750)	-	25,000	25,000
	Other	25,104	7,500	17,604	234.7%	150,096	90,000	60,096	66.8%	100,000	(50,096)
	Total Operating Revenue	\$ 1,788,488	\$ 1,710,800	\$ 77,688	4.5%	\$ 20,443,672	\$ 20,377,047	\$ 66,625	0.3%	\$ 22,045,000	\$ 1,601,328
	Subsidy	4,492,774	4,747,439	(254,665)	-5.4%	45,360,377	48,697,762	(3,337,385)	-	53,430,998	8,070,621
	Total Revenue	\$ 6,281,262	\$ 6,458,239	\$ (176,978)	-2.7%	\$ 65,804,049	\$ 69,074,809	\$ (3,270,759)	-4.7%	\$ 75,475,998	\$ 9,671,949
EXPENSES											
<u>Personnel</u>											
	Wages	\$ 2,768,834	\$ 2,773,720	\$ 4,886	0.2%	\$ 29,740,800	\$ 29,379,666	\$ (361,134)	-1.2%	\$ 32,034,214	\$ 2,293,414
	Fringes	1,964,361	2,174,257	209,896	9.7%	22,191,712	23,146,355	954,643	4.1%	25,176,772	2,985,060
	Total Personnel	\$ 4,733,195	\$ 4,947,977	\$ 214,782	4.3%	\$ 51,932,512	\$ 52,526,021	\$ 593,509	1.1%	\$ 57,210,986	\$ 5,278,474
<u>Outside Services</u>											
	Security	\$ (3,300)	\$ 30,239	\$ 33,539	110.9%	\$ 608,983	\$ 685,854	\$ 76,871	11.2%	\$ 715,892	\$ 106,909
	Repair/Maintenance Services	32,337	44,081	11,743	26.6%	542,289	511,506	(30,783)	-6.0%	554,345	12,056
	Engine and Transmission Rebuild	59,193	57,817	(1,376)	-2.4%	452,949	455,987	3,038	0.7%	513,800	60,851
	Other Outside Services	28,732	119,917	91,185	76.0%	925,937	1,197,064	271,127	22.6%	1,316,977	391,040
	Purchased Transportation	-	-	-	-	-	-	-	-	-	-
	Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
	Total Outside Services	\$ 116,963	\$ 252,054	\$ 135,091	53.6%	\$ 2,530,158	\$ 2,850,211	\$ 320,053	11.2%	\$ 3,101,014	\$ 570,856
<u>Materials & Supplies</u>											
	Lubricants	\$ 11,098	\$ 10,233	\$ (865)	-8.5%	\$ 115,195	\$ 110,600	\$ (4,595)	-4.2%	\$ 120,530	\$ 5,335
	Tires	43,515	49,034	5,519	11.3%	510,198	539,374	29,176	5.4%	588,407	78,209
	Other Materials and Supplies	258,156	311,751	53,595	17.2%	3,564,849	3,571,689	6,841	0.2%	3,971,966	407,117
	Total Main, Parts and Supplies	\$ 312,769	\$ 371,018	\$ 58,249	15.7%	\$ 4,190,241	\$ 4,221,663	\$ 31,422	0.7%	\$ 4,680,903	\$ 490,662
<u>Energy</u>											
	Diesel Fuel	\$ 265,074	\$ 254,386	\$ (10,688)	-4.2%	\$ 2,792,918	\$ 2,832,477	\$ 39,560	1.4%	\$ 3,079,662	\$ 286,744
	CNG	351,903	298,250	(53,653)	-18.0%	3,353,503	3,219,327	(134,176)	-4.2%	3,508,799	155,296
	Fuel and Electricity for Facilities	35,324	43,700	8,376	19.2%	448,792	480,697	30,905	6.4%	524,400	74,608
	Total Energy	\$ 652,302	\$ 596,336	\$ (55,966)	-9.4%	\$ 6,596,213	\$ 6,532,501	\$ (63,712)	-1.0%	\$ 7,112,861	\$ 516,648
	Risk Management	\$ 156,633	\$ 246,566	\$ 89,933	36.5%	\$ 2,767,145	\$ 2,577,228	\$ (189,916)	-7.4%	\$ 2,958,798	\$ 191,653
	General and Administrative	\$ 52,420	\$ 44,290	\$ (8,130)	-18.4%	\$ 338,271	\$ 367,184	\$ 28,913	7.9%	\$ 411,436	\$ 73,165
	Vehicle/facility Lease	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
	TOTAL EXPENSES	\$ 6,024,281	\$ 6,458,239	\$ 433,958	6.7%	\$ 68,354,540	\$ 69,074,809	\$ 720,269	1.0%	\$ 75,475,998	\$ 7,121,458
	Total Revenue Less Total Costs	\$ 256,980	\$ -	\$ 256,980	-	\$ (2,550,490)	\$ -	\$ (2,550,490)	-	\$ -	\$ 2,550,490
	NET OPERATING SUBSIDY	\$ (4,235,794)	\$ (4,747,439)	\$ 511,646	10.8%	\$ (47,910,867)	\$ (48,697,762)	\$ 786,895	1.6%	\$ (53,430,998)	\$ (5,520,131)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RAIL OPERATIONS CONSOLIDATED (SAN DIEGO TROLLEY INCORPORATED)

COMPARISON TO BUDGET - FY 2005 MAY 31, 2005 (in \$000's)

	MONTH			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 2,035	\$ 2,338	\$ (303)	-13.0%
Other Revenue	30	26	5	19.2%
Total Operating Revenue	\$ 2,065	\$ 2,364	\$ (298)	-12.6%
Subsidy	897	1,778	(881)	-49.6%
Total Revenue	\$ 2,962	\$ 4,141	\$ (1,179)	-28.5%
Wages	\$ 1,947	\$ 1,972	\$ 26	1.3%
Fringes	342	404	62	15.3%
Services	816	714	(102)	-14.3%
Purchased Transportation	-	-	-	-
Materials	740	332	(408)	-122.9%
Energy	586	550	(36)	-6.5%
Risk Management	77	153	76	49.7%
General and Administrative	27	16	(10)	-62.5%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 4,534	\$ 4,141	\$ (393)	-9.5%
Total Revenue Less Total Costs	\$ (1,572)	\$ -	\$ (1,572)	100.0%
Net Operating Subsidy	\$ (2,469)	\$ (1,778)	\$ (691)	38.9%

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 23,504	\$ 24,980	\$ (1,476)	-5.9%
Other Revenue	264	286	(22)	-7.7%
Total Operating Revenue	\$ 23,768	\$ 25,266	\$ (1,498)	-5.9%
Subsidy	18,653	17,313	1,340	7.7%
Total Revenue	\$ 42,421	\$ 42,578	\$ (158)	-0.4%
Wages	\$ 19,519	\$ 19,827	\$ 309	1.6%
Fringes	4,184	4,208	24	0.6%
Services	7,514	7,203	(311)	-4.3%
Purchased Transportation	-	-	-	-
Materials	4,163	3,659	(504)	-13.8%
Energy	5,729	5,767	38	0.7%
Risk Management	1,819	1,749	(70)	-4.0%
General and Administrative	191	166	(25)	-15.1%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 43,118	\$ 42,578	\$ (540)	-1.3%
Total Revenue Less Total Costs	\$ (698)	\$ -	\$ (698)	100.0%
Net Operating Subsidy	\$ (19,350)	\$ (17,313)	\$ (2,038)	11.8%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**RAIL OPERATIONS CONSOLIDATED
(SAN DIEGO TROLLEY INCORPORATED)**

**FINANCIAL COMPARISON TO BUDGET
ELEVEN MONTHS ENDING MAY 31, 2005**

FY Month: <u>611</u>	CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
REVENUE										
Passenger Fares	\$ 2,034,917	\$ 2,338,393	\$ (303,476)	-13.0%	\$ 23,503,592	\$ 24,979,805	\$ (1,476,212)	-5.9%	\$ 27,271,900	\$ 3,768,308
Advertising	-	-	-	-	-	-	-	-	-	-
Contracted Service Revenue	-	-	-	-	-	-	-	-	-	-
Other	30,484	25,298	5,186	20.5%	264,376	285,972	(21,595)	-7.6%	311,269	46,893
Total Operating Revenue	\$ 2,065,401	\$ 2,363,690	\$ (298,290)	-12.6%	\$ 23,767,969	\$ 25,265,776	\$ (1,497,808)	-5.9%	\$ 27,583,169	\$ 3,815,200
Subsidy	897,010	1,777,558	(880,548)	-49.5%	18,652,550	17,312,643	1,339,907	7.7%	18,701,322	48,772
Total Revenue	\$ 2,962,411	\$ 4,141,249	\$ (1,178,838)	-28.5%	\$ 42,420,519	\$ 42,578,419	\$ (157,900)	-0.4%	\$ 46,284,491	\$ 3,863,973
EXPENSES										
<u>Personnel</u>										
Wages	\$ 1,946,511	\$ 1,972,432	\$ 25,922	1.3%	\$ 19,518,810	\$ 19,827,431	\$ 308,621	1.6%	\$ 21,777,490	\$ 2,258,680
Fringes	342,261	403,927	61,666	15.3%	4,184,392	4,208,227	23,835	0.6%	4,612,152	427,761
Total Personnel	\$ 2,288,772	\$ 2,376,359	\$ 87,587	3.7%	\$ 23,703,202	\$ 24,035,657	\$ 332,456	1.4%	\$ 26,389,642	\$ 2,686,441
<u>Outside Services</u>										
Security	\$ 516,512	\$ 449,026	\$ (67,486)	-15.0%	\$ 4,292,273	\$ 4,102,697	\$ (189,576)	-4.6%	\$ 4,551,721	\$ 259,448
Repair/Maintenance Services	261,435	200,814	(60,620)	-30.2%	2,639,110	2,402,908	(236,202)	-9.8%	2,603,674	(35,436)
Engine and Transmission Rebuild	-	-	-	-	-	-	-	-	-	-
Other Outside Services	38,127	64,644	26,517	41.0%	582,608	697,675	115,067	16.5%	794,322	211,714
Purchased Transportation	-	-	-	-	-	-	-	-	-	-
Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
Total Outside Services	\$ 816,073	\$ 714,484	\$ (101,589)	-14.2%	\$ 7,513,991	\$ 7,203,280	\$ (310,711)	-4.3%	\$ 7,949,717	\$ 435,725
<u>Materials & Supplies</u>										
Lubricants	\$ 8,046	\$ 6,058	\$ (1,988)	-32.8%	\$ 66,113	\$ 31,180	\$ (34,933)	-112.0%	\$ 37,242	\$ (28,871)
Tires	-	-	-	-	-	-	-	-	-	-
Other Materials and Supplies	731,803	325,545	(406,258)	-124.8%	4,096,446	3,627,349	(469,097)	-12.9%	3,433,404	(663,042)
Total Main. Parts and Supplies	\$ 739,850	\$ 331,603	\$ (408,247)	-123.1%	\$ 4,162,559	\$ 3,658,529	\$ (504,030)	-13.8%	\$ 3,470,646	\$ (691,913)
<u>Energy</u>										
Diesel Fuel	\$ 30,703	\$ 26,938	\$ (3,765)	-14.0%	\$ 277,397	\$ 284,377	\$ 6,979	2.5%	\$ 311,074	\$ 33,677
CNG	-	-	-	-	-	-	-	-	-	-
Fuel and Electricity for Facilities	555,377	522,859	(32,518)	-6.2%	5,451,454	5,482,211	30,757	0.6%	6,005,072	553,618
Total Energy	\$ 586,080	\$ 549,798	\$ (36,282)	-6.6%	\$ 5,728,851	\$ 5,766,587	\$ 37,736	0.7%	\$ 6,316,146	\$ 587,295
<u>Risk Management</u>	\$ 76,839	\$ 152,762	\$ 75,923	49.7%	\$ 1,818,504	\$ 1,748,815	\$ (69,688)	-4.0%	\$ 1,976,572	\$ 158,069
<u>General and Administrative</u>	\$ 26,533	\$ 16,243	\$ (10,291)	-63.4%	\$ 191,030	\$ 165,550	\$ (25,480)	-15.4%	\$ 181,768	\$ (9,262)
<u>Vehicle/facility Lease</u>	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
TOTAL EXPENSES	\$ 4,534,148	\$ 4,141,249	\$ (392,899)	-9.5%	\$ 43,118,137	\$ 42,578,419	\$ (539,718)	-1.3%	\$ 46,284,491	\$ 3,166,355
Total Revenue Less Total Costs	\$ (1,571,737)	\$ -	\$ (1,571,737)	-	\$ (697,618)	\$ -	\$ (697,618)	-	\$ (0)	\$ 697,618
NET OPERATING SUBSIDY	\$ (2,468,747)	\$ (1,777,558)	\$ (691,189)	-38.9%	\$ (19,350,168)	\$ (17,312,643)	\$ (2,037,525)	-11.8%	\$ (18,701,322)	\$ 648,846

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTED BUS OPERATIONS - FIXED ROUTE

COMPARISON TO BUDGET - FY 2005

MAY 31, 2005

(in \$000's)

	MONTH			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 1,142	\$ 1,162	\$ (20)	-1.7%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 1,142	\$ 1,162	\$ (20)	-1.7%
Subsidy	2,349	2,358	(9)	-0.4%
Total Revenue	\$ 3,491	\$ 3,520	\$ (29)	-0.8%
Wages	\$ 26	\$ 36	\$ 10	27.8%
Fringes	-	-	-	-
Services	119	107	(12)	-11.2%
Purchased Transportation	2,943	2,969	26	0.9%
Materials	-	-	-	-
Energy	455	401	(54)	-13.5%
Risk Management	-	-	-	-
General and Administrative	-	2	1	-
Vehicle/Facility Lease	-	6	6	-
Total Costs	\$ 3,544	\$ 3,520	\$ (23)	-0.7%
Total Revenue Less Total Costs	\$ (52)	\$ -	\$ (52)	100.0%
Net Operating Subsidy	\$ (2,401)	\$ (2,358)	\$ (43)	-1.8%

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 13,799	\$ 14,000	\$ (201)	-1.4%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 13,799	\$ 14,000	\$ (201)	-1.4%
Subsidy	23,802	23,878	(76)	-0.3%
Total Revenue	\$ 37,601	\$ 37,878	\$ (277)	-0.7%
Wages	\$ 291	\$ 360	\$ 69	19.2%
Fringes	-	-	-	-
Services	796	908	112	12.3%
Purchased Transportation	32,069	32,195	126	0.4%
Materials	-	-	-	-
Energy	4,490	4,390	(100)	-2.3%
Risk Management	-	-	-	-
General and Administrative	8	12	4	33.3%
Vehicle/Facility Lease	-	13	13	-
Total Costs	\$ 37,653	\$ 37,878	\$ 225	0.6%
Total Revenue Less Total Costs	\$ (52)	\$ -	\$ (52)	100.0%
Net Operating Subsidy	\$ (23,854)	\$ (23,878)	\$ 24	0.1%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTED BUS OPERATIONS - FIXED ROUTE

**FINANCIAL COMPARISON TO BUDGET
ELEVEN MONTHS ENDING MAY 31, 2005**

FY Month: <u>11</u>	CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
REVENUE										
Passenger Fares	\$ 1,142,234	\$ 1,162,000	\$ (19,766)	-1.7%	\$ 13,799,071	\$ 14,000,000	\$ (200,929)	-1.4%	\$ 15,200,000	\$ 1,400,929
Advertising	-	-	-	-	-	-	-	-	-	-
Contracted Service Revenue	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue	\$ 1,142,234	\$ 1,162,000	\$ (19,766)	-1.7%	\$ 13,799,071	\$ 14,000,000	\$ (200,929)	-1.4%	\$ 15,200,000	\$ 1,400,929
Subsidy	2,349,250	2,358,300	(9,050)	-0.4%	23,801,784	23,877,600	(75,816)	-0.3%	26,341,900	2,540,116
Total Revenue	\$ 3,491,484	\$ 3,520,300	\$ (28,816)	-0.8%	\$ 37,600,855	\$ 37,877,600	\$ (276,745)	-0.7%	\$ 41,541,900	\$ 3,941,045
EXPENSES										
<u>Personnel</u>										
Wages	\$ 25,646	\$ 36,000	\$ 10,354	28.8%	\$ 290,785	\$ 360,000	\$ 69,215	19.2%	\$ 397,000	\$ 106,215
Fringes	-	-	-	-	-	-	-	-	-	-
Total Personnel	\$ 25,646	\$ 36,000	\$ 10,354	28.8%	\$ 290,785	\$ 360,000	\$ 69,215	19.2%	\$ 397,000	\$ 106,215
<u>Outside Services</u>										
Security	\$ 5,969	\$ 7,100	\$ 1,131	15.9%	\$ 34,109	\$ 35,000	\$ 891	2.5%	\$ 45,000	\$ 10,891
Repair/Maintenance Services	-	-	-	-	-	-	-	-	-	-
Engine and Transmission Rebuild	59,314	46,000	(13,314)	-28.9%	305,344	352,000	46,656	13.3%	417,000	111,656
Other Outside Services	53,881	53,700	(181)	-0.3%	457,160	520,700	63,540	12.2%	590,700	133,540
Purchased Transportation	2,943,119	2,969,000	25,881	0.9%	32,068,535	32,195,000	126,465	0.4%	35,267,000	3,198,465
Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
Total Outside Services	\$ 3,062,283	\$ 3,075,800	\$ 13,517	0.4%	\$ 32,865,148	\$ 33,102,700	\$ 237,552	0.7%	\$ 36,319,700	\$ 3,454,552
<u>Materials & Supplies</u>										
Lubricants	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
Tires	-	-	-	-	-	-	-	-	-	-
Other Materials and Supplies	-	-	-	-	-	-	-	-	-	-
Total Main, Parts and Supplies	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
<u>Energy</u>										
Diesel Fuel	\$ 179,128	\$ 150,000	\$ (29,128)	-19.4%	\$ 1,669,064	\$ 1,605,000	\$ (64,064)	-4.0%	\$ 1,760,200	\$ 91,136
CNG	276,343	251,000	(25,343)	-10.1%	2,820,436	2,785,000	(35,436)	-1.3%	3,031,000	210,564
Fuel and Electricity for Facilities	-	-	-	-	-	-	-	-	-	-
Total Energy	\$ 455,471	\$ 401,000	\$ (54,471)	-13.6%	\$ 4,489,500	\$ 4,390,000	\$ (99,500)	-2.3%	\$ 4,791,200	\$ 301,700
<u>Risk Management</u>										
	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
<u>General and Administrative</u>										
	\$ 232	\$ 1,500	\$ 1,268	84.5%	\$ 7,570	\$ 11,900	\$ 4,330	36.4%	\$ 14,000	\$ 6,430
<u>Vehicle/Facility Lease</u>										
	\$ -	\$ 6,000	\$ 6,000	-	\$ -	\$ 13,000	\$ 13,000	-	\$ 20,000	\$ 20,000
TOTAL EXPENSES	\$ 3,543,632	\$ 3,520,300	\$ (23,332)	-0.7%	\$ 37,653,003	\$ 37,877,600	\$ 224,597	0.6%	\$ 41,541,900	\$ 3,888,897
Total Revenue Less Total Costs	\$ (52,148)	\$ -	\$ (52,148)	-	\$ (52,148)	\$ -	\$ (52,148)	-	\$ -	\$ 52,148
NET OPERATING SUBSIDY	\$ (2,401,398)	\$ (2,358,300)	\$ (43,098)	-1.8%	\$ (23,853,932)	\$ (23,877,600)	\$ 23,668	0.1%	\$ (26,341,900)	\$ (2,487,968)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTED BUS OPERATIONS - PARATRANSIT

COMPARISON TO BUDGET - FY 2005

MAY 31, 2005

(in \$000's)

	MONTH			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 134	\$ 130	\$ 4	3.1%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 134	\$ 130	\$ 4	3.1%
Subsidy	853	970	(117)	-12.1%
Total Revenue	\$ 987	\$ 1,100	\$ (113)	-10.3%
Wages	\$ 18	\$ 28	\$ 10	35.7%
Fringes	-	-	-	-
Services	51	48	(3)	-6.3%
Purchased Transportation	733	830	97	11.7%
Materials	-	-	-	-
Energy	91	82	(9)	-11.0%
Risk Management	86	94	8	8.5%
General and Administrative	-	1	1	-
Vehicle/Facility Lease	-	17	17	-
Total Costs	\$ 980	\$ 1,100	\$ 120	10.9%
Total Revenue Less Total Costs	\$ 7	\$ -	\$ 7	100.0%
Net Operating Subsidy	\$ (846)	\$ (970)	\$ 124	12.8%

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 1,314	\$ 1,280	\$ 34	2.7%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 1,314	\$ 1,280	\$ 34	2.7%
Subsidy	8,580	9,008	(428)	-4.8%
Total Revenue	\$ 9,894	\$ 10,288	\$ (394)	-3.8%
Wages	\$ 191	\$ 243	\$ 52	21.4%
Fringes	-	-	-	-
Services	493	486	(7)	-1.4%
Purchased Transportation	8,161	8,454	293	3.5%
Materials	-	-	-	-
Energy	897	863	(34)	-3.9%
Risk Management	86	94	8	8.5%
General and Administrative	3	5	2	40.0%
Vehicle/Facility Lease	56	143	87	60.8%
Total Costs	\$ 9,888	\$ 10,288	\$ 400	3.9%
Total Revenue Less Total Costs	\$ 7	\$ -	\$ 7	100.0%
Net Operating Subsidy	\$ (8,573)	\$ (9,008)	\$ 435	4.8%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTED BUS OPERATIONS - PARATRANSIT

**FINANCIAL COMPARISON TO BUDGET
ELEVEN MONTHS ENDING MAY 31, 2005**

		CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
FY Month: <u>11</u>		ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
REVENUE											
	Passenger Fares	\$ 133,765	\$ 130,000	\$ 3,765	2.9%	\$ 1,314,350	\$ 1,280,000	\$ 34,350	2.7%	\$ 1,535,000	\$ 220,650
	Advertising	-	-	-	-	-	-	-	-	-	-
	Contracted Service Revenue	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-
	Total Operating Revenue	\$ 133,765	\$ 130,000	\$ 3,765	2.9%	\$ 1,314,350	\$ 1,280,000	\$ 34,350	2.7%	\$ 1,535,000	\$ 220,650
	Subsidy	852,825	969,900	(117,075)	-12.1%	8,579,951	9,007,829	(427,878)	-4.8%	9,791,429	1,211,478
	Total Revenue	\$ 986,590	\$ 1,099,900	\$ (113,310)	-10.3%	\$ 9,894,301	\$ 10,287,829	\$ (393,528)	-3.8%	\$ 11,326,429	\$ 1,432,128
EXPENSES											
	<u>Personnel</u>										
	Wages	\$ 18,195	\$ 28,000	\$ 9,805	35.0%	\$ 191,371	\$ 243,000	\$ 51,629	21.2%	\$ 271,000	\$ 79,629
	Fringes	-	-	-	-	-	-	-	-	-	-
	Total Personnel	\$ 18,195	\$ 28,000	\$ 9,805	35.0%	\$ 191,371	\$ 243,000	\$ 51,629	21.2%	\$ 271,000	\$ 79,629
	<u>Outside Services</u>										
	Security	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
	Repair/Maintenance Services	-	-	-	-	-	-	-	-	-	-
	Engine and Transmission Rebuild	11,683	-	(11,683)	-	21,542	-	(21,542)	-	-	(21,542)
	Other Outside Services	39,492	48,000	8,508	17.7%	470,991	486,000	15,009	3.1%	534,300	63,309
	Purchased Transportation	733,088	830,000	96,912	11.7%	8,161,160	8,454,000	292,840	3.5%	9,305,000	1,143,840
	Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
	Total Outside Services	\$ 784,263	\$ 878,000	\$ 93,737	10.7%	\$ 8,653,693	\$ 8,940,000	\$ 286,307	3.2%	\$ 9,839,300	\$ 1,185,607
	<u>Materials & Supplies</u>										
	Lubricants	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
	Tires	-	-	-	-	-	-	-	-	-	-
	Other Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Total Main. Parts and Supplies	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
	<u>Energy</u>										
	Diesel Fuel	\$ 91,275	\$ 82,000	\$ (9,275)	-11.3%	\$ 897,381	\$ 863,000	\$ (34,381)	-4.0%	\$ 943,929	\$ 46,548
	CNG	-	-	-	-	-	-	-	-	-	-
	Fuel and Electricity for Facilities	-	-	-	-	-	-	-	-	-	-
	Total Energy	\$ 91,275	\$ 82,000	\$ (9,275)	-11.3%	\$ 897,381	\$ 863,000	\$ (34,381)	-4.0%	\$ 943,929	\$ 46,548
	<u>Risk Management</u>	\$ 86,000	\$ 94,000	\$ 8,000	8.5%	\$ 86,000	\$ 94,000	\$ 8,000	8.5%	\$ 94,000	\$ 8,000
	<u>General and Administrative</u>	\$ 87	\$ 900	\$ 813	90.3%	\$ 3,444	\$ 5,041	\$ 1,597	31.7%	\$ 6,000	\$ 2,556
	<u>Vehicle/facility Lease</u>	\$ -	\$ 17,000	\$ 17,000	-	\$ 55,642	\$ 142,788	\$ 87,146	61.0%	\$ 172,200	\$ 116,558
	TOTAL EXPENSES	\$ 979,820	\$ 1,099,900	\$ 120,080	10.9%	\$ 9,887,531	\$ 10,287,829	\$ 400,298	3.9%	\$ 11,326,429	\$ 1,438,898
	Total Revenue Less Total Costs	\$ 6,770	\$ -	\$ 6,770	-	\$ 6,770	\$ -	\$ 6,770	-	\$ -	\$ (6,770)
	NET OPERATING SUBSIDY	\$ (846,055)	\$ (969,900)	\$ 123,845	12.8%	\$ (8,573,181)	\$ (9,007,829)	\$ 434,648	4.8%	\$ (9,791,429)	\$ (1,218,248)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CHULA VISTA TRANSIT - CONSOLIDATED TRANSIT

COMPARISON TO BUDGET - FY 2005

MAY 31, 2005

(in \$000's)

	MONTH			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 178	\$ 195	\$ (17)	-8.7%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 178	\$ 195	\$ (17)	-8.7%
Subsidy	349	347	3	0.9%
Total Revenue	\$ 528	\$ 542	\$ (14)	-2.6%
Wages	\$ 44	\$ 57	\$ 13	22.8%
Fringes	-	-	-	-
Services	18	25	7	28.0%
Purchased Transportation	389	390	1	0.3%
Materials	-	-	-	-
Energy	72	69	(3)	-4.3%
Risk Management	-	-	-	-
General and Administrative	6	1	(5)	-500.0%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 529	\$ 542	\$ 13	2.4%
Total Revenue Less Total Costs	\$ (1)	\$ -	\$ (1)	100.0%
Net Operating Subsidy	\$ (350)	\$ (347)	\$ (4)	-1.2%

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 2,188	\$ 2,225	\$ (37)	-1.7%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 2,188	\$ 2,225	\$ (37)	-1.7%
Subsidy	3,736	3,802	(66)	-1.7%
Total Revenue	\$ 5,924	\$ 6,027	\$ (103)	-1.7%
Wages	\$ 558	\$ 597	\$ 39	6.5%
Fringes	-	-	-	-
Services	266	301	36	12.0%
Purchased Transportation	4,367	4,373	5	0.1%
Materials	-	-	-	-
Energy	711	740	29	3.9%
Risk Management	-	-	-	-
General and Administrative	21	15	(6)	-40.0%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 5,924	\$ 6,027	\$ 102	1.7%
Total Revenue Less Total Costs	\$ (1)	\$ -	\$ (1)	100.0%
Net Operating Subsidy	\$ (3,736)	\$ (3,802)	\$ 65	1.7%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CHULA VISTA TRANSIT - CONSOLIDATED TRANSIT

**FINANCIAL COMPARISON TO BUDGET
ELEVEN MONTHS ENDING MAY 31, 2005**

		CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
FY Month: <u>11</u>		ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
REVENUE											
	Passenger Fares	\$ 178,491	\$ 195,000	\$ (16,509)	-8.5%	\$ 2,187,730	\$ 2,225,000	\$ (37,270)	-1.7%	\$ 2,425,000	\$ 237,270
	Advertising	-	-	-	-	-	-	-	-	-	-
	Contracted Service Revenue	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-
	Total Operating Revenue	\$ 178,491	\$ 195,000	\$ (16,509)	-8.5%	\$ 2,187,730	\$ 2,225,000	\$ (37,270)	-1.7%	\$ 2,425,000	\$ 237,270
	Subsidy	349,463	346,536	2,927	0.8%	3,735,829	3,801,573	(65,744)	-1.7%	4,377,218	641,389
	Total Revenue	\$ 527,954	\$ 541,536	\$ (13,582)	-2.5%	\$ 5,923,559	\$ 6,026,573	\$ (103,014)	-1.7%	\$ 6,802,218	\$ 878,659
EXPENSES											
	<u>Personnel</u>										
	Wages	\$ 43,971	\$ 56,976	\$ 13,005	22.8%	\$ 557,864	\$ 596,736	\$ 38,872	6.5%	\$ 653,589	\$ 95,725
	Fringes	-	-	-	-	-	-	-	-	-	-
	Total Personnel	\$ 43,971	\$ 56,976	\$ 13,005	22.8%	\$ 557,864	\$ 596,736	\$ 38,872	6.5%	\$ 653,589	\$ 95,725
	<u>Outside Services</u>										
	Security	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
	Repair/Maintenance Services	6,147	7,000	853	12.2%	85,385	90,500	5,115	5.7%	107,492	22,107
	Engine and Transmission Rebuild	4,787	15,000	10,213	68.1%	30,285	61,000	30,715	50.4%	81,203	50,918
	Other Outside Services	7,271	3,000	(4,271)	-142.4%	150,396	150,352	(44)	0.0%	188,814	38,418
	Purchased Transportation	388,710	390,000	1,290	0.3%	4,367,305	4,372,500	5,195	0.1%	4,854,593	487,288
	Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
	Total Outside Services	\$ 406,915	\$ 415,000	\$ 8,085	1.9%	\$ 4,633,371	\$ 4,674,352	\$ 40,981	0.9%	\$ 5,232,102	\$ 598,731
	<u>Materials & Supplies</u>										
	Lubricants	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
	Tires	-	-	-	-	-	-	-	-	-	-
	Other Materials and Supplies	-	-	-	-	-	-	-	-	-	-
	Total Main. Parts and Supplies	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
	<u>Energy</u>										
	Diesel Fuel	\$ 19,238	\$ 12,000	\$ (7,238)	-60.3%	\$ 143,872	\$ 128,500	\$ (15,372)	-12.0%	\$ 142,618	\$ (1,254)
	CNG	43,356	47,000	3,644	7.8%	465,953	501,000	35,047	7.0%	550,462	84,509
	Fuel and Electricity for Facilities	9,467	10,035	568	5.7%	101,638	110,660	9,022	8.2%	122,517	20,879
	Total Energy	\$ 72,061	\$ 69,035	\$ (3,026)	-4.4%	\$ 711,463	\$ 740,160	\$ 28,697	3.9%	\$ 815,597	\$ 104,134
	<u>Risk Management</u>	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ 62,700	\$ 62,700
	<u>General and Administrative</u>	\$ 5,606	\$ 525	\$ (5,081)	-967.8%	\$ 21,460	\$ 15,325	\$ (6,135)	-40.0%	\$ 38,230	\$ 16,770
	<u>Vehicle/facility Lease</u>	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
	TOTAL EXPENSES	\$ 528,553	\$ 541,536	\$ 12,983	2.4%	\$ 5,924,158	\$ 6,026,573	\$ 102,415	1.7%	\$ 6,802,218	\$ 878,060
	Total Revenue Less Total Costs	\$ (599)	\$ -	\$ (599)	-	\$ (599)	\$ -	\$ (599)	-	\$ -	\$ 599
	NET OPERATING SUBSIDY	\$ (350,062)	\$ (346,536)	\$ (3,526)	-1.0%	\$ (3,736,428)	\$ (3,801,573)	\$ 65,145	1.7%	\$ (4,377,218)	\$ (640,790)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

NATIONAL CITY TRANSIT

COMPARISON TO BUDGET - FY 2005

MAY 31, 2005

(in \$000's)

	MONTH			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 88	\$ 108	\$ (19)	-17.6%
Other Revenue	-	(1)	-	-
Total Operating Revenue	\$ 88	\$ 108	\$ (19)	-17.6%
Subsidy	107	79	28	35.4%
Total Revenue	\$ 196	\$ 187	\$ 9	4.8%
Wages	\$ 88	\$ 94	\$ 6	6.4%
Fringes	17	22	5	22.7%
Services	30	27	(3)	-11.1%
Purchased Transportation	-	-	-	-
Materials	11	12	2	16.7%
Energy	32	22	(9)	-40.9%
Risk Management	20	8	(12)	-150.0%
General and Administrative	2	1	-	0.0%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 198	\$ 187	\$ (12)	-6.4%
Total Revenue Less Total Costs	\$ (3)	\$ -	\$ (3)	100.0%
Net Operating Subsidy	\$ (110)	\$ (79)	\$ (31)	-39.2%

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 1,124	\$ 1,193	\$ (68)	-5.7%
Other Revenue	-	(1)	-	-
Total Operating Revenue	\$ 1,124	\$ 1,193	\$ (68)	-5.7%
Subsidy	1,151	1,141	10	0.9%
Total Revenue	\$ 2,275	\$ 2,333	\$ (58)	-2.5%
Wages	\$ 1,048	\$ 1,081	\$ 33	3.1%
Fringes	222	238	17	7.1%
Services	307	301	(6)	-2.0%
Purchased Transportation	-	-	-	-
Materials	139	146	7	4.8%
Energy	250	253	3	1.2%
Risk Management	295	295	-	0.0%
General and Administrative	19	19	-	0.0%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 2,279	\$ 2,333	\$ 54	2.3%
Total Revenue Less Total Costs	\$ (4)	\$ -	\$ (4)	100.0%
Net Operating Subsidy	\$ (1,155)	\$ (1,141)	\$ (15)	-1.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

NATIONAL CITY TRANSIT

**FINANCIAL COMPARISON TO BUDGET
ELEVEN MONTHS ENDING MAY 31, 2005**

		CURRENT MONTH COMPARISON				YEAR TO DATE COMPARISON				FULL YEAR	
FY Month: <u>11</u>		ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR	AMENDED BUDGET	REMAINING
REVENUE											
	Passenger Fares	\$ 88,496	\$ 107,500	\$ (19,004)	-17.7%	\$ 1,124,170	\$ 1,192,500	\$ (68,330)	-5.7%	\$ 1,300,500	\$ 176,330
	Advertising	-	-	-	-	-	-	-	-	-	-
	Contracted Service Revenue	-	-	-	-	-	-	-	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-
	Total Operating Revenue	\$ 88,496	\$ 107,500	\$ (19,004)	-17.7%	\$ 1,124,170	\$ 1,192,500	\$ (68,330)	-5.7%	\$ 1,300,500	\$ 176,330
	Subsidy	107,179	79,428	27,752	34.9%	1,151,103	1,140,686	10,416	0.9%	1,520,738	369,635
	Total Revenue	\$ 195,676	\$ 186,928	\$ 8,748	4.7%	\$ 2,275,272	\$ 2,333,186	\$ (57,914)	-2.5%	\$ 2,821,238	\$ 545,966
EXPENSES											
<u>Personnel</u>											
	Wages	\$ 88,207	\$ 94,000	\$ 5,793	6.2%	\$ 1,047,968	\$ 1,081,000	\$ 33,032	3.1%	\$ 1,208,000	\$ 160,032
	Fringes	16,554	21,667	5,113	23.6%	221,669	238,333	16,664	7.0%	260,000	38,331
	Total Personnel	\$ 104,761	\$ 115,667	\$ 10,906	9.4%	\$ 1,269,638	\$ 1,319,333	\$ 49,695	3.8%	\$ 1,468,000	\$ 198,362
<u>Outside Services</u>											
	Security	\$ -	\$ 611	\$ 611	-	\$ 9,178	\$ 9,389	\$ 211	2.3%	\$ 10,000	\$ 823
	Repair/Maintenance Services	6,217	6,400	183	2.9%	43,941	63,600	19,659	30.9%	70,000	26,059
	Engine and Transmission Rebuild	-	-	-	-	-	-	-	-	-	-
	Other Outside Services	23,417	20,000	(3,417)	-17.1%	253,634	228,000	(25,634)	-11.2%	478,000	224,366
	Purchased Transportation	-	-	-	-	-	-	-	-	-	-
	Other Contracted Bus Services	-	-	-	-	-	-	-	-	-	-
	Total Outside Services	\$ 29,634	\$ 27,011	\$ (2,623)	-9.7%	\$ 306,753	\$ 300,989	\$ (5,764)	-1.9%	\$ 558,000	\$ 251,247
<u>Materials & Supplies</u>											
	Lubricants	\$ 2,206	\$ 667	\$ (1,539)	-230.9%	\$ 5,794	\$ 7,333	\$ 1,539	21.0%	\$ 8,000	\$ 2,206
	Tires	151	1,375	1,224	89.0%	16,982	24,500	7,518	30.7%	26,000	9,018
	Other Materials and Supplies	8,364	10,417	2,053	19.7%	116,455	114,583	(1,872)	-1.6%	125,000	8,545
	Total Main. Parts and Supplies	\$ 10,721	\$ 12,458	\$ 1,738	13.9%	\$ 139,231	\$ 146,417	\$ 7,185	4.9%	\$ 159,000	\$ 19,769
<u>Energy</u>											
	Diesel Fuel	\$ 30,067	\$ 20,300	\$ (9,767)	-48.1%	\$ 229,625	\$ 229,619	\$ (6)	0.0%	\$ 250,838	\$ 21,213
	CNG	-	-	-	-	-	-	-	-	-	-
	Fuel and Electricity for Facilities	1,733	2,117	384	18.1%	19,972	23,283	3,311	14.2%	25,400	5,428
	Total Energy	\$ 31,800	\$ 22,417	\$ (9,383)	-41.9%	\$ 249,597	\$ 252,902	\$ 3,305	1.3%	\$ 276,238	\$ 26,641
<u>Risk Management</u>		\$ 19,757	\$ 7,920	\$ (11,837)	-149.5%	\$ 295,357	\$ 295,000	\$ (357)	-0.1%	\$ 340,000	\$ 44,643
<u>General and Administrative</u>		\$ 1,796	\$ 1,455	\$ (341)	-23.5%	\$ 18,865	\$ 18,545	\$ (320)	-1.7%	\$ 20,000	\$ 1,135
<u>Vehicle/facility Lease</u>		\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -	\$ -
	TOTAL EXPENSES	\$ 198,468	\$ 186,928	\$ (11,540)	-6.2%	\$ 2,279,441	\$ 2,333,186	\$ 53,746	2.3%	\$ 2,821,238	\$ 541,797
	Total Revenue Less Total Costs	\$ (2,792)	\$ -	\$ (2,792)	-	\$ (4,168)	\$ -	\$ (4,168)	-	\$ -	\$ 4,168
	NET OPERATING SUBSIDY	\$ (109,972)	\$ (79,428)	\$ (30,544)	-38.5%	\$ (1,155,271)	\$ (1,140,686)	\$ (14,585)	-1.3%	\$ (1,520,738)	\$ (365,467)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CORONADO FERRY

COMPARISON TO BUDGET - FY 2005

MAY 31, 2005

(in \$000's)

	MONTH			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Subsidy	11	11	-	0.0%
Total Revenue	\$ 11	\$ 11	\$ -	0.0%
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	\$ -	\$ -	\$ -	-
Net Operating Subsidy	\$ (11)	\$ (11)	\$ -	0.0%

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Subsidy	120	120	-	0.0%
Total Revenue	\$ 120	\$ 120	\$ -	0.0%
Wages	\$ -	\$ -	\$ -	-
Fringes	-	-	-	-
Services	-	-	-	-
Purchased Transportation	120	120	-	0.0%
Materials	-	-	-	-
Energy	-	-	-	-
Risk Management	-	-	-	-
General and Administrative	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 120	\$ 120	\$ -	0.0%
Total Revenue Less Total Costs	\$ -	\$ -	\$ -	-
Net Operating Subsidy	\$ (120)	\$ (120)	\$ -	0.0%

Metropolitan Transit System FY 2005 - May 2005 Financial Review

MTS Board of Directors Meeting
July 14, 2005



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

COMBINED OPERATIONS

MONTH TO DATE / YEAR TO DATE HIGHLIGHTS

(in 000's)

	MONTH TO DATE	YEAR TO DATE
COMBINED NET OPERATING SUBSIDY VARIANCE		
Operations	(133)	(740)
General Fund	(5)	467
Total Combined Net Operating Subsidy Variance	(138)	(273)



**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
COMBINED MTS TRANSIT OPERATORS
COMPARISON TO AMENDED BUDGET - FY 2005
FISCAL YEAR TO DATE, MAY 31, 2005
(in \$000's)**

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR
Fare Revenue	\$61,561	\$63,267	(\$1,706)	-2.7%
Other Revenue	1,076	1,073	3	0.3%
Total Operating Revenue	62,637	64,340	(1,703)	-2.6%
Wages/Fringes	77,946	79,081	1,135	1.4%
Purchased Transportation	44,717	45,142	425	0.9%
Energy	18,673	18,545	(128)	-0.7%
Other Expenses	26,000	25,532	(469)	-1.8%
Total Costs	167,336	168,299	963	0.6%
Net Operating Subsidy	(\$104,699)	(\$103,958)	(\$740)	-0.7%



**Net Operating Subsidy Variance Summary
May 2005**

	Month to Date Variance	Year to Date Variance
• Rail Operations Fare Revenue	\$ (303)	\$ (1,476)
• Rail Operations Materials and Supplies	(408)	(504)
• Combined Risk Management	162	(252)
• Contracted Services - Fixed Route Fare Revenue	(20)	(201)
• Combined Personnel Expenses	346	1,135
• Combined Other Outside Services	146	569
• All Other Net Operations	(56)	(11)
• Overall net operating subsidy positive variance	\$ (133)	\$ (740)



SAN DIEGO METROPOLITAN TRANSIT SYSTEM				
COMBINED OPERATIONS				
TRANSIT OPERATORS NET SUBSIDY AND OTHER EXPENDITURES				
COMPARISON TO AMENDED BUDGET - FY 2005				
FISCAL YEAR TO DATE, MAY 31, 2005				
(in \$000's)				
	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Transit Operators' Net Subsidy				
Internal Bus Operations	47,911	48,698	787	1.6%
Rail Operations	19,351	17,312	(2,037)	-11.8%
Contracted Bus Operations - Fixed Route	23,854	23,878	24	0.1%
Contracted Bus Operations - Para Transit	8,573	9,008	435	4.8%
Other Operators	5,011	5,062	50	1.0%
Total Transit Operators Net Subsidy	104,699	103,958	(740)	-0.7%
Other Expenditures				
Administrative Pass Thru	344	344	0	0.0%
Taxicab Administration	(40)	(53)	(13)	24.1%
San Diego and Arizona Eastern	21	68	47	69.1%
Debt Service	0	0	0	-
General Fund	5,684	6,118	433	7.1%
Grand Total Expenditures	110,708	110,434	(273)	-0.2%



Metropolitan Transit System

FY 2005 - May 2005

Financial Review

MTS Board of Directors Meeting
July 14, 2005



SAN DIEGO METROPOLITAN TRANSIT SYSTEM				
COMBINED OPERATIONS				
TRANSIT OPERATORS NET SUBSIDY AND OTHER EXPENDITURES				
COMPARISON TO AMENDED BUDGET - FY 2005				
MAY 31, 2005				
(in \$000's)				
	MONTH			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VARIANCE
Transit Operators' Net Subsidy				
Internal Bus Operations	4,236	4,747	512	10.8%
Rail Operations	2,468	1,778	(691)	-38.9%
Contracted Bus Operations - Fixed Route	2,401	2,358	(43)	-1.8%
Contracted Bus Operations - Para Transit	846	970	124	12.8%
Other Operators	471	437	(34)	-7.8%
Total Transit Operators Net Subsidy	10,423	10,290	(133)	-1.3%
Other Expenditures				
Administrative Pass Thru	0	0	0	-
Taxicab Administration	28	3	(25)	-783.3%
San Diego and Arizona Eastern	25	12	(12)	-101.7%
Debt Service	0	0	0	-
General Fund	658	690	32	4.6%
Grand Total Expenditures	11,134	10,996	(138)	-1.3%



SAN DIEGO METROPOLITAN TRANSIT SYSTEM				
COMBINED MTS TRANSIT OPERATORS				
COMPARISON TO AMENDED BUDGET - FY 2005				
MAY 31, 2005				
(in \$000's)				
	MONTH			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR
Fare Revenue	\$5,207	\$5,569	(\$362)	-6.5%
Other Revenue	190	100	90	90.0%
Total Operating Revenue	5,397	5,669	(272)	-4.8%
Wages/Fringes	7,214	7,561	347	4.6%
Purchased Transportation	4,076	4,200	124	3.0%
Energy	1,889	1,721	(168)	-9.8%
Other Expenses	2,640	2,477	(163)	-6.6%
Total Costs	15,820	15,959	139	0.9%
Net Operating Subsidy	(\$10,423)	(\$10,290)	(\$133)	-1.3%



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Fiscal Year 2005

Energy Information

	Diesel		CNG	
	Actual Rate	Amended Budget Rate	Actual Rate	Amended Budget Rate
May 2005	1.869	1.600	1.133	1.050
YTD April 2005	1.658	1.600	1.056	1.050



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

COMBINED FARE REVENUE

MAY 31, 2005

(in \$000's)

	MONTH			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR
Internal Bus Operations	\$ 1,629	\$ 1,636	\$ (7)	-0.4%
Rail Operations	2,035	2,338	(303)	-13.0%
Contracted Bus Ops - Fixed Route	1,142	1,162	(20)	-1.7%
Contracted Bus Ops - Para Transit	134	130	4	3.1%
Chula Vista Transit	178	195	(17)	-8.7%
National City Transit	88	108	(19)	-17.6%
Total Fare Revenue	\$ 5,207	\$ 5,569	\$ (362)	-6.5%



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

COMBINED FARE REVENUE

MAY 31, 2005

(in \$000's)

	YTD			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR
Internal Bus Operations	\$ 19,632	\$ 19,590	\$ 43	0.2%
Rail Operations	23,504	24,980	(1,476)	-5.9%
Contracted Bus Ops - Fixed Route	13,799	14,000	(201)	-1.4%
Contracted Bus Ops - Para Transit	1,314	1,280	34	2.7%
Chula Vista Transit	2,188	2,225	(37)	-1.7%
National City Transit	1,124	1,193	(68)	-5.7%
Total Fare Revenue	\$ 61,561	\$ 63,268	\$ (1,705)	-2.7%





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

Agenda

Item No. 46

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

OPS 920.1, 960.5, 970.5
(PC 50451)

July 14, 2005

Subject:

MTS: MAY MONTHLY PERFORMANCE INDICATORS

RECOMMENDATION:

That the Board of Directors receive this report for information.

Budget Impact

None.

DISCUSSION

Operating Environment

The following report is a summary of the MTS operational statistics for May 2005, month 11 of FY 2005. There were 21 operational weekdays and 9 weekend days of service. Padres regular season games continued at PETCO Park, with 12 games played at the stadium during the month. A Sunday schedule of service was operated on Memorial Day, May 30.

Service Statistics

The following are the relevant service statistics for May 2005, categorized by performance indicator. Charts based on the statistics are provided in Attachments A through D.

- Service Effectiveness

- The MTS system carried 6,229,993 passengers in May with 3,809,162 traveling on MTS buses and 2,420,831 passengers traveling on MTS rail.



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS 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.

- MTS rail carried 208.46 passengers per revenue hour. The MTS bus system carried 26.03 passengers per revenue hour with fixed-route services performing at 28.91 passengers per revenue hour.
- Service Reliability
 - On-time Performance: MTS system wide on-time performance for May was 90.7%. MTS bus maneuvered better through the 12 games played at PETCO Park and reported 89.0% of its trips as being on time. MTS rail reported 94.0% of its trips on time.
 - Mean Distance Between Failures (MDBF): MTS bus was 15,948 miles overall for the month of May. Of significant note, San Diego Transit Corporation bus operations were 388 miles shy of achieving 20,000 miles between failures. There were no major failures on MTS rail; the MDBF was 608,573 car miles.
- Quality of Service
 - MTS bus had 2.96 total collisions per 100,000 miles. MTS Rail had 6 collisions, with a rate of 0.99 collisions per 100,000 miles.
 - Non-ADA customer complaints reported 11.85 complaints per 100,000 passengers. There were 13 ADA complaints, which represented 0.05% of total ADA ridership.



Paul C. Jablonski
Chief Executive Officer

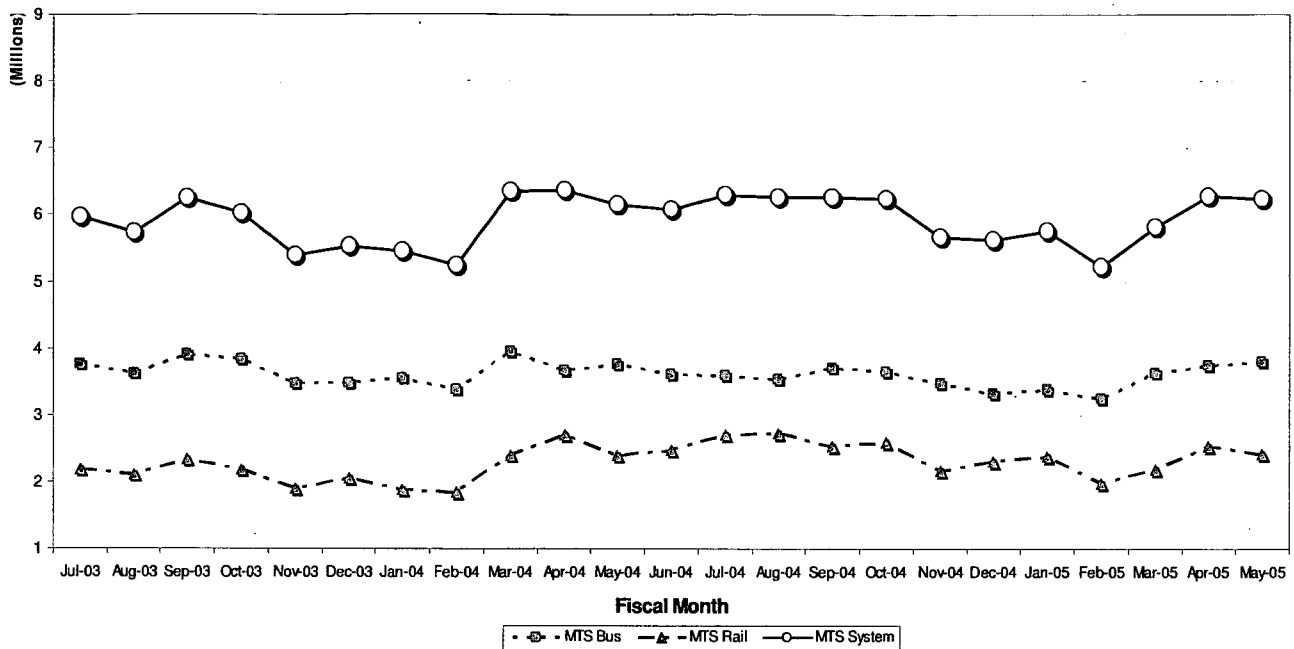
Key Staff Contact: Anika-Aduesa deSilva, 619.595.4901, anika.desilva@sdmts.com

JGarde
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Attachments: A. MTS System Ridership, On-Time Performance (Bus, Rail, System)
B. MTS Mean Distance Between Mechanical Failures (Bus, Rail)
C. MTS Total Collision Accidents (Bus, Rail)
D. MTS Customer Complaints (Non-ADA Service)

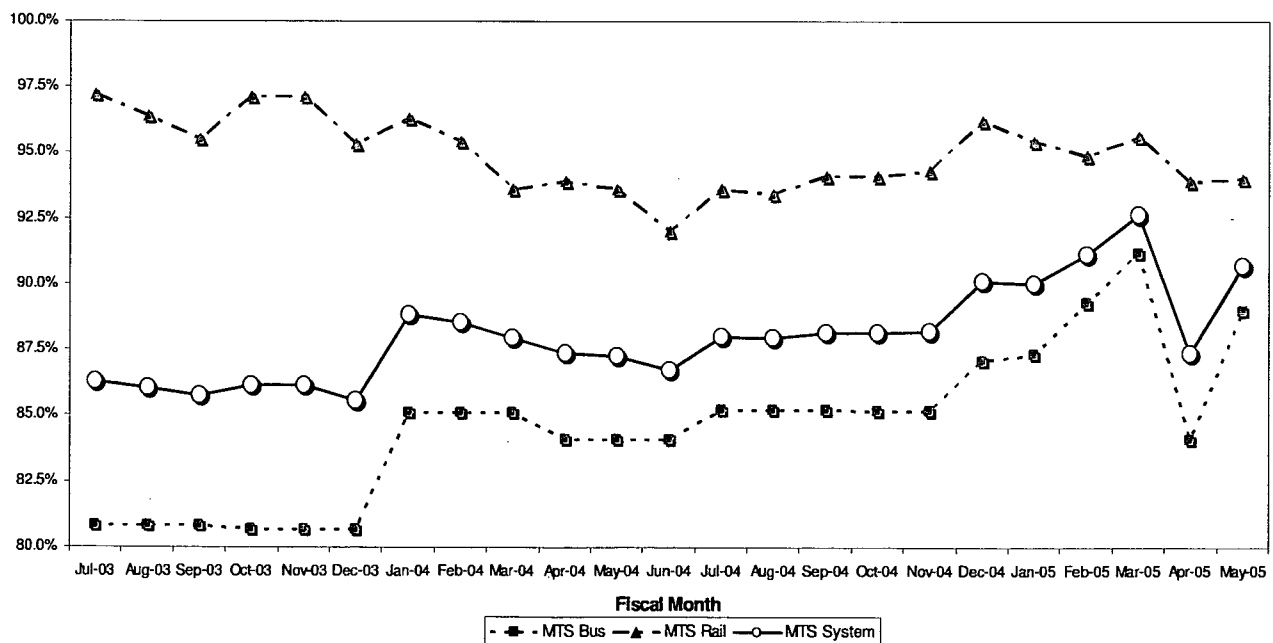
RIDERSHIP

System Ridership
FY 2004 to Present



ON TIME PERFORMANCE

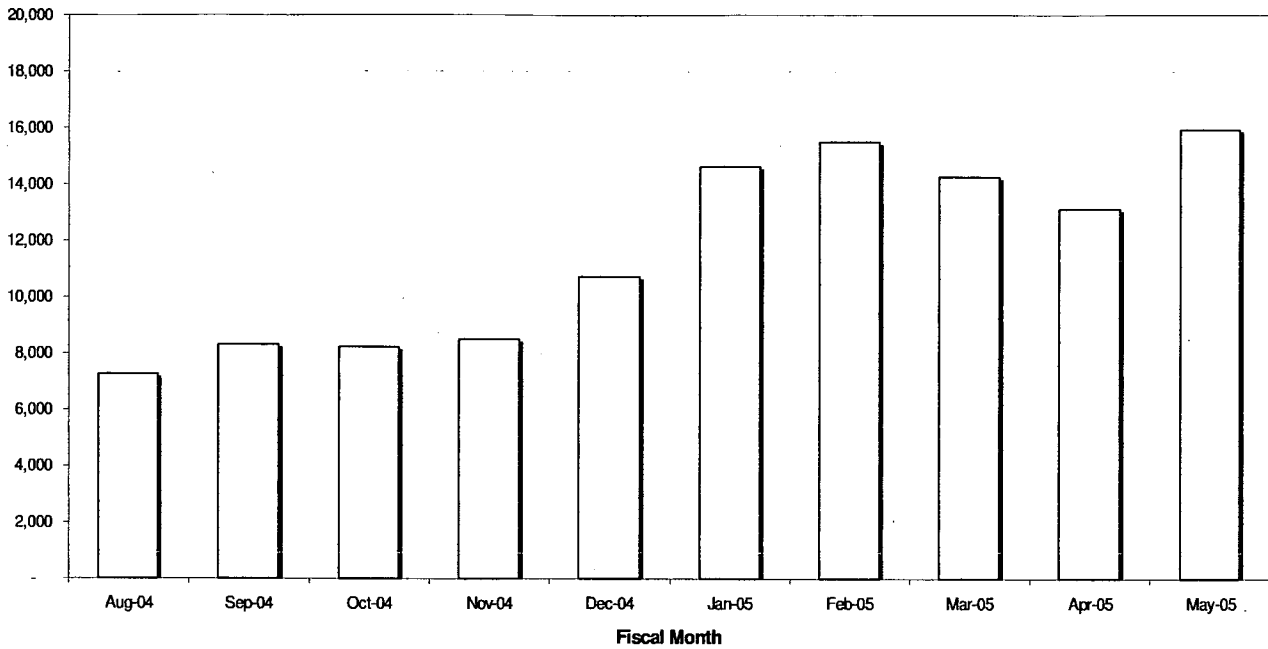
System On Time Performance
FY 2004 to Present



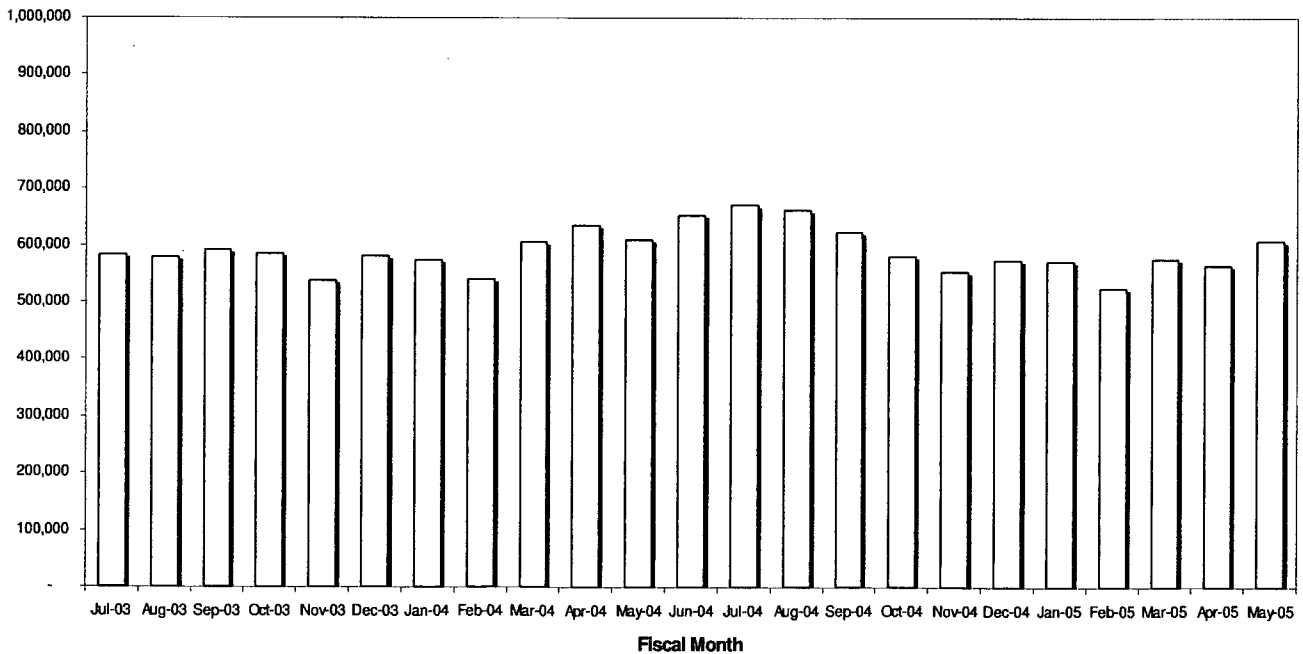
MEAN DISTANCE BETWEEN MECHANICAL FAILURES

Att. B, AI 46, 7/14/05, OPS 920.1
OPS 960.5
OPS 970.5

**Bus Mean Distance Between Failures
FY 2004 to Present**



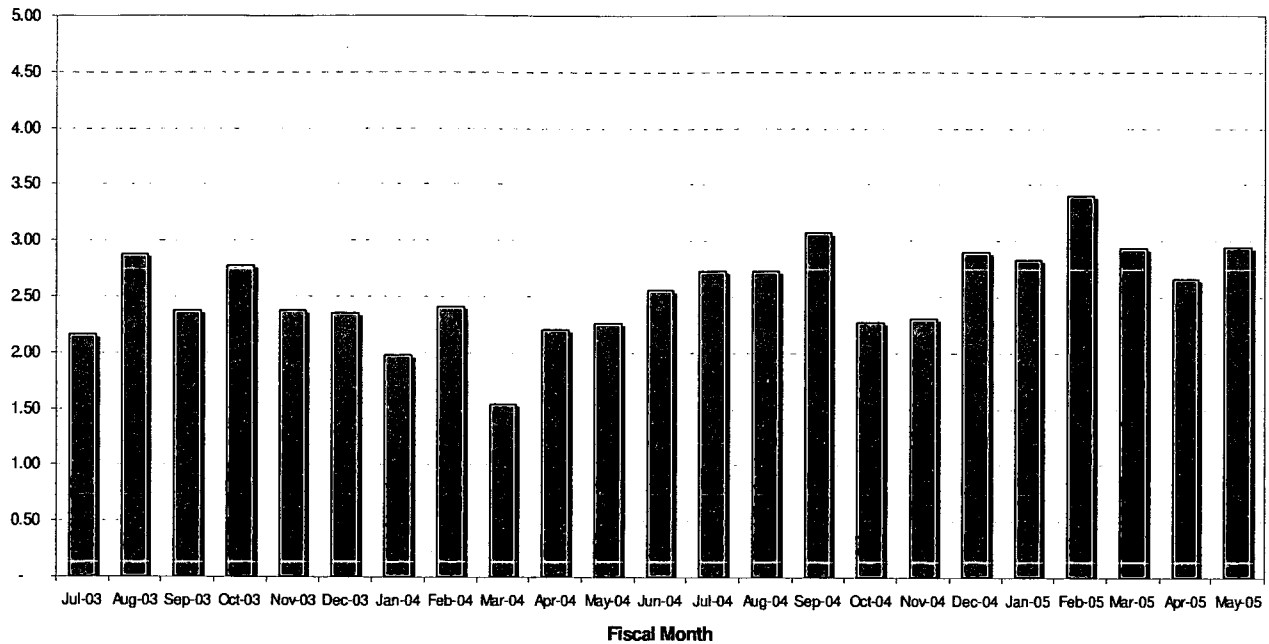
**Rail Mean Distance Between Failures
FY 2004 to Present**



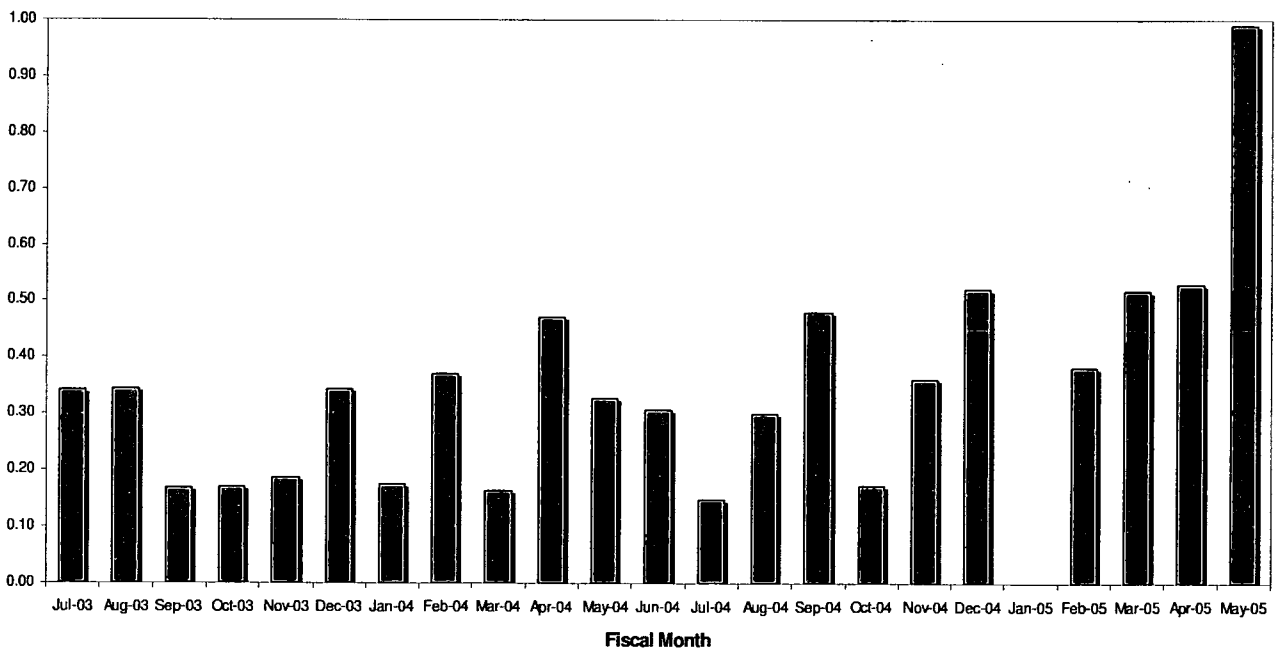
TOTAL COLLISION ACCIDENTS (PER 100,000 MILES)

Att. C, AI 46, 7/14/05, OPS 920.1
OPS 960.5
OPS 970.5

Bus Total Collision Accidents (per 100,000 Miles)
FY 2004 to Present



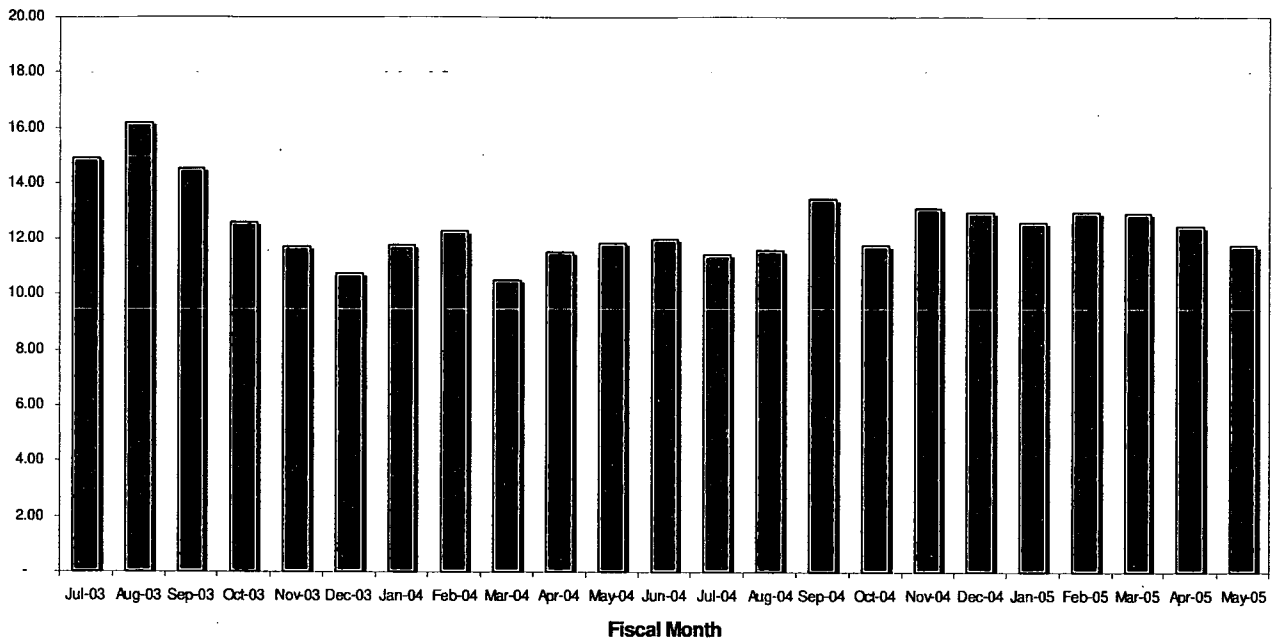
Rail Total Collision Accidents (per 100,000 Miles)
FY 2004 to Present



CUSTOMER COMPLAINTS

Att. D, AI 46, 7/14/05, OPS 920.1
OPS 960.5
OPS 970.5

Bus Non-ADA Customer Complaints (per 100,000 Passengers)
FY 2004 to Present



Metropolitan Transit System

May 2005 Monthly Performance Indicators

July 14, 2005

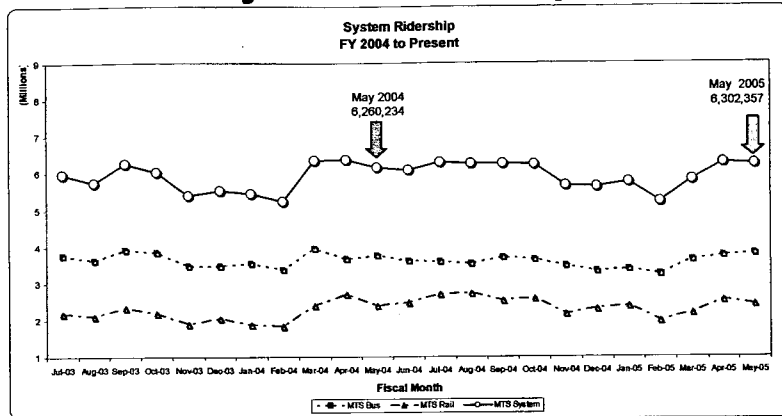


Operating Environment

- **Service Levels**
 - 21 days of weekday service
- **Special Events**
 - Cinco de Mayo celebrations (May 1st)
 - Padres regular season at Petco Park
 - Nine weekday and three weekend games
 - On time performance not as severely affected



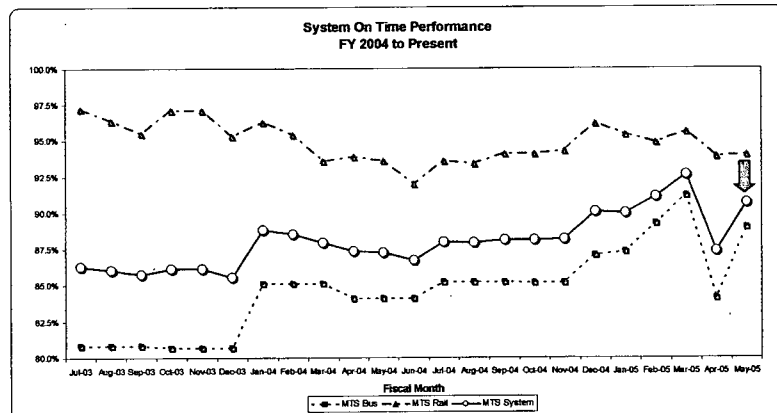
System Ridership



- System carried 6,229,993 passengers in May 2005.
 - Ridership on MTS Bus totaled 3,809,162
 - Ridership on MTS Rail totaled 2,420,831



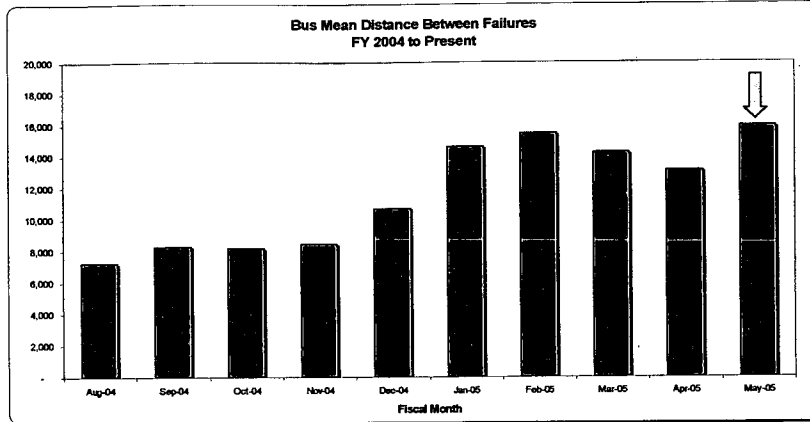
On Time Performance



- MTS System achieved 90.7% on time performance.
 - On time performance for MTS Bus was reported at 89.0%.
 - On time performance for MTS Rail was reported at 94.0%.



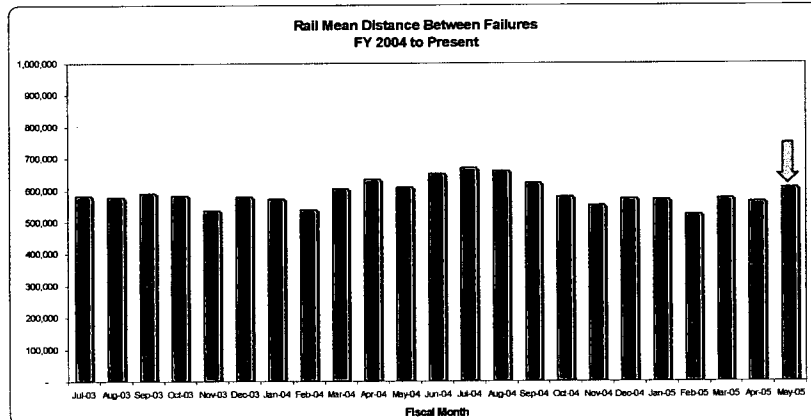
Mean Distance Between Failures - Bus



- Mean distance between failures for MTS Bus was 15,948 miles
 - Bus Operations (SDTC) MDBF was reported at 19,612 miles between failures



Mean Distance Between Failures - Rail



- Mean distance between failures for MTS Rail was 608,573 car miles.
There were no major failures for MTS Rail in May 2005.



Customer Complaints

- Non-ADA complaints on MTS Bus remained at 11.85 complaints per 100,000 passengers
- ADA services complaints represented 0.05% of May 2005 ADA ridership.

Collision Accidents

- MTS Bus collision rate was 2.96 collisions per 100,000 miles in May 2005.
- MTS Rail had six collision accidents in May 2005, at a rate of 0.99 collisions per 100,000 miles.



Conclusion of Report May 2005





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

Agenda

Item No. 47

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

OPS 960.2

July 14, 2005

Subject:

SDTC: MTS BUS FY 05 YEAR-END OPERATIONS REPORT

RECOMMENDATION:

That the Board of Directors receive this report for information.

Budget Impact

None.

DISCUSSION:

This report provides information about the status of MTS Bus (San Diego Transit Corporation) operations for the FY 05 year. An overview of all departments is presented, followed by a brief discussion of their accomplishments during the just-concluded fiscal year.

Ridership

We are pleased to see ridership on MTS Bus (Attachment A) increasing and view this trend as an affirmation of the efforts of all departments to enhance the quality and the reliability of the new MTS Bus. When finally quantified, we anticipate ridership to surpass 24 million passengers in FY 05. Issues related to the installation of the Cubic



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS 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.

fare boxes severely impacted our ability to obtain accurate passenger counts for a three-month period. We believe the data presented for December, January, and February vastly underreports our true ridership.

Service Quality

MTS Bus is engaged in a campaign to change behaviors, and we are focused on the quality of our "product." We track all complaints by category and use the driver-related complaint chart for quality control and retraining purposes. We are pleased to report that complaints per 100,000 passengers have decreased throughout the service year to approximately 14 complaints per 100,000 passengers (Attachment B). We will continue to work with our employees to further reduce this critical key indicator of performance in FY 06. We will expand the use of Professional Transit Ride Checkers to gain a greater sense of our passengers' perspectives.

We anticipate very positive customer feedback as we gradually introduce the 41 New Flyer vehicles with their red and white livery into passenger service. These vehicles serve as an immediate reminder to our passengers and bus operators that our service is changing and getting better. The addition of these vehicles will reduce our average fleet age to just less than eight years and should enhance our ability to deliver a more reliable service with fewer service interruptions.

MTS Bus recently contracted with The Arc of San Diego to provide employment opportunities for San Diego residents with developmental disabilities. We view this new partnership as a true "win-win" situation since The Arc is desirous to place workers, and we can readily assign these workers to bus detailing. This is still a new program, but we are confident that the dialogue and feedback between MTS Bus and The Arc will translate to cleaner buses and meaningful jobs for the disabled community.

Safety

The commitment to safety at MTS Bus is evident from the dramatic reductions achieved. Greater management involvement has resulted in a 50% decrease in Preventable Accidents in the past five years. During FY 05, total accidents and preventable accidents declined by 11% (Attachment C). Ongoing audits of our physical plants and our commitment to shop safety resulted in zero injuries requiring immediate medical attention in the workplace.

Safety begins with employee recruitment and training; we are pleased to report that our operator recruitment efforts are ongoing. In FY 05, we graduated 106 new bus operators after their completion and demonstration of proficiency after eight weeks of classroom, on the road, and route instruction.

Risk and Workers' Compensation

Our Risk Department has done an outstanding job, and the chart of Workers' Compensation Incidents (Attachment D) during FY 05 exhibits a decreasing trend. Liability claims against MTS Bus also continue on a downward trend. The subrogation recoveries in both liability and workers' compensation are on the rise and have resulted in over \$60,000 returned to MTS Bus.

Over the last two years, the Risk Department has worked with the San Diego District Attorney's office to combat workers' compensation fraud. The fruits of our labor are finally evident with the indictment of a former employee on seven (7) felony counts of illegally obtaining Workers' Compensation benefits--the trial is pending. Our efforts to eliminate unsafe acts in the workplace and our commitment to safe bus operations should contribute to an improving workers' compensation and should positively impact the number of liability claims against MTS Bus in FY 06.

On-Time Performance

Our field supervisors are monitoring timetable time points to ensure that all buses operate on or near schedule—but never early. We are working to honor our commitment to our passengers for timely arrival of an MTS bus at their local stop. We are pleased to report that we are approaching a 90% measure for on-time performance (Attachment E).

Quantitative Measurements

MTS Bus is actively measuring all key performance data so that we can make necessary adjustments to enhance the transit product offered to the residents of San Diego County. As the furnished report will show, we are capturing the appropriate data and then charting to view the long-term trends. At the present time, all critical trends indicate a move in the correct direction and would appear representative of a positive result for the many changes that have been put in place by the management team of MTS Bus.

Operations Staff and Management Capabilities

The managers and supervisors at MTS Bus are capable of responding to many situational events at a moments' notice. Examples would include the bus bridge services that we provided to the Coaster during last winter's heavy rains and the occasional bus bridges provided to San Diego Trolley, Inc. during construction or renovation.

Our biggest test in FY 05 was the Rock 'N' Roll Marathon where we served as the primary transit provider for runners and guests. We provided shuttle service for the runners from the parking lots to the Starting Line, a shuttle from the Finish Line for runners and guests and a shuttle from the parking lots to the Starting Line. This year, our team of transit professionals moved in excess of 34,000 passengers with a fleet of 41 buses and attained passenger productivity in excess of 100 passengers per bus hour.

Superlative Maintenance Performance

The major bus rehabilitation program initiated in January 2004 included an assessment of condition, concurrent mechanical, electrical and body repair and a final inspection prior to release for revenue service. The results of this program have been dramatic with demonstrable improvement in the quality and reliability of our services. We have charted the Mean Distance Between Failures (MDBF) and the Mean Distance Between Service Interruptions (MDBSI). In this fiscal year, we have improved our MDBF from 6,000 to nearly 20,000 miles between failures. From a passenger's perspective, the MDBSI measures our ability to avoid needless service interruptions. We have taken our

MDBSI from 15,000 miles to over 33,000 miles between interruptions (Attachments F and G).

We have also addressed the cosmetic quality of the vehicles and expended great energy and resources to remove all graffiti and replace all torn seat cushions. We believe that evidence of vandalism would deter our riders and that immediate and timely repair of damaged bus interiors and exteriors would demonstrate our commitment to our passengers and our concern for the ambience and comfort associated with their commute.

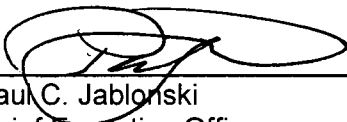
New Bus Procurement

When funding uncertainties resulted in the loss of our production slot in January 2005, our management team rebounded and identified an existing procurement between Pierce Transit in Tacoma, Washington and New Flyer Industries with an option for additional vehicles not exercised by Pierce Transit. This creativity allowed us to expeditiously purchase 47 compressed natural gas-powered, low-floor New Flyer coaches (MTS Series 400).

To expedite the process and conserve scarce capital dollars, the new MTS-branded Pinwheel design was applied to the vehicles by our in-house body and paint shop at the Kearny Mesa Division. This in-house operation resulted in significant cost savings, which ranged from \$143,000 to \$287,000, as compared to tendered bids to outsource this work.

The Future for MTS Bus

As MTS evolves as an organization, MTS Bus must refine our services to offer the best "product" to retain our current passengers with the ultimate goal of attracting discretionary riders with a greater menu of transit options, enhanced services, and customer amenities. We believe that we are affecting appropriate change at MTS Bus and that we are positioned to achieve these goals.



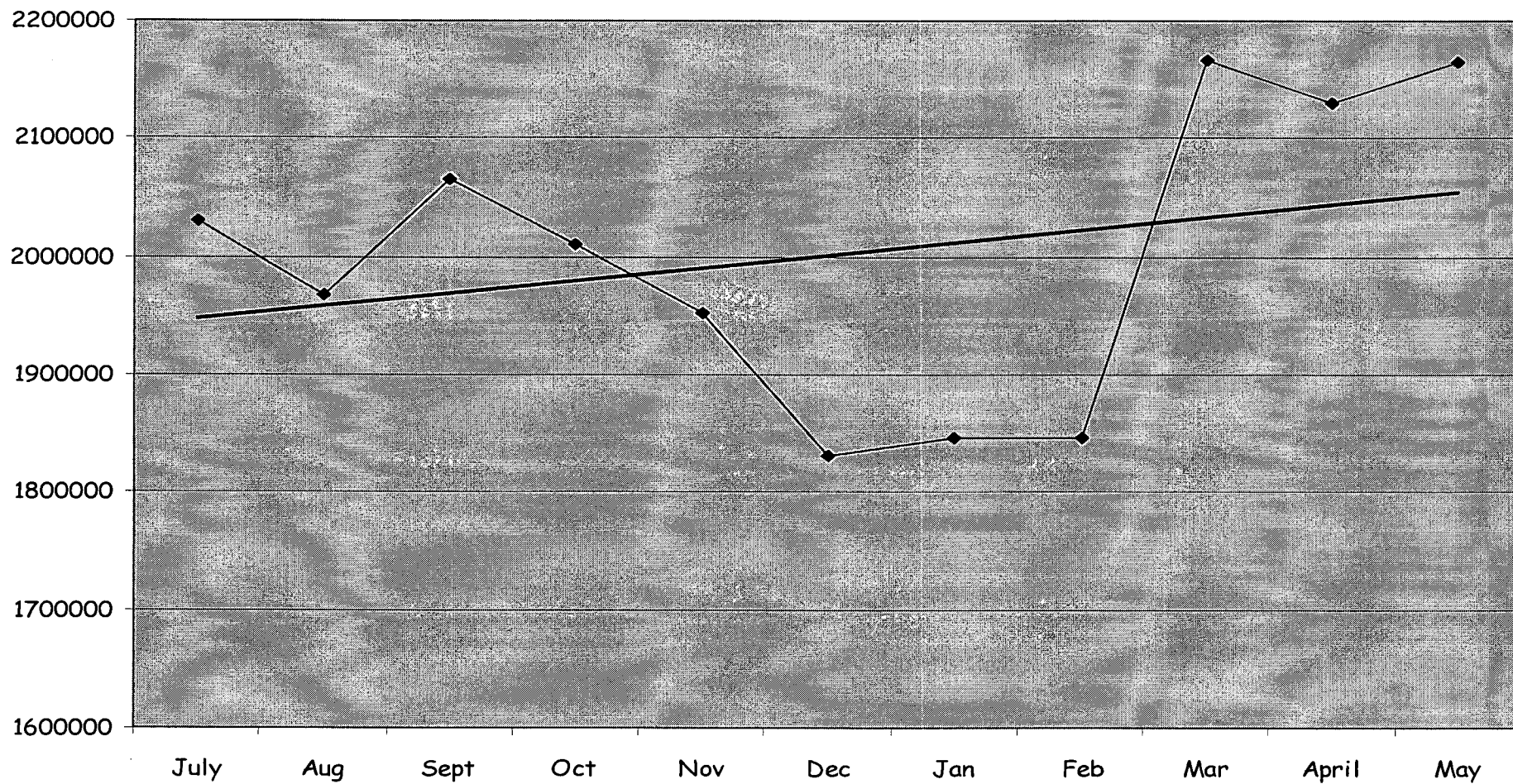
Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Claire Spielberg, 619.238.0100, ext 400, Claire.Spielberg@sdmts.com

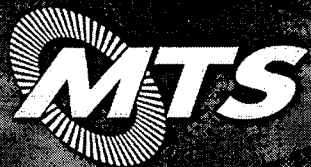
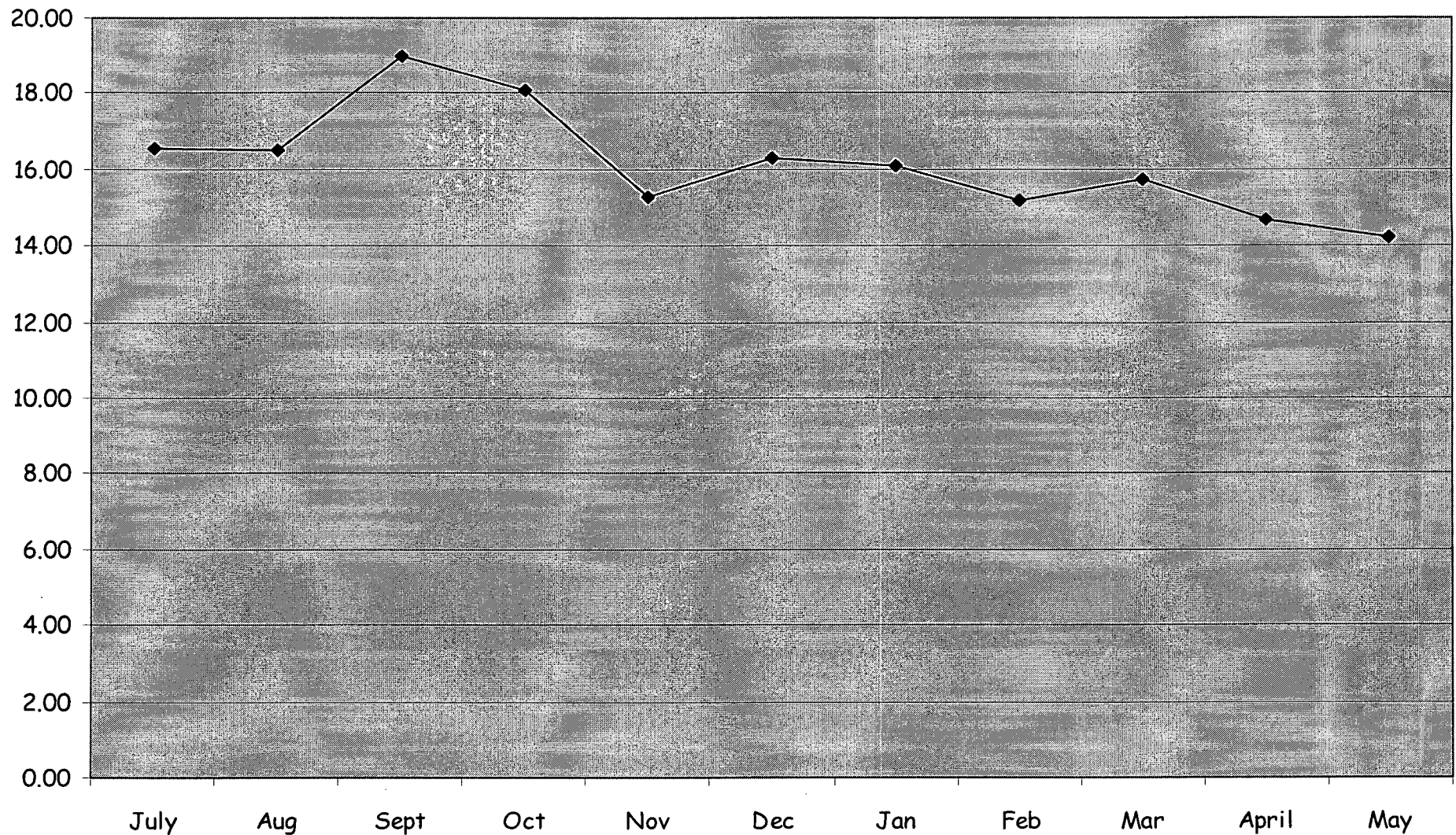
JGarde
JULY14-05.47.FY05BUSACCOMPLISHMTS.JBYRNE
7/6/05

- Attachments:
- A. Operations - Ridership Chart
 - B. Operations - Passenger Complaint Chart
 - C. Safety – Accident Reduction Chart
 - D. Risk – Workers' Compensation Experience
 - E. Operations – On-Time Performance Chart
 - F. Maintenance – Mean Distance Between Failures
 - G. Maintenance – Mean Distance Between Service Interruptions

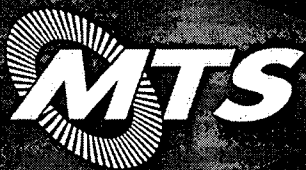
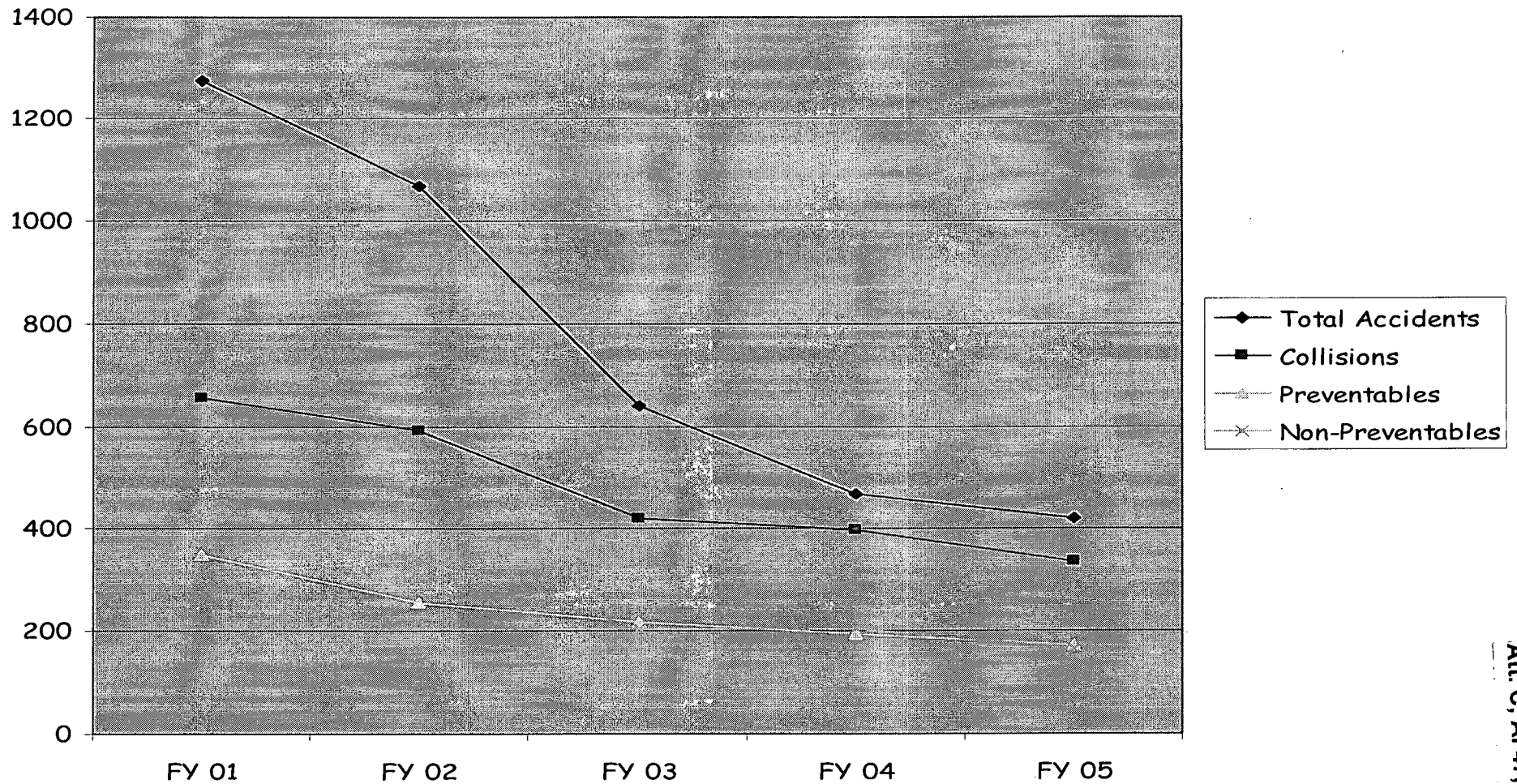
Passenger Boardings



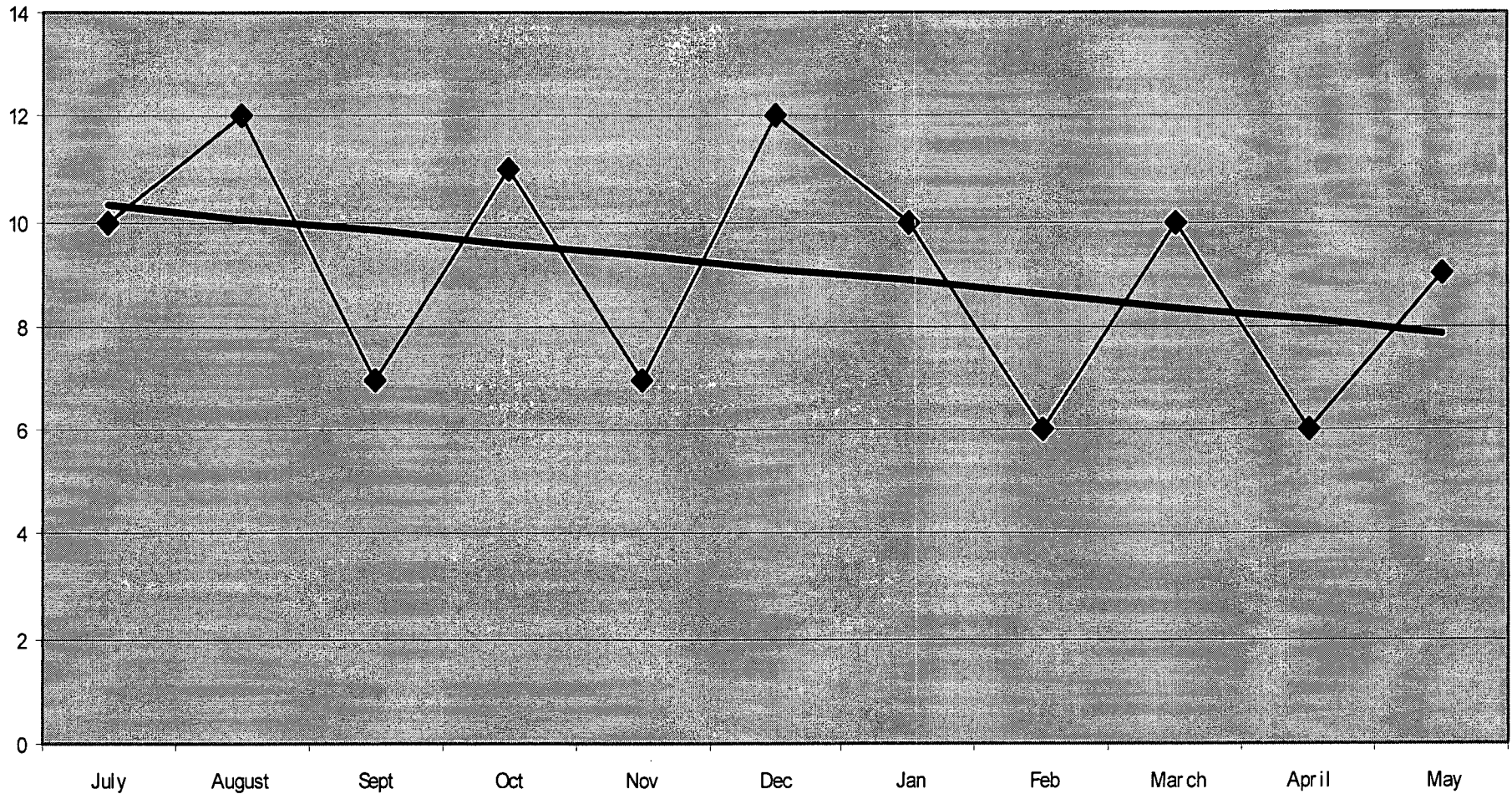
Complaints per 100,000 Passengers



Progress on the Safety Front

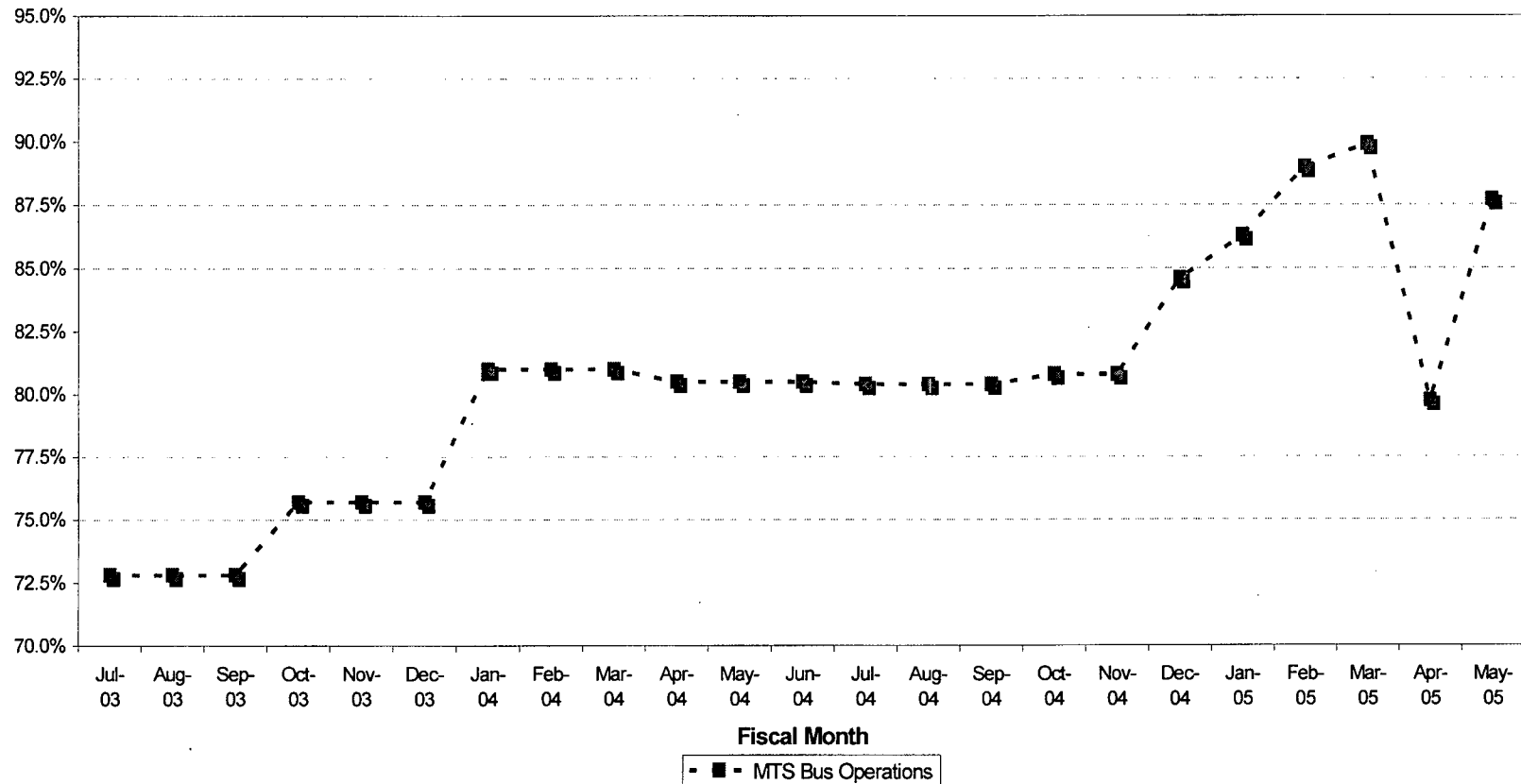


FY 05 Workers Compensation Incidents



On Time Performance

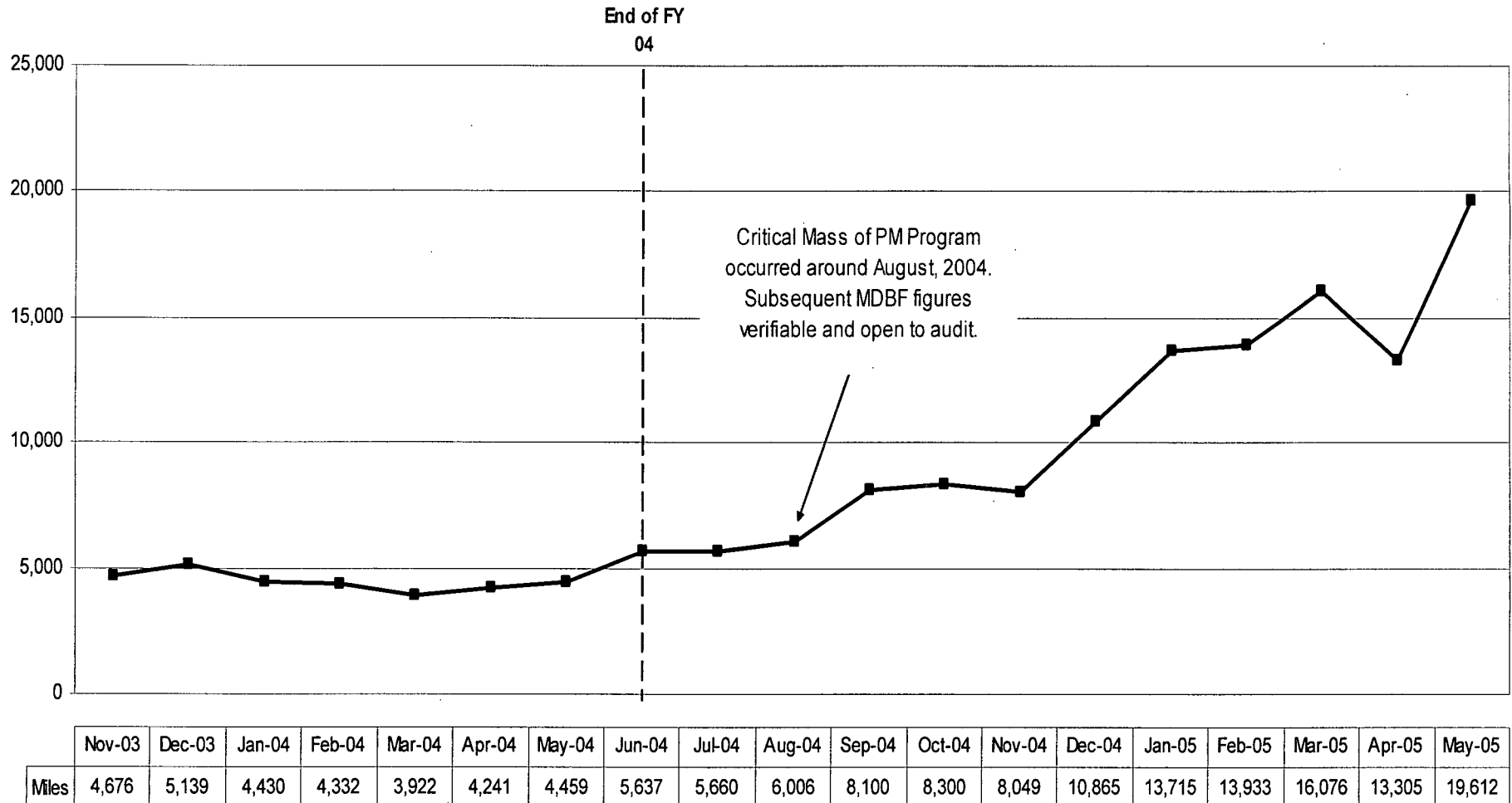
MTS Bus Operations On Time Performance
FY 2004 to Present



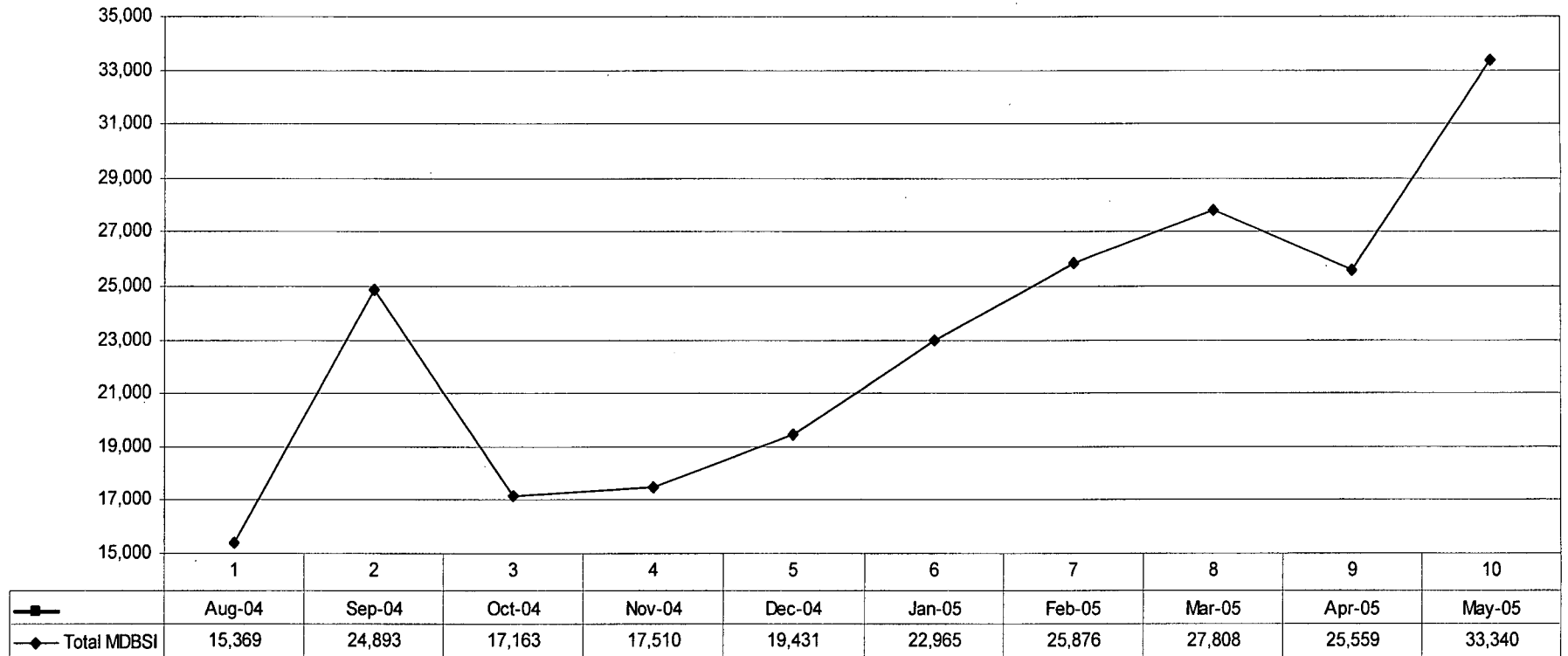
May 2005: 87.7%



Mean Distance Between Failures (MDBF)



Mean Distance Between Service Interruptions (MDBSI)



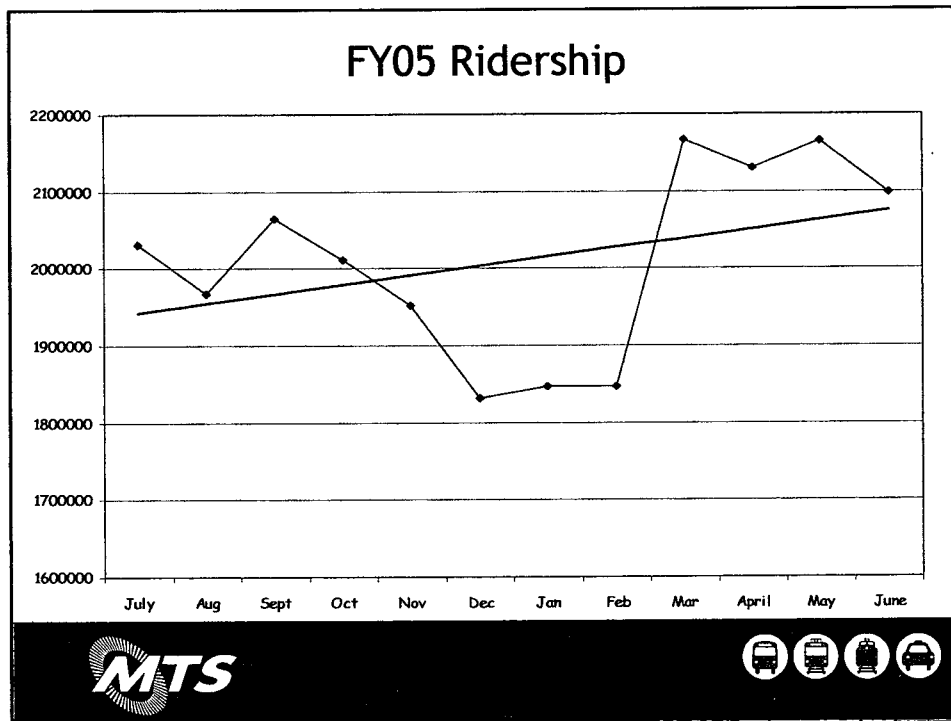
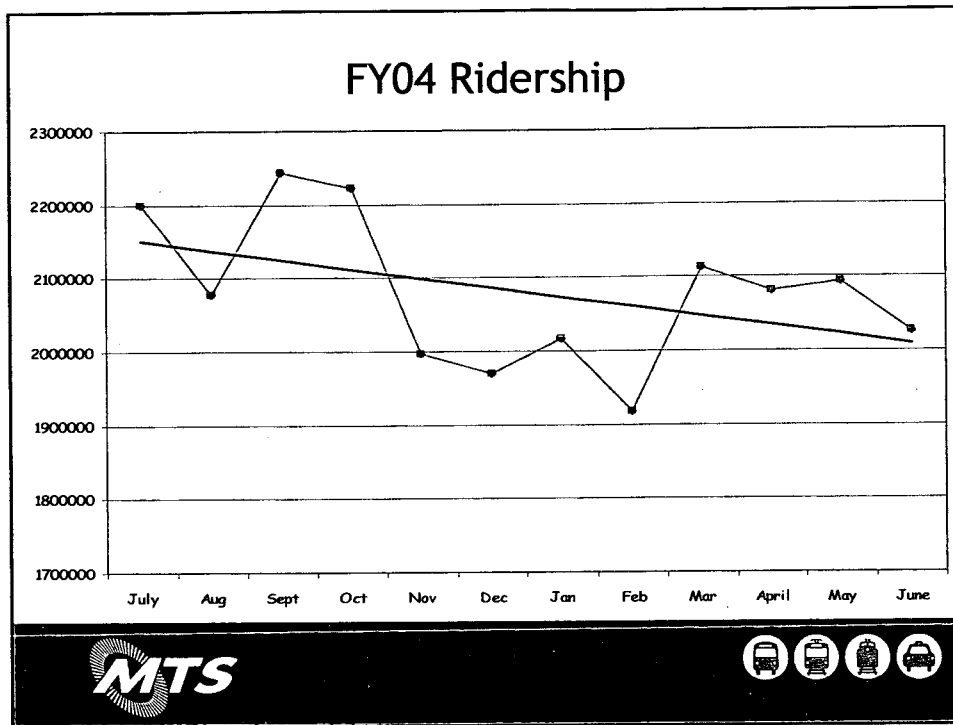
MTS Bus

FY05 Year End Report



San Diego residents are deciding
to ride the bus!





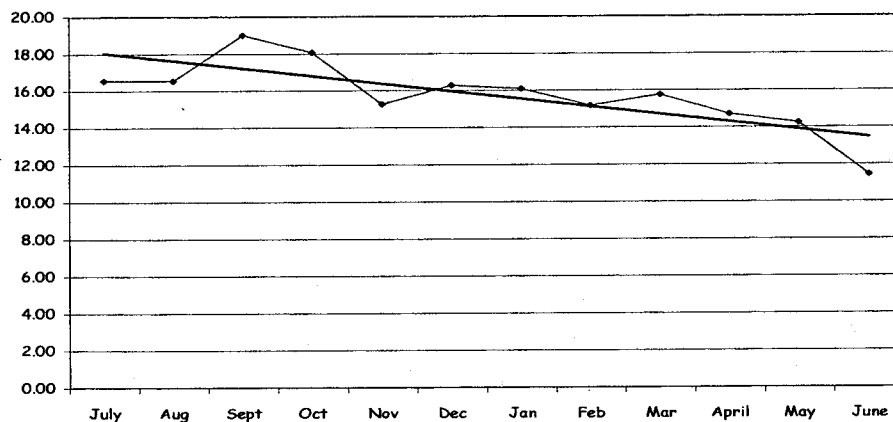
Service Quality

- Customer service is improving.
- We are engaged in a campaign to change behaviors and focus on the quality of our "product".
- We are rebuilding our image every day!



Improving Customer Service

Complaints per 100K Pax

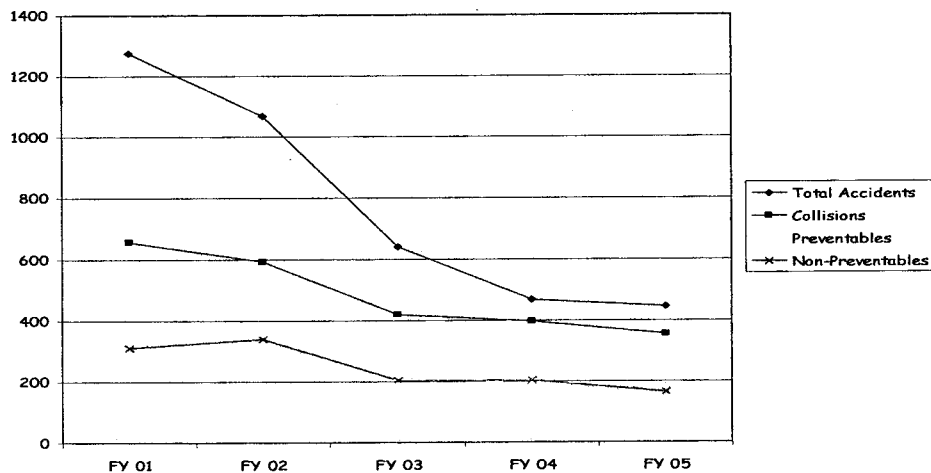


Focus on Safety at MTS Bus

- MTS Bus has made a dramatic re-commitment to safety during FY 05
- Reduced Vehicle accidents in FY 05 by 11%
- Preventable accidents have decreased by 50% in five years!
- No injury in the workplace requiring immediate medical attention in FY 05



Progress in Accident Reduction



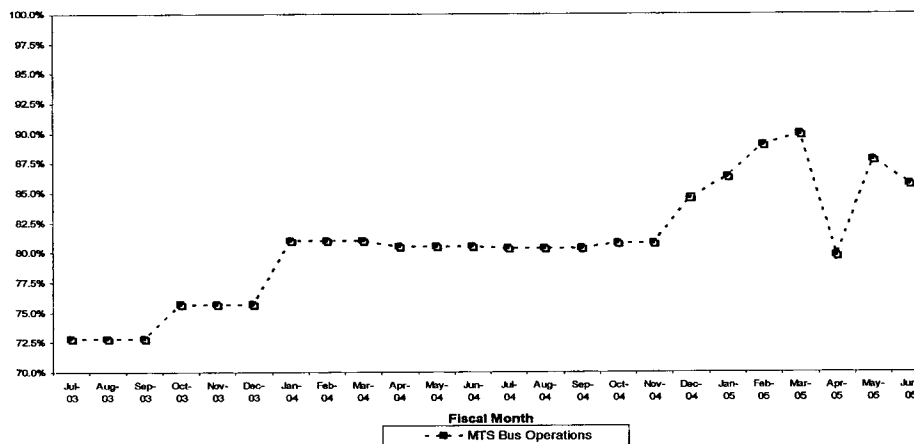
Timely Operations on the Street

- Our Field Supervisors are monitoring timepoints to ensure that all buses operate on or near schedule - but never early.
- We are honoring our commitment to our passengers for timely arrival of MTS buses at their local stop!



On Time Performance

MTS Bus Operations On Time Performance
FY 2004 to Present



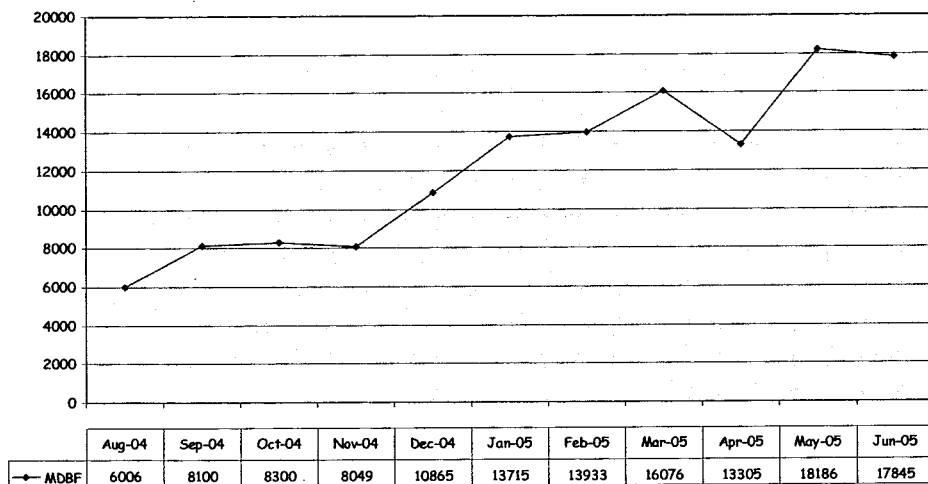
Preventive Maintenance Program

Consists of three phases:

- Assessment
- Concurrent Mechanical, Electrical and Body Repair
- Final Inspection



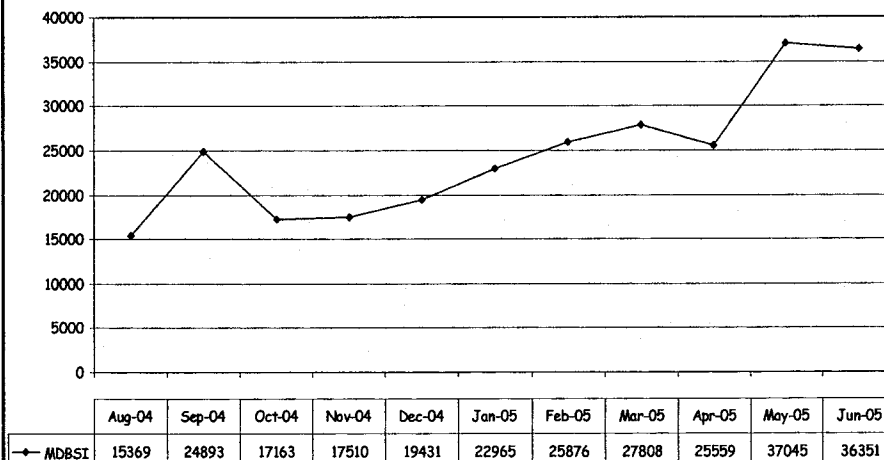
MDBF - Mean Distance between Failures



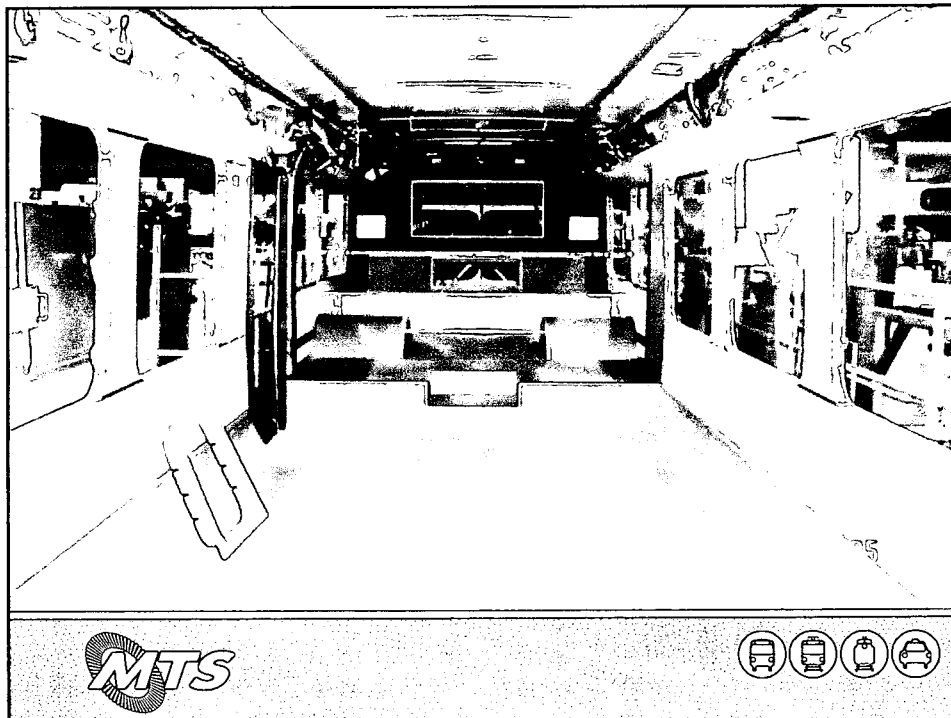
Another quantitative benefit of the
PM Program
has been the increase in trip reliability.
Our passengers now travel farther between
service interruptions which prevent a vehicle
from completing a scheduled revenue trip.

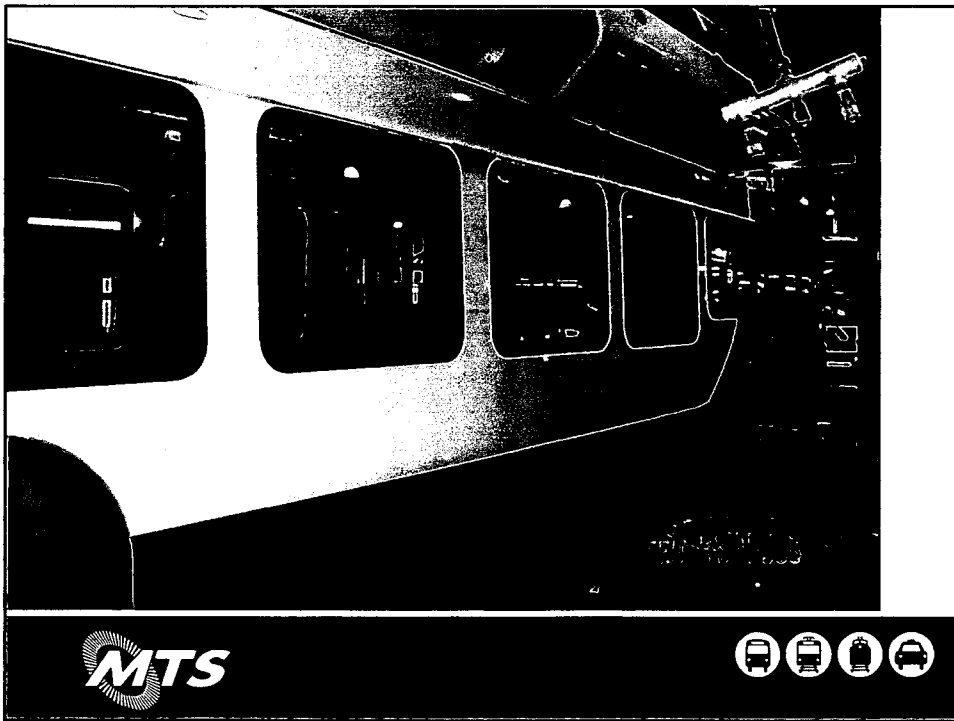
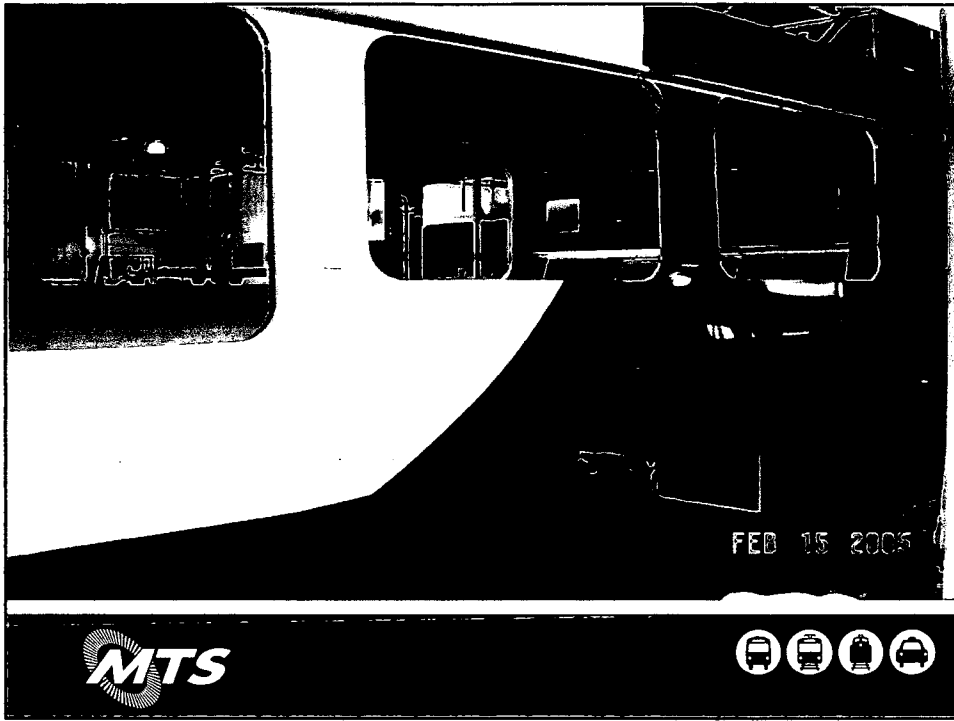


MDBSI - Mean Distance between Service Interruptions



Building the Bus



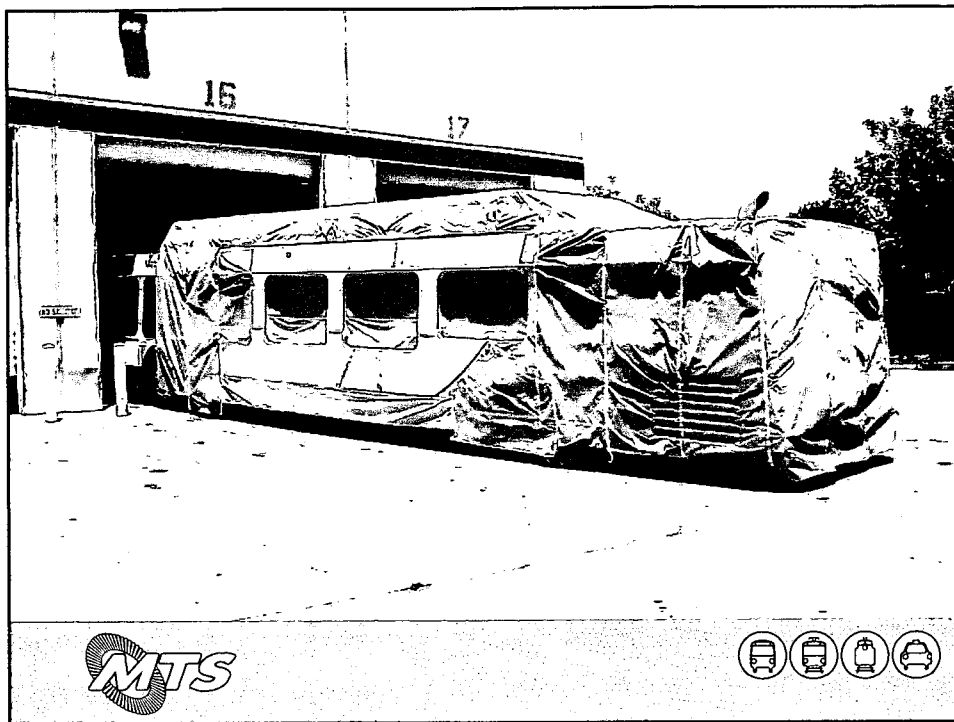


Completed bus leaving for San Diego



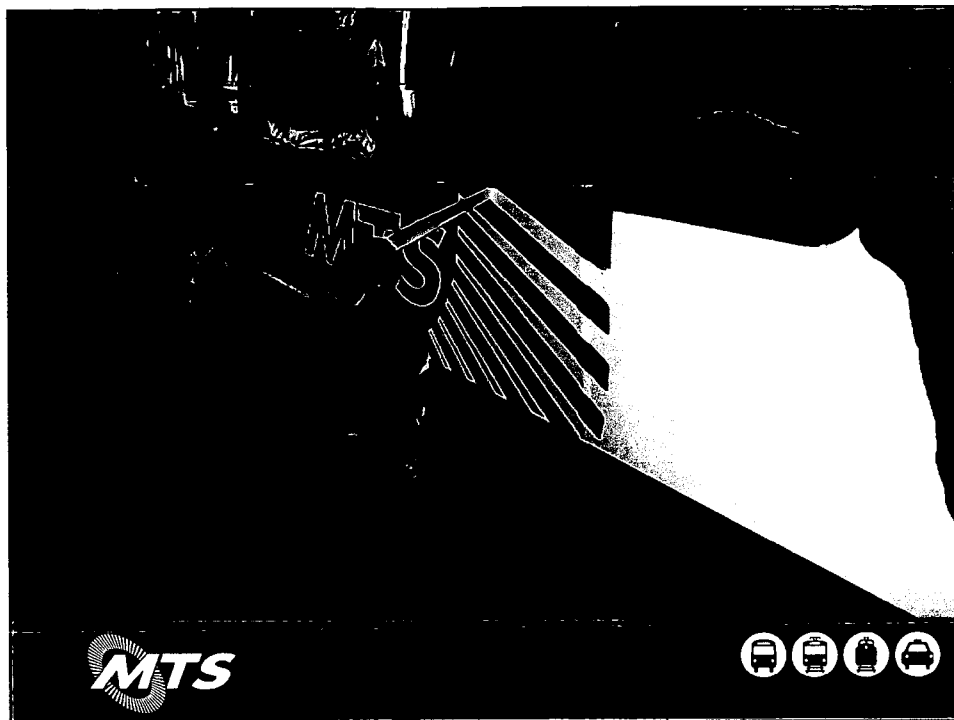
The dynamic MTS Pinwheel detailing was completed by our personnel at the Kearny Mesa Paint and Body Shop. Our in-house team was able to save MTS over \$150K as compared to the lowest bid received.





Painting the Pinwheel





The Future for MTS Bus

As MTS evolves as an organization, MTS Bus must refine our services to offer the best “product” to retain our current passengers with the ultimate goal of attracting discretionary riders with a greater menu of transit options, enhanced services and customer amenities.







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

Agenda

Item No. 48

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

AG 230 (PC 30100)

July 14, 2005

Subject:

MTS: SOUTHERN CALIFORNIA MAGLEV PROJECT

RECOMMENDATION:

That the Board of Directors receive a report on the San Diego – Los Angeles Maglev Project.

Budget Impact

None.

DISCUSSION:

At the May 21, 2004, San Diego Association of Governments (SANDAG) Transportation Committee meeting, staff presented an update on the San Diego – Los Angeles Maglev Project. Maglev is a high-speed magnetic levitation passenger rail system being proposed along the coastal Interstate 5 corridor. The project would connect San Diego to Los Angeles and provide high-speed passenger rail at up to 300 miles per hour. A copy of the SANDAG Transportation Committee agenda item is attached. Board Member Ron Roberts will make an oral presentation during the meeting explaining the project.

A handwritten signature in black ink, appearing to read 'Paul C. Jablonski', is written over a horizontal line.

Paul C. Jablonski
Chief Executive Officer

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

JGarde/JULY14-05.48.MAGLEV.TLOREN

Attachment: A. SANDAG Transportation Committee Maglev Agenda Item



San Diego Association of Governments

TRANSPORTATION COMMITTEE

May 21, 2004

AGENDA ITEM NO.: **4**

Action Requested: APPROVE

SOUTHERN CALIFORNIA MAGLEV PROJECTS

Introduction

The San Diego – Los Angeles Maglev Project, a nonprofit corporation, is interested in developing a very high-speed magnetic levitation (maglev) passenger rail system along the coastal Interstate 5 (I-5), inland I-15, and I-8 corridors. This system, if feasible, would be capable of speeds in excess of 300 miles per hour (mph) and require a dedicated, grade-separated structure. It would connect with a maglev system proposed by the Southern California Association of Governments (SCAG) for the Los Angeles area.

San Diego – Los Angeles Maglev Project representatives have requested that SANDAG send a letter to the Congressional Committee on Transportation and Infrastructure to support their effort to obtain a \$6 million federal funding earmark to study these three corridors.

Recommendation

It is recommended that the Transportation Committee authorize sending a letter to the Congressional Committee on Transportation and Infrastructure in support of the San Diego – Los Angeles Maglev Project's effort to obtain a \$6 million federal funding earmark in the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21) to study the feasibility of maglev along the coastal I-5, inland I-15, and I-8 corridors. SANDAG's support would be contingent on the San Diego – Los Angeles Maglev Project providing the required local match to the federal earmark with private funds, and on assurances that the studies be conducted as objective analyses that include peer review with SANDAG participating on the peer review team.

Discussion

California is developing a statewide high-speed passenger rail system using steel-wheel-on-steel-rail technology. The state agency charged with this is the California High-Speed Rail Authority (Authority).

On March 5, 2004, the Transportation Committee heard a presentation from the Authority and took action to request the Authority to evaluate maglev as a technology option for the San Diego high-speed rail corridors. The recommendation to support the request by the San Diego – Los Angeles Maglev Project is consistent with that previous action. In addition, Congressman Bob Filner has expressed interest in evaluating maglev along the I-8 corridor to connect San Diego with a possible new international airport in Imperial County in the future. There is currently an earmark for that project in the House version of the reauthorization legislation.

Maglev was reviewed and evaluated by the Authority as a possible technology for California's high-speed rail system. The Authority eliminated maglev from further consideration, concluding that maglev systems cannot share track with conventional rail, and that sharing track along the I-5 corridor with other steel rail operations would be less costly than a dedicated system and would result in fewer environmental impacts. The Authority also concluded that incremental improvements to the conventional system would benefit all rail operators; Coaster, Metrolink, Amtrak, and freight.

Nevertheless, based on the discussion at the March 5 Transportation Committee meeting, further analyses of maglev seems warranted to answer questions and evaluate the feasibility and appropriateness of maglev in the I-5, I-15, and I-8 corridors. Given the High Speed Rail Authority's previous analysis of this issue it is imperative that any maglev studies conducted by the San Diego – Los Angeles Maglev Project be as objective as possible and therefore include a peer review that incorporates SANDAG on the peer review team.

At a recent meeting between Sandy Shapery of the San Diego – Los Angeles Maglev Project and SANDAG staff, Mr. Shapery committed to providing the local match for the federal funding earmark with private funds so that no SANDAG transportation funding would be required.

BOB LEITER

Director of Land Use and Transportation Planning

Key staff contact: Toni Bates, (619) 699-6950; tba@sandag.org



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

Agenda

Item No. 61

Chief Executive Officer's Report

ADM 121.7 (PC 30100)

July 14, 2005

Minor Contract Actions

- Mission Times Courier for advertising for the Mission Valley East (MVE) Light Rail Transit (LRT) Extension opening.
- Penny Saver for advertising for the MVE LRT Extension opening.
- ATC Vancom, Inc. for a mid-year budget adjustment for Multimodal Contract Services fixed-route services.
- Orthopedic Hospital for FY 05 Americans with Disabilities Act (ADA) certification services.
- Computer Masters for a computer for the Planning and Performance Monitoring Department.
- Orion Construction Corp./Balboa construction, Inc. for construction services for the Mission Valley East (MVE) Light Rail Transit (LRT) Extension – SDSU Segment Utilities.
- Clark Construction Group, Incorporated for construction services for the SDSU Tunnel and Underground Station portion of the MVE LRT Extension.
- ABSG Consulting, Inc. for a risk assessment for the MVE LRT Extension.
- Viacom Outdoor for bus shelters and mall kiosks for the MVE LRT Extension.
- Metro Networks, Inc. for advertising for the MVE LRT Extension opening.
- San Diego Reader for advertising for the MVE LRT Extension opening.
- Clear Channel Communications for advertising for the MVE LRT Extension opening.
- KSON FM/Jefferson Pilot Communications for advertising for the MVE LRT Extension opening.
- KIFM for advertising for the MVE LRT Extension opening.
- Promotions Plus for customer wristbands for the MVE LRT Extension opening.

Contract Matters

There were no Contract Matters.



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

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

63

ORDER REQUEST RECEIVED

1

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

@ 10:48

1. INSTRUCTIONS

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

Date 7-14-05
Name (PLEASE PRINT) Ginny Billoch
Address 5605 Friars Rd
Telephone 619-574-1632
Organization Represented (if any) _____

Subject of your remarks: bus 27 to Fashion Valley

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.****

DGunn/SStroh / FORMS
REVREQFO.DGUNN — 10/15/03

*Ms. Billoch was not
present when she
was called to speak. gw*