



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

09-02-05 10:22 IN

Agenda

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

September 8, 2005

9:00 a.m.

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

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

ACTION RECOMMENDED

1. Roll Call

2. Approval of Minutes - August 11, 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.



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 REAL PROPERTY NEGOTIATORS
Pursuant to California Government Code Section 54956.8
Property: Grossmont Center Station Parking Lot
Assessor Parcel Nos.: 490-200-39, 490-200-40, and 490-270-23
Agency Negotiators: Tim Allison, R. Martin Bohl, Gerald Trimble, and Tiffany Lorenzen
Negotiating Parties: Fairfield Residential, LLC
Under Negotiation: Instructions to Negotiators will include Price and Terms of Payment
- b. MTS: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Government Code Section 54956.9(a):
Save Our Heritage Organisation (SOHO) v. City of San Diego, Et. Al Superior Court Case No. GIC 837743
- c. MTS: CONFERENCE WITH REAL PROPERTY NEGOTIATOR - Pursuant to Government Code Section 54956.8
Property: 2015 Hancock Street, San Diego, California
Negotiating Parties: Constellation Property Group, LP; Tiffany Lorenzen, MTS General Counsel; Tim Allison, MTS Right-of-Way Manager
Under Negotiation: MTS Grants of Easements and a License to Constellation Property Group, LP for the Stella Condominium

Oral Report of Final Actions Taken in Closed Session

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

- * 6. SDTC: Amendment to SDTC Noncontract Retirement Plan
Action would approve an amendment to the San Diego Transit Corporation Noncontract Retirement Plan. Approve
- * 7. MTS: Follow-up on the Internal Audit Report on Accounting
Action would receive the internal audit follow-up memorandum on the May 2005 audit report on the accounting process for information. Receive
- * 8. MTS: Memorandum of Understanding with the City of National City and the Community Development Commission of the City of National City
Action would approve a Memorandum of Understanding (MOU) (Attachment A) with the City of National City and the Community Development Commission (CDC) of the City of National City, which includes a new, private at-grade crossing of San Diego and Arizona Eastern (SD&AE) Railway Company tracks, upon on the recommendation of the SD&AE Railway Company Board of Directors. Approve

- | | | |
|-------|---|---------|
| * 9. | <u>MTS: Light Rail Vehicle Blower Motor Replacement - Warranty Claim Settlement</u>
Action would authorize the CEO to enter into an agreement with Siemens Transportation Systems, Inc. to replace 150 blower motors on the U2 light rail vehicle fleet. | Approve |
| * 10. | <u>MTS: Disadvantaged Business Enterprise (DBE) Approval of FY 06 Goals for Publication</u>
Action would approve the proposed disadvantaged business enterprise goals for FY 06 and authorize staff to publish a notice of these proposed goals for public information and comments. | Approve |
| * 11. | <u>SDTI: Light Rail Vehicle Procurement - Contract Award</u>
Action would authorize the President-General Manager to execute a Standard Procurement Agreement with Knorr Brake Corporation to supply 36 split brake discs for light rail vehicles. | Approve |
| * 12. | <u>MTS: Budget Transfers, Construction Management Contract Amendment, and Contract Change Order for Mission Valley East</u>
Action would authorize the CEO to transfer funds, execute Contract Amendment No. 37, and execute Contract Change Order No. 74, Supplement No. 3, for the Mission Valley East Light Rail Transit Project. | Approve |

NOTICED PUBLIC HEARINGS

25. None.

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

DISCUSSION ITEMS

- | | | |
|-----|---|-----------------|
| 30. | <u>MTS: Southern California Maglev Project</u>
Action would receive a report on the San Diego - Los Angeles Maglev Project. | Possible Action |
| 31. | <u>MTS: Fiscal Year 2006 Performance Incentive Program</u>
Action would forward a recommendation to the Board of Directors to authorize the CEO to implement the fiscal year 2006 Performance Incentive Program. | Approve |

REPORT ITEMS

- | | | |
|-----|---|---------|
| 45. | <u>MTS: Trolley Safety Video</u>
Action would receive the report and presentation of the 2005 Trolley Safety Video <i>Don't Be That Kid</i> for information. | Receive |
|-----|---|---------|

- | | | |
|-----|---|-----------------|
| 46. | <u>MTS: June Monthly Performance Indicators</u>
Action would receive this report for information. | Receive |
| 47. | <u>SDTI: MTS Rail FY 05 Year-End Operations Report</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. | <u>Board Member Communications</u> | |
| 63. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. | Possible Action |
| 64. | <u>Next Meeting Date:</u> September 22, 2005 | |
| 65. | <u>Adjournment</u> | |

JGarde
ECBDAGENDAS
9/2/2005

_____	Submitted by:
_____	Reviewed by:
_____	Return to Submitter:
_____	OR (Pick One) Return in Posting File:

Submitted by: Debbie

Remove On: 9/2/0

Return to Submitter: No

OR (Pick One)

Retain in Posting File: _____

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 9/8/05

CALL TO ORDER (TIME): 9:03 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:21 a.m.

RECONVENE: 10:31 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 11:41 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
CLABBY	<input checked="" type="checkbox"/> (Selby) <input type="checkbox"/>		11:22 a.m. after AI 45
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		11:11 a.m. after AI 31
EWIN	<input checked="" type="checkbox"/> (Jantz) <input type="checkbox"/>		
KALTENBORN	<input type="checkbox"/> (N/A) <input type="checkbox"/>		<input checked="" type="checkbox"/>
LEWIS, Mark	<input type="checkbox"/> (Hanson-Cox) <input checked="" type="checkbox"/>	9:06 a.m. during AI 3	
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
MORRISON	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>	9:11 a.m. during AI 3	
RINDONE	<input checked="" type="checkbox"/> (Davis) <input type="checkbox"/>	9:14 a.m. during AI 3	
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:07 a.m. during AI 3	
ROSE	<input type="checkbox"/> (Janney) <input type="checkbox"/>		<input checked="" type="checkbox"/>
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"/>
	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Gail Williams
Diffey Horvath

*

SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

3

P.C.

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****

@ 8:23

1. INSTRUCTIONS

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

Date 9-8-2005

Name (PLEASE PRINT) DON STILLWELL

Address 6308 RANCHO MESA RD #173

SAN DIEGO, CA 92108

Telephone (619) 282-7760

Organization Represented (if any) NONE

Subject of your remarks: UTILIZATION OF RESOURCES

Agenda Item Number on which you request to speak 3

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

2

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

@ 8:37

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 9/8/05 Crane
Name (PLEASE PRINT) CRANE Johnson
Address 1211 Paulroad Ave.
Jacumba, Ca. 91929
Telephone _____
Organization Represented (if any) Self
Subject of your remarks: change in Rural Bus Schedule

Agenda Item Number on which you request to speak 3

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

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3. DISCUSSION OF AGENDA ITEMS

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4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

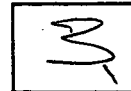
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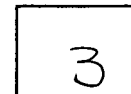
SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.



ORDER REQUEST RECEIVED



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

@ 8:49

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 9/8/05 Elvis Jones

Name (PLEASE PRINT) Elvis Jones Jr.

Address DIA

Telephone (619) 849-9974

Organization Represented (if any) _____

Subject of your remarks: Civil issues Termination of Heritage Contract.
Investigation in to Transit officers & Civil Sect

Agenda Item Number on which you request to speak 3

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

3

ORDER REQUEST RECEIVED

4

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

Q8:52

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 9/8 Lane Sherman
Name (PLEASE PRINT) Lane Sherman
Address 12650-110 Carmel Country Rd
San Diego, CA
Telephone 858-755-2868
Organization Represented (if any) _____

Subject of your remarks: Rural Transportation

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT



OPPOSITION



2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

3

ORDER REQUEST RECEIVED

5

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

@8:55

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 9-8-05
Name (PLEASE PRINT) John Hunter Lanz
Address 4546-52nd St. #102
San Diego, CA 92115-3414
Telephone 619-286-1419
Organization Represented (if any) _____

Subject of your remarks: Ridership on Trolley, accomodation of
"Specially Challenged - Disabled / senior" accessability on Older Trolleys
Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT



OPPOSITION



2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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3. DISCUSSION OF AGENDA ITEMS

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

Metropolitan Development Transit Board Meeting M.T.S.

Thursday, September 8, 2005

Leon Williams, Chair Person

Claire Spielberg, President Met. Transit Bus Co.

Peter Tereschuck, S.D. Trolley President & Gen. Mgr.

Dear Gentlemen & Women,

Seniors & Specially Challenged / Disabled
passengers:

1) Community Service volunteer with a
red blazer Sport Coat providing information
and answering questions at

- a) S.D.S.U. station
- b) American Plaza station
- c) City Hall Stn.
- d) E/Cojon Stn. e) Old Town

Note: Portland, OR has these service, city info.
representatives through out the city,
including light rail

- 2) Color-line diagram posters at eye level
on glass/pleriglass partitions
- 3) S.D.S.U. info Kiosk with all bus schedules
- 4) S.D.S.U. I am often asked questions
about which side of tracks to board
DNTN or Santee - very small signs by
Elevators
- 5) ~~Fashion Valley, Old Town,~~
- 5) Orange & Blue line there are no "tie downs"
for a manual wheel chairs. (No Braking
like electric chairs) - "I sway back and forth
like a whip." Being wedged-in between 2 seats
is not helpful.

- 6) Buses can use Route Sign at eye level to boarding passengers
- 7) Route 115 accessing Grossmont College Station Stop (Cutting a great deal of time, cause of current transfers to County Buses at Grossmont trolley & Novojo & Lake Murray Rds)
- 8) A few informative small signs at eye level on trolleys
- 9) Bus drivers giving the time occasionally while announcing the stops.
- 10) Bus drivers wearing a 1st & Last name I.D. on their shirts
 - a) Mr. Gee is an excellent example
 - b) Helps in communication with passengers
 - c) There are no plastic schedule/route holders on the new 400 series buses.
 - d) There are no "Comment" Cards on the city buses or in the drivers satchel bag. All County buses have them
 - e). No shared radio frequency with county buses
 - f.) I had my bike stolen at 2pm on No. 7 bus on Sat. 3 wks ago. from rack
 - g). When 2 wheelchairs are on board my collapsible chair can be secured in foldup with bungee cord
 - h.) Hand straps added to all buses like are installed on recently new buses 1800 series?
- 11) Driver (bus) give 'commands' to elderly/dis. passengers while preparing to board.
- 12) Sharp Main Hospital Concrete loading platform, southbound Rte 25. There is only a 3 ft. clearance by the curb

- 11) 52nd St. east & westbound 'Brown' overhead bus station shelters
- 12) Bus shelters 'high pressure water' cleaning weekly
- 13) 5th Ave, Rte 1, 16, 25, 3 second track res, etc
- 14) Present front bus signs very hard to read while facing into the sun

Sincerely,
John Hunter Lanz

4546-52nd St. No. 102
San Diego, CA 92115-3414

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

August 11, 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 9:06 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Emery moved to approve the minutes of the July 14, 2005, Board of Directors meeting. Mr. Rindone seconded the motion, and the vote was 8 to 0 in favor.

3. Public Comments

Don Stillwell: Mr. Stillwell objected to the current routing and frequency of service for Route No. 14. He distributed a map showing the current routing. Mr. Conan Cheung, MTS Director of Planning and Performance Monitoring, stated that stopping points objected to by Mr. Stillwell are within ¼ mile walking distance of Kaiser Hospital. He added that if Mr. Stillwell's recommendations were implemented, it would add four to five minutes to the route. He stated that this would impact 180 through riders compared to the 66 passengers impacted by the current routing of Route 14. Chairman Williams pointed out that the Board's decision to implement this particular route change was based on this information.

Chuck Mesher: Mr. Mesher asked for clarification of the rules regarding wheelchair tie-downs on buses. Mr. Jim Byrne, San Diego Transit Director of Transportation, explained that wheelchairs must be secured using the four-point tie-down, but that the lap belt is optional. MTS Chief Operating Officer-Bus Claire Spielberg stated that this level of securement is necessary to prevent a wheelchair passenger from becoming a projectile during a sudden stop and is designed to prevent injury to the wheelchair passenger and other passengers on the bus. Mr. Mesher stated that he found this process to be demeaning. Chairman Williams requested that Ms. Spielberg report back to the Board on this matter. Mr. Mesher also stated that he has filed complaints numerous times and has never received any responses from San Diego Transit. Ms. Spielberg explained that San Diego Transit responds to all complaints where an address or telephone number is provided by the person filing the complaint. Mr. Williams stated

that staff could report back to Mr. Mesher, but that this Board meeting was for docketed items and undocketed items are not open for debate.

Nancy Moore: Ms. Moore stated that San Diego is growing and more buses are needed to provide its citizens with good service. She thanked the Board for the existing service.

Clive Richard: Mr. Richards stated that an elevator at SDSU Station on the Green Line is out of operation and this is very inconvenient.

Nathan Johnson: Mr. Johnson, Amalgamated Transit Union, Local 1309, encouraged the Board to exercise its right under SB 959 to form a transit police force to supplement current security efforts. He suggested that MTS work with SANDAG to expedite the formation of such a force for public-safety reasons.

Cynara Dawn Kidwell: Ms. Kidwell pointed out that the elimination of the Route 27 in September of 2004 has caused people along Friars Road to be without service and has resulted in considerably longer trip times for other patrons. She reported that she had submitted petitions regarding this matter. Mr. Cheung reported that there are other route options for riders who are experiencing longer trip times. He added that 45 people have no service along Friars Road, which equals one passenger per trip. He also reported that this service change generated a savings of \$378,000. He further stated that, of the 200 people who signed the petitions, only 7 live more than ½ mile from Fashion Valley, where many transit options are available.

4. Presentation of Employee Awards

SDTI Employee Service Awards: San Diego Trolley employees were presented with 10-year service awards as follows: Lee Sommerlott and Cheryl Vickery.

5. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:37 a.m. for

- a. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Government Code Section 54956.9 Save Our Heritage Organization (SOHO) v. City of San Diego, et. al. Superior Court Case No. GIC 837743.
- b. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Government Code Section 54956.9 MTDB v. RV Communities, California Supreme Court Case No. S133786.
- c. CONFERENCE WITH REAL PROPERTY NEGOTIATORS Property: Grossmont Center Station Parking Lot – Assessor Parcel Nos. 490-200-39, 490-200-40, and 490-270-23. Agency Negotiators: Tim Allison, R. Martin Bohl, Paul Marra, and Tiffany Lorenzen. Negotiating Parties: Fairfield Residential, LLC. Under Negotiation: Instructions to negotiators will include price and terms of payment.

The Board reconvened to Open Session at 10:28 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Tiffany Lorenzen, MTS General Counsel, reported the following:

- a. The Board received a report and gave direction to outside counsel. City of San Diego representatives on the Board were not present for the discussion of this item.
- b. The Board received a report and gave direction to staff.
- c. The Board received a report and gave direction to General Counsel.

CONSENT ITEMS

6. MTS: Mission Valley West Light Rail Transit Project – Completion of Wetland Mitigation (CIP 10416.2)

Recommend that the Board of Directors authorize the Chief Executive Officer (CEO) to execute a purchase agreement with Wildlands, Inc., for \$129,000 for the purchase of 0.86 wetland mitigation credits (Attachment A of the agenda item).

7. MTS: Audit Report - Security (LEG 492, PC 50101)

Recommend that the Board of Directors receive the internal audit report on the MTS security process.

8. SDTC: Uniform Service Contract Award (OPS 960.6)

Recommend that the Board of Directors authorize the MTS Chief Operating Officer – Bus to execute a five-year contract (SDTC Doc. No. B04-007A – Attachment A of the agenda item), in an amount not to exceed \$303,054.00, with Prudential Overall Supply for uniform services.

9. SDTI: Light Rail Vehicle Equipment Procurement (OPS 970.6)

Recommend that the Board of Directors authorize the President-General Manager to execute a Standard Procurement Agreement (Attachment A of the agenda item) with Hi Tec Enterprises to supply five dynamic brake-resistor segments for U2 light rail vehicles for a total cost, including delivery and taxes, not to exceed \$34,776.31.

10. MTS: Proposed 2005/2006 Internal Audit Plan (LEG 492, PC 50101)

Recommend that the Board of Directors approve the Proposed 2005/2006 Internal Audit Plan (Attachment A of the agenda item).

Mr. Lewis requested that less negative language be used to describe the objectives of the internal audit plan. Mr. Jablonski explained that the purpose of the audits is to ensure that MTS has adequate controls in place. Mr. Abbey, MTS Internal Auditor, agreed to make changes in the language used.

11. MTS: Disadvantaged Business Enterprise Program Update (LEG 430, PC 50121)

Recommend that the Board of Directors approve the 2005 MTS Disadvantaged Business Enterprise Program Update.

12. SDTI: Security Patrol Services – Contract Amendment (OPS 970.2)

Recommend that the Board of Directors (1) waive the provisions of MTS Policy No. 13.5.2(b), which requires formal bidding of all service contracts over \$50,000; and (2) authorize the President-General Manager to execute a month-to-month contract amendment with Transit Systems Security beginning on July 1, 2005 (not to exceed five months) with no increase in hourly billable rates or other costs.

13. MTS: Increased Authorization for Legal Services (LEG 491, PC 50633)

Recommend that the Board of Directors authorize the Chief Executive Officer (CEO) to enter into a contract amendment with Roger Bingham of the law firm Butz, Dunn, DeSantis, Bingham, APC (MTS Doc. No. G0723.12-02, Attachment A of the agenda item), and John Moorehead of the law firm Goldman, Magdalin & Krikes, LLP (MTS Doc. No. G0735.4-02, Attachment B of the agenda item) for general liability services, in substantially the same form as attached, and ratify prior amendments entered into under the CEO's and/or previous General Manager's authority(ies).

14. MTS: Budget Transfers for Mission Valley East (CIP 10426.7)

Recommend that the Board of Directors authorize the CEO to transfer \$250,000 from the Grantville Segment Construction line item (WBS 10426-109918GR) into the Construction Contingency for the Grantville Segment, as shown on Attachment A of the agenda item, Approved Construction Contingency Changes, to fund pending and proposed change orders for the closeout of the Grantville Segment construction contract.

15. SDTC: Ride Monitoring Service – Sole Source Contract (OPS 960.6)

Recommend that the Board of Directors (1) waive the competitive bid requirements of MTS Policy No. 13, Section 13.5.2(b), which requires contracts exceeding \$50,000 to be formally bid, and authorize the Chief Operating Officer-Bus to enter into a retroactive month-to-month contract (Attachment A of the agenda item), not to exceed one year, with the incumbent contractor, First Transit, Inc., for an amount not to exceed \$118,018.20; and (2) waive the competitive bid requirements of MTS Policy No. 13, Section 13.5.2(i) to allow for a negotiated procurement that would evaluate the cost as well as experience of each proposer, instead of evaluating cost from only the highest-ranked technical proposer, for the bidding of a new multiyear contract.

Recommended Consent Items

Mr. Rindone moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15. Mr. Young seconded the motion, and the vote was 12 to 0 in favor.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. MTS: Interim Interest Rate Lock of Pension Obligation Bonds, Variable Rate Series (FIN 300, PC 50601)

Mr. Rindone moved to find that the need for action for this item arose after the issuance of the agenda, that it required immediate Board action, and to approve its addition to the agenda. Mr. Monroe seconded the motion, and the vote was 12 to 0 in favor.

Mr. Cliff Telfer, MTS Interim Chief Financial Officer, called Board's attention to the memo that was placed at the table prior to the start of the meeting. He explained that the variable interest rate climbed from 4.47 percent to 4.78 percent between the time the Board gave staff direction to proceed with locking in the interest rate and before the financing documents could be finalized. Staff presented the Board with four options for proceeding with this transaction: (1) go forward with the lock at 4.78 percent for seven years; (2) pursue a seven-year lock at 4.53 percent with an option to buy out after five years; (3) pursue a three-year term; or (4) make no change to the direction originally given to staff. Mr. Telfer pointed out that the seven-year lock with the five-year buy-out option would save MTS 25 basis points but involves a certain amount of risk at the end of five years. He pointed out that this approach would save \$500,000 over a straight seven-year term.

Mr. Rindone expressed displeasure that action was not taken immediately after Board direction to proceed with this transaction. He stated that, by delaying, MTS will experience an additional cost of thousands of dollars. He felt that the options presented were not very attractive. Mr. Telfer stated that there is legal review that must be conducted and financial documents that must be prepared, and staff and the consultants were not able to finalize these steps before the market rates increased. Mr. Jablonski added that it takes at least two weeks for the preparations and legal review for such a transaction. He stated that there were also timing issues that had a bearing on the completion of the transaction. Mr. Telfer reported that staff can move quickly now if the seven-year term with a five-year buyout option is selected because the existing documentation can be used and no further legal review is necessary. Mr. Jablonski added that the option for a seven-year term with a five-year buy-out will save MTS \$500,000. He added that the increase in the variable interest rate necessitated returning to the Board with this matter.

Mr. Roberts expressed his support for a seven-year term with a five-year buy out but felt that there should be an interest-rate limit of 4.63 percent. Mr. Ewin and Mr. Rindone both expressed support for having a slightly higher limit and pointed out that the interest rate could increase before the transaction is completed. They felt that one or two basis points should not hinder going forward with the transaction.

Mr. Ewin requested that staff notify Board members by e-mail or fax when this transaction is completed and providing the interest rate at which the transaction was locked in.

Action Taken

Mr. Roberts moved to direct staff to pursue a seven-year rate with a five-year cancellation option for an interest rate not to exceed 4.53 percent. Mr. Rindone amended this motion to change the percentage rate to 4.63. Mr. Young seconded the motion, and the vote was 12 to 0 in favor.

REPORT ITEMS

45. SDTC: MTS Bus FY 05 Year-End Operations Report (OPS 960.2)

Mr. Byrne and Ms. Spielberg reviewed the MTS BUS FY 05 Year-End Report. Mr. Byrne provided the Board with information on service quality and on-time performance. He explained that the sudden decrease in on-time performance in April 05 was due to a Padres day game, which had a negative impact on the flow of traffic and affected Route Nos. 4, 20, and 25. Ms. Spielberg reviewed the mean distance between failures and service interruptions, which have shown improvement as a result of the Preventive Maintenance Program. She then showed the Board pictures of one of SDTC's buses being built by New Flyer and the application and painting of one of these buses by maintenance personnel at SDTC's Kearny Mesa facility.

In response to a comment by Mr. Clabby, Ms. Spielberg stated that she didn't feel that there was a correlation between the increase in mechanical failures in April 05 and the decline of on-time performance also in April 05. Ms. Spielberg explained for Mr. Lewis how field supervision staff members are used to monitor bus operations in the field. She also explained how the bunching of buses is handled. Ms. Spielberg also explained that all complaints at SDTC are handled within 48 hours, and everyone who complains receives a response if they provide a telephone number or address. Mr. Lewis suggested that supervisors in customer service randomly check with customers to monitor satisfaction.

Action Taken

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

46. SDTI: Preliminary Green Line/Red Line Service Observations (OPS 970.2)

Mr. Peter Tereschuck, SDTI President-General Manager, reported that the new Green Line has been in operation for three weeks. He then reported on the status of Green Line operations and challenges that arose during simultaneous Red Line special service. Mr. Tereschuck provided the Committee with information regarding consists and the number of train trips. He also provided the Committee with information on ridership, the interline service connection at Old Town Transit Center, and challenges with cycling trains through the Grossmont Transit Center and the Gillespie Field stop.

Mr. Tereschuck reported that Red Line Special Event Service created some particular challenges the weekend that both the Comic Con and a Padres ballgame occurred downtown, especially Friday, July 29. He stated that the primary cause of the difficulties was the bottleneck that occurred at the Old Town Transit Center, which was exacerbated by a car failure at one end of the line and a switch failure in the west pocket

track at Qualcomm. He stated that there is a trolley entering the Old Town Transit Center every one to two minutes.

Mr. Tereschuck advised the Board that centralized control of Old Town routing, which should improve this situation, should be in place by the end of September. He added that system-wide implementation of Central Train Control is now on an accelerated schedule for implementation and should be done in 18 months. He stated that staff also hopes to accelerate the modification of platforms at stations south of Old Town so S70 trolley cars can be used at those locations. He added that staff will also evaluate locations along the Red Line route where additional pocket tracks or sidings could be developed to provide additional flexibility while providing service. Mr. Jablonski stated that staff has a meeting scheduled with Macro to ensure that MTS will be using the latest technology in its Train Control Center. He added that Friday, July 29, was SDTI's second highest ridership day.

Mr. Monroe stated that the Board was unaware that there were potential problems with the system. He also stated that there should be more ambassadors at stations helping customers until they are familiar with how to use the system. He stated that, while he was using the system, there were ambassadors who, while they were very courteous, were not able to provide helpful information regarding when the next trolley train would arrive on the day when these problems occurred. He stated that some employees he encountered that day were not complimentary about the system. Mr. Tereschuck stated that staff has risen to all the challenges of the last 30 days and added that feedback he has received from both passengers and staff in the field has been positive. Mr. Emery pointed out that there are bound to be difficulties with a brand new system. Mr. Emery agreed that there should be more staff in the field to assist passengers, and these people should have known what was happening with the system. Mr. Tereschuck stated that he would address this issue with field staff.

Mr. Ewin stated that he has heard nothing but positive comments about trolley service. He also thanked San Diego Trolley for the assistance they provided East County cities for their events related to the trolley opening. Mr. Mathis stated that the weekend of July 29 presented unique circumstances – operating of a new line, switch problems, car shortages, and station platform problems. He stated that it is unfair to criticize staff for problems that were at least, in part, created by decisions made by the Board. He felt that Trolley staff had risen to the occasion.

In response to a question from Mr. Emery, Mr. Tereschuck stated that he didn't know if additional pocket tracks and sidings would have a positive effect on operations at Old Town. In response to a comment by Mr. Clabby, Mr. Tereschuck stated that he would have signage checked to ensure that it displays the correct information. In response to a question from Mr. Lewis, Mr. Tereschuck reported that field personnel are sometimes reassigned and, in some circumstances, are brought in outside of their regular work schedule.

Action Taken

Ms. Atkins moved to receive this report for information. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

47. MTS: June Monthly Performance Indicators (OPS 920.1, 960.5, 970.5, PC 50451)

Action Taken

Mr. Rindone moved to defer this item to the next Board meeting. Mr. Janney seconded the motion, and the vote was 11 to 0 in favor.

48. MTS: Southern California Maglev Project (AG 230, PC 50121)

Action Taken

Mr. Emery moved to defer this item to the next Board meeting. Mr. Rindone seconded the motion, and the vote was 11 to 0 in favor.

49. MTS: Coordination of MTS Comprehensive Operational Analysis (COA) and SANDAG Independent Transit Planning Review (ITR) (AG 121.10, PC 50451)

Mr. Cheung and SANDAG Principal Transportation Planner Mr. Dave Schumacher, presented the Board with an overview of these two studies. Mr. Cheung reviewed the objectives of the two studies and stated that the COA would take a short-term view while the ITR would take a long-term view. He reviewed the elements and structure of the COA. Mr. Schumacher reviewed the ITR Study Approach, the makeup of the Peer Review panel and the issues to be studied. Mr. Cheung reported that this presentation will also be made to the SANDAG Transportation Committee.

Action Taken

Ms. Atkins moved to receive this report on the coordination of MTS's Comprehensive Operational Analysis and the SANDAG Independent Transit Planning Review for information. Mr. Morrison seconded the motion, and the vote was 11 to 0 in favor.

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

Public Comment and Employee Awards: Mr. Roberts stated that there should be no staff reports given during Public Comment, and each comment from the public should be no more than two minutes long. He stated that the Board is having debates and employee awards and is then not able to finish its business as outlined on the agenda. He stated that public comment is acceptable, but there should be no debate.

63. Additional Public Comments on Items Not on the Agenda

Nathan Johnson, Amalgamated Transit Union (ATU), Local 1309: Mr. Jablonski reported that Mr. Johnson was inadvertently overlooked when the Consent Agenda was

approved. He stated that Mr. Johnson wished to make comments regarding Consent Agenda Item No. 15 - SDTC: Ride Monitoring Service – Sole Source Contract. Mr. Johnson stated that the ATU would like to have input into the procedures and methods used to carryout this program. He also stated that approving this contract is in violation of MTS Policy No. 13 – Procurement of Services.

Mr. Johnson also stated that the decrease in complaints could be partially attributed to Mr. Jablonski's and Ms. Spielberg's expenditure of \$1 million in resources for improving bus routing and schedules. He also stated that Wage Order No. 9 requires that operators be given certain break periods, and ATC and McDonald Transit are involved in law suits because they failed to do so. He added that these two companies have policies that differ from SDTC's regarding the bunching of buses.

64. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, September 8, 2005, at 9:00 a.m. in the same location.


65. Adjournment

Chairman Williams adjourned the meeting at 12:05 p.m.



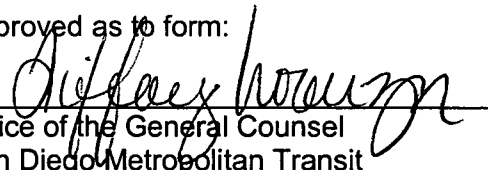
Chairman
San Diego Metropolitan Transit
Development Board

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): 8/11/05

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:37 a.m.

RECONVENE: 10:28 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 12:05 p.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:09 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"/>		
LEWIS, Mark	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MAIENSCHIN	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MATHIS	<input checked="" type="checkbox"/> (N/A) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
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 checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:19 a.m. during AI 3	
ROSE	<input type="checkbox"/> (Janney) <input checked="" type="checkbox"/>		
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		<input checked="" type="checkbox"/>
WILLIAMS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:09 a.m. during AI 3	11:30 am. during AI 46
	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Ridgely Wrenn



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

Item No. 6

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

ADM 150.3 (PC 50711)

September 8, 2005

Subject:

SDTC: AMENDMENT TO SDTC NONCONTRACT RETIREMENT PLAN

RECOMMENDATION:

That the Board of Directors approve an amendment (Attachment A) to the San Diego Transit Corporation (SDTC) Noncontract Retirement Plan.

Budget Impact

None.

DISCUSSION:

The purpose of this item is to create a formal procedure for computing the retirement benefits under the Retirement Plan for Noncontract (management) Employees of San Diego Transit Corporation (the Management Plan) with respect to union employees who are promoted into management.

Pursuant to informal past practices, if a union-represented employee is promoted into Management, all of the years of service earned while in the represented position are transferred to the Management Plan, as if the employee had been a Management employee his/her entire career.

The benefits of the two union plans and the Management Plan are different. However, after working one day as a Management employee, the employee's entire pension is subject to the higher benefits outlined in the Management Plan.



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.

This creates an accounting and equity problem. For example, if a bus operator with 25 years of service (union-represented position) is promoted to a field supervisor (management position) and works as a field supervisor for 1 year, 25 years of pension contributions were made to the union retirement plan and 1 year of pension contributions were made to the Management Plan. However, the Management Plan funds the entire 26 years of service, since the employee retired while a member of the Management Plan.

The amendment that we are proposing will segregate a promoted employee's union service from his/her management service so that:

1. all union service will be credited to the union plan and the employee will receive benefits from the union plan based on his/her service as a union employee; and
2. all management service will be credited to the Management Plan and the employee will receive benefits from the Management Plan based on his/her service as a management employee.

This amendment will apply to all union employees who are promoted into a management position after January 1, 2005. Employees who have been promoted into management since that date have signed employment offers containing the terms and conditions outlined above.

The proposed amendment is attached for information.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Jeff Stumbo, 619.557.4509, Jeff.Stumbo@sdmts.com

JGarde
SEPT8-05.6.SDTCRETIREMTPLAN.JSTUMBO
8/22/05

Attachment: A. Amendment to Retirement Plan

FOURTH AMENDMENT TO
SECOND AMENDED AND RESTATED RETIREMENT PLAN
FOR NONCONTRACT EMPLOYEES
OF SAN DIEGO TRANSIT CORPORATION

This Fourth Amendment ("Amendment") to the Second Amended and Restated Retirement Plan for Noncontract Employees of San Diego Transit Corporation ("Plan") is made by San Diego Transit Corporation.

WHEREAS, it is necessary to amend the Plan to provide a mechanism for computing the retirement benefits payable to a union employee who becomes a noncontract employee;

NOW, THEREFORE, the Plan is hereby amended as follows:

1. Authority and Effective Date. The effective date of this Amendment shall be January 1, 2005, unless otherwise specified below. This Amendment is made pursuant to Section 12.01 of the Plan. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.
2. Transferred Employees. Effective January 1, 2005, new Section 2.03 is hereby added to the Plan to read as follows:
 - 2.03. Transferred Employees. If at the time an Eligible Employee becomes a Participant in this Plan, such Eligible Employee has a vested accrued benefit under either (i) the Retirement Plan for A.T.U. Local 1309 Contract Employees of San Diego Transit Corporation or (ii) the Retirement Plan for I.B.E.W. Local 465 Contract Employees of San Diego Transit Corporation (collectively, the "Union Plans"), then, notwithstanding any other provision of this Plan to the contrary, such Participant's benefit under this Plan shall be determined and computed in manner consistent with the following:
 - (a) Except as provided in Section 2.03(d) below, the Participant's vested accrued benefit under the Union Plan shall be unaffected by Participant's participation in this Plan or Participant's service as an Eligible Employee. At such time as Participant chooses to draw his/her benefit from the Union Plan, such accrued benefit shall be computed as if Participant terminated employment with Employer on the date the Participant became an Eligible Employee under this Plan.
 - (b) Participant's service with Employer while Participant was a participant in the Union Plan shall be counted in determining Participant's vested percentage under Article VI of this Plan.
 - (c) For the purposes of computing Participant's benefit under Articles III and IV under this Plan, only Participant's Credited Years of Service as an Eligible Employee shall be counted in computing such benefit. In the event that the Credited Years of Service of Participant as an Eligible Employee are less than five (5), the applicable Table A shall be extrapolated downward in order to derive the appropriate percentage.
 - (d) For the purposes of computing Participant's Average Monthly Final Earnings, only the periods during which Participant participated in this Plan shall be considered for the purposes of identifying the twelve (12) consecutive months which produce the highest average compensation. If the Participant has less than twelve (12) months of participation in this Plan, Average Monthly Final Earnings

shall be computed on the basis of the number of months the Participant has participated in this Plan.

- (e) In the event the Participant applies for a Disability Retirement Benefit under Article V, (i) such Disability Retirement Benefit shall be computed and paid by the Plan using the Credited Years of Service earned by the Participant under this Plan and the Union Plan, and (ii) no other retirement or disability benefit shall be paid by the Union Plan to Participant.
- (f) Without limiting the foregoing, it is the intent of the Employer that a Participant described in this Section 2.03 not accrue any further benefits under the Union Plan by reason of his/her service as an Eligible Employee. In the event the Employer is ever required to increase such a Participant's benefit under the Union Plan by reason of his/her service as an Eligible Employee, such benefit increase shall offset, on a dollar-for-dollar basis, the benefit to which the Participant would otherwise be entitled under this Plan.
- (g) In no event shall the combined monthly benefit received by the Participant under this Plan and the Union Plan exceed 70% of Participant's Average Monthly Final Earnings as computed under this Plan. In the event Participant's combined benefit exceeds such limit, the monthly benefit payable under this Plan shall be reduced until such limit is reached. In no event, however, shall there be any reduction in the monthly benefit payable to Participant under the Union Plan.
- (h) The procedures in Sections 2.03(a) through (g) above shall not apply to an Eligible Employee who becomes a Participant in this Plan and who has a nonvested accrued benefit under a Union Plan. In such a case, the Participant shall (i) be credited with an accrued benefit under this Plan based on service with the Employer while a participant in the Union Plan (subject, however, to the break in service rules of this Plan) and (ii) cease to have any accrued benefit under the Union Plan; provided however, that in no event shall the accrued benefit of the Participant under this Plan be less than it was under the Union Plan.

Except as otherwise provided herein, the Plan shall remain in full force and effect.

SAN DIEGO TRANSIT CORPORATION

By: _____

Its: _____

By: _____

Its: _____



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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.

LEG 492 (PC 50101)

September 8, 2005

Subject:

MTS: FOLLOW-UP ON THE INTERNAL AUDIT REPORT ON ACCOUNTING

RECOMMENDATION:

That the Board of Directors receive the internal audit follow-up memorandum (Attachment A) on the May 2005 audit report on the accounting process for information.

Budget Impact

None.

DISCUSSION:

During the June 23, 2005, Board Meeting, Mr. Ewin requested that the MTS Internal Auditor perform a follow-up review on the status of the agency's bank account reconciliations. Attached is an internal audit memorandum providing the updated status of those bank reconciliations.

Paul C. Jablonski
Chief Executive Officer

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

JGarde/SEPT8-05.7.ACCTAUDITFOLLOWUP.MABBEY

Attachment: A. Follow-up Memo on Accounting



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.



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Memorandum

DATE: August 22, 2005

LEG 492 (PC 50101)

TO: Paul Jablonski

FROM: Mark Abbey

SUBJECT: FOLLOW-UP ON MTS ACCOUNTING REVIEW

EXECUTIVE SUMMARY

At the June 23, 2005, Board Meeting, Mr. Ewin requested that the Board be provided with an update on the control and timeliness of bank statement reconciliations within 60 days. I have now completed an update on the progress made in this regard. Below are my findings.

Audit Observations

The following is the status of the general account bank reconciliations as of August 19, 2005.

- The MTS bank reconciliation has been completed to June 30, 2005. The reconciliation still contained some outstanding checks dated back as far as 2003, which should be investigated and cleared.
- The SDTI bank reconciliation has been completed to June 30, 2005. The reconciliation still contained numerous outstanding checks dated 2003 and prior, which should be investigated and cleared.
- The SDTC bank reconciliation has been completed to June 30, 2005. The reconciliation still contained some outstanding checks dated back as far as 2003, which should be investigated and cleared.

A further follow-up will be performed on the status of bank reconciliations and other issues identified in the May 2005 internal audit report within six months.

JGarde
M-FINAL-MTSACCTG.MABBEY
3/7/05

cc: Tiffany Lorenzen, Cliff Telfer





Metropolitan Transit System

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Agenda

Item No. 8

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

SDAE 710.1 (PC 50921)

September 8, 2005

Subject:

MTS: MEMORANDUM OF UNDERSTANDING WITH THE CITY OF NATIONAL CITY
AND THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF
NATIONAL CITY

RECOMMENDATION:

That the Board of Directors approve a Memorandum of Understanding (MOU) (Attachment A) with the City of National City and the Community Development Commission (CDC) of the City of National City, which includes a new, private at-grade crossing of San Diego and Arizona Eastern (SD&AE) Railway Company tracks, upon the recommendation of the SD&AE Railway Company Board of Directors.

Budget Impact

The City of National City would execute a license agreement with SD&AE for the new crossing and pay all expenses incurred by SD&AE in the construction and maintenance of the crossing.

DISCUSSION:

At its meeting on February 15, 2005, the SD&AE Board of Directors approved, in concept, an MOU between SD&AE, the City of National City, and the CDC. Since that time, the CDC has determined that a new private crossing of the SD&AE tracks (as shown on Exhibit A to Attachment A) is required for its redevelopment project. The crossing would be the subject of a license agreement between the City of National City and SD&AE. At its meeting on August 23, the SD&AE Board of Directors moved to forward a recommendation to the MTS Board of Directors to approve the attached MOU.

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. MOU



REVISED

MEMORANDUM OF UNDERSTANDING

BETWEEN

SAN DIEGO METROPOLITAN TRANSIT SYSTEM,
SAN DIEGO AND ARIZONA EASTERN RAILWAY COMPANY,
THE CITY OF NATIONAL CITY,
AND

THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF NATIONAL CITY

This Memorandum of Understanding (MOU) is made and entered into by and between the San Diego Metropolitan Transit System (MTS), a California public agency established under the Public Utilities Code, the San Diego and Arizona Eastern (SD&AE) Railway Company, a public benefit corporation whose sole member is MTS, the City of National City, and the Community Development Commission (CDC) of the City of National City. The City of National City and the CDC are a municipal corporation and a community development commission respectively organized and existing under the laws of the State of California. The purpose of this MOU is to document the parties' understanding and responsibilities with respect to the redevelopment of properties in National City in the areas shown on Exhibit A attached (the Redevelopment Area) hereto while at the same time providing for current and future rail service through the Redevelopment Area for MTS and SD&AE.

1. Except in and adjacent to the hotel site area (described as "Parcel 3 Site Hotel Area" and "Parcel 4 Site Hotel Area" on Exhibit A attached hereto), neither MTS nor SD&AE (for convenience, also hereinafter referred to as the Railroad) can find evidence of property ownership interests in the areas covered by the terms of this agreement. If, in the future, it is discovered that the Railroad has either fee title or an easement in any of the areas covered by this agreement, CDC shall pay the Railroad for the value of the property and the Railroad agrees to quitclaim any such interest to the CDC, as follows:
 - a. For fee, the value of \$12.00 per square foot.
 - b. For an easement, the value of \$6.00 per square foot.
2. All new track work, signals, crossing improvements, and demolition in areas owned or controlled by the Railroad, or which will be owned or controlled by Railroad, shall be done subject to plans and specifications approved by Railroad, by a contractor approved by Railroad and subject to the supervision of Railroad, all at the CDC's expense provided that the CDC shall have approved the cost of such work and demolition in advance of it being performed. Minimum design standards for all new track construction shall be Federal Railroad Administration Class 2, using 115-pound rail, at a minimum design speed of 25 miles per hour.
3. The Railroad shall be responsible for the maintenance of all new track and appurtenances at any at-grade crossings constructed pursuant to the terms of this MOU. As a condition precedent to the construction of any at-grade crossing, including the crossing at Bay Marina Drive and the private driveway south of the Hotel site (if subject to the California Public Utilities Commission's [PUC's] jurisdiction), the City of National City will apply to the PUC for a permit to construct an at-grade crossing at these locations. If a permit is issued, any safety improvements required by the PUC, including, but not limited to, concrete crossing material, flashers, and warning devices, shall be installed pursuant to the terms of paragraph 2.

- a. The Railroad agrees to cooperate with the City of National City in the application process, including the execution of a license, cost, and maintenance agreement between the City of National City and the Railroad, which will address, among other things, the maintenance obligations of each party at the proposed crossing with the understanding that the Railroad will be responsible for maintenance of the rail, flashers, and warning devices (at City of National City's expense) and the City of National City will be responsible for maintenance of the roadway improvements.
4. The Railroad shall have no control over demolition of track in areas not owned or controlled by the Railroad.
5. Any arrangement entered into between the Port of San Diego, Burlington Northern Santa Fe (BNSF) Corporation, and the City of National City shall not preclude Railroad from rail access within Bay Marina Drive to the terminal area along Harrison Avenue/Marina Way and the Coronado Railroad right-of-way.
6. Harrison Street/Alley
 - a. CDC shall remove the rail tracks in the alley between the "Motivational Systems, Inc. (MSI)" parcel and "MSI Parking Lot" parcel, and Parcel 1B and 1C ("Olson"), identified as "6.a. CDC to Remove Rail Tracks," all as shown on Exhibit A attached hereto. The removal will include the rail switch and appurtenances on the south side of Bay Marina Drive to the terminus of the tracks approximately 400 feet north of 23rd Street.
 - b. CDC, at the request of the Railroad and pursuant to plans developed by the Railroad, will install tracks and appurtenances across Bay Marina Drive to connect the existing tracks on the north and south side of Bay Marina Drive, identified as "6.b. CDC to Connect to Existing Tracks," as shown on Exhibit A, subject to the terms of paragraphs 2 and 3.
 - (1) At the option of the Railroad, in lieu of the terms of paragraph 1.b. above, the City of National City agrees to cooperate with the San Diego Freight Rail Advisory Council (the "Council") or other public agency as necessary in the project development and construction of the connection between the SD&AE main lines and the BNSF main lines across Marina Way in the general area between Bay Marina Drive and the Salt Marsh (as shown on Exhibit B attached hereto). Cooperation shall mean granting of right-of-way necessary from the City of National City or CDC at no cost to the Council and affirmative support of the Council's at-grade crossing permit application from the PUC.
 - c. The CDC will remove the tracks in Harrison Street north of 23rd Street beginning at the existing switch, which connects the track to BNSF's main track, identified as "6.c. Remove Tracks North of 23rd St. Beginning at the Switch" as shown on Exhibit A.
7. Hotel Site Area
 - a. SD&AE will grant to the CDC a nonexclusive license for parking, drainage, access, and related purposes over the area identified as "7.a. Parking Area-SD&AE to Grant Parking License to CDC" on "Parcel 4 Site Hotel Area" on Exhibit A. The license will provide that

no parking will be allowed within 10 feet of the centerline of the existing track and will further provide the CDC with the right to sublicense to the developer of the hotel site with prior approval of the Railroad. Any such license shall be revocable by SD&AE upon 30 days' notice to the CDC.

- b. The CDC will install a private driveway at-grade across the tracks of Railroad at the location identified as "7.b. Storm Drain and Driveway License" on Exhibit A, subject to the terms of paragraphs 2 and 3.
- c. The CDC will install a storm drain below the tracks of Railroad at the location identified as "7.b. Storm Drain and Driveway License" on Exhibit A, subject to the terms of paragraph 7.d., below.
- d. Prior to development of any public improvements or off-site improvements related to development in the hotel site area, CDC shall prepare detailed plans for railroad's review and approval, which approval shall only pertain to improvements on the Railroad's property. All pipeline improvements under Railroad's tracks shall conform to American Railway Engineering and Maintenance of Way Association-recommended practices.
- e. Plats and legal descriptions for the easements described above shall be prepared by the City of National City/CDC, subject to the review and approval of the Railroad.
- f. The value of the easement areas described in this paragraph and granted to the City of National City and the CDC shall be \$10.00 per square foot and shall be paid to the SD&AE by the CDC/City of National City or the hotel developer prior to development of the hotel site.

8. Retaining Wall Easement

SD&AE will grant an easement to the City of National City for the existing retaining wall adjacent to Paradise Marsh, shown as "Retaining Wall Easement" on Exhibit B.

9. Harbor Drive Rail Crossing

City of National City shall remove paving to top of rail elevation if requested by SD&AE if and when the rail lines crossing Harbor Drive are put back into service upon 30 days' written notice. City of National City shall complete the removal of the paving no later than 90 days following the 30 days' written notice. Failure to remove the paving within this time period will result in the imposition of liquidated damages in the amount of \$50 for every day that the project is not completed within the aforementioned time schedule. The terms of paragraph 4.b are incorporated herein.

10. This MOU represents the general agreement between the parties with respect to the Redevelopment Area. The parties agree to execute more specific agreements in the future as required to carry out the terms and conditions of this MOU, the costs of which are to be paid by the CDC.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by their respective duly authorized representatives on this _____ day of _____, 200____.

METROPOLITAN TRANSIT SYSTEM

CITY OF NATIONAL CITY

Paul C. Jablonski
Chief Executive Officer

By: _____
Title: _____

Approved as to form:

COMMUNITY DEVELOPMENT COMMISSION

Tiffany Lorenzen
MTS General Counsel

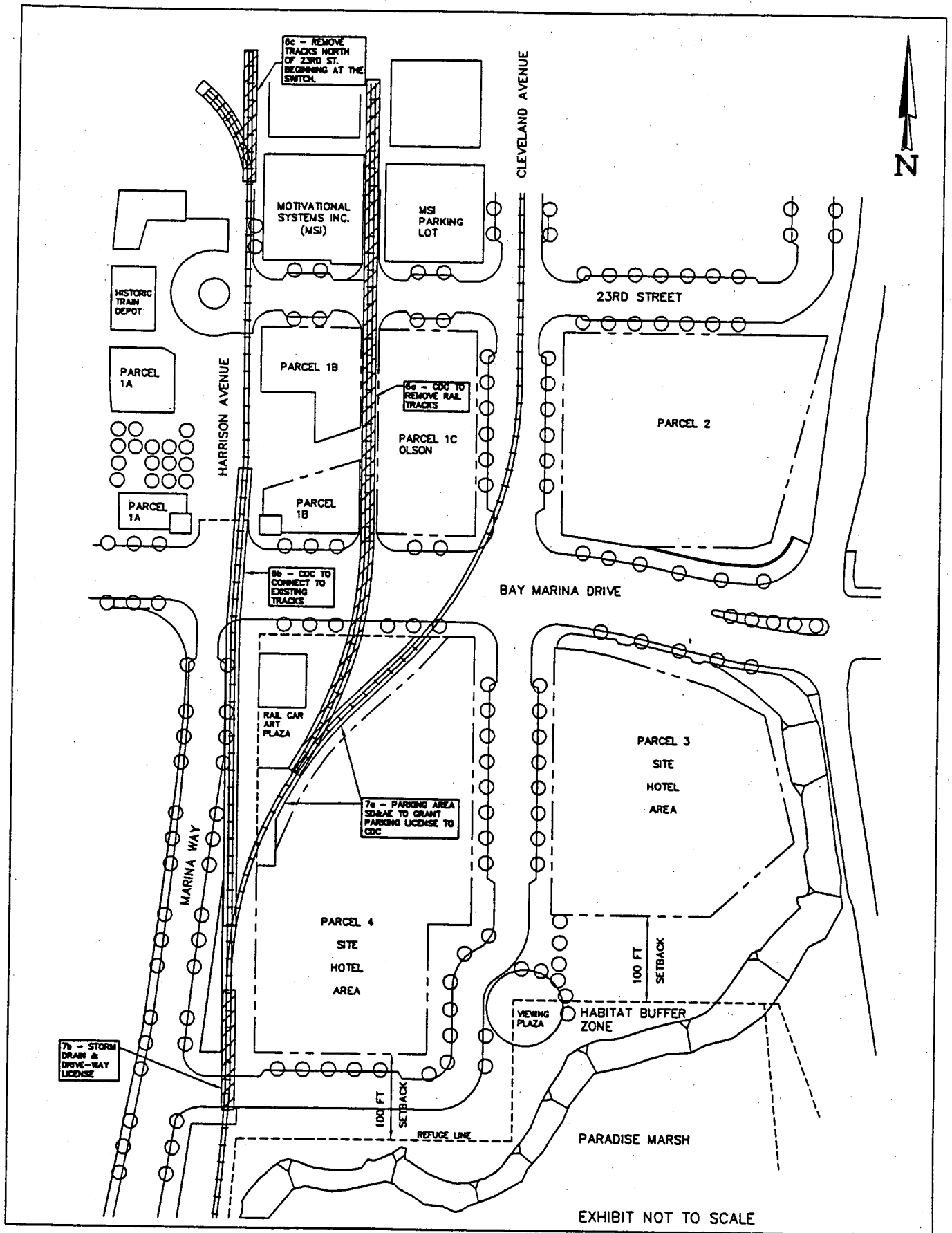
By: _____
Title: _____

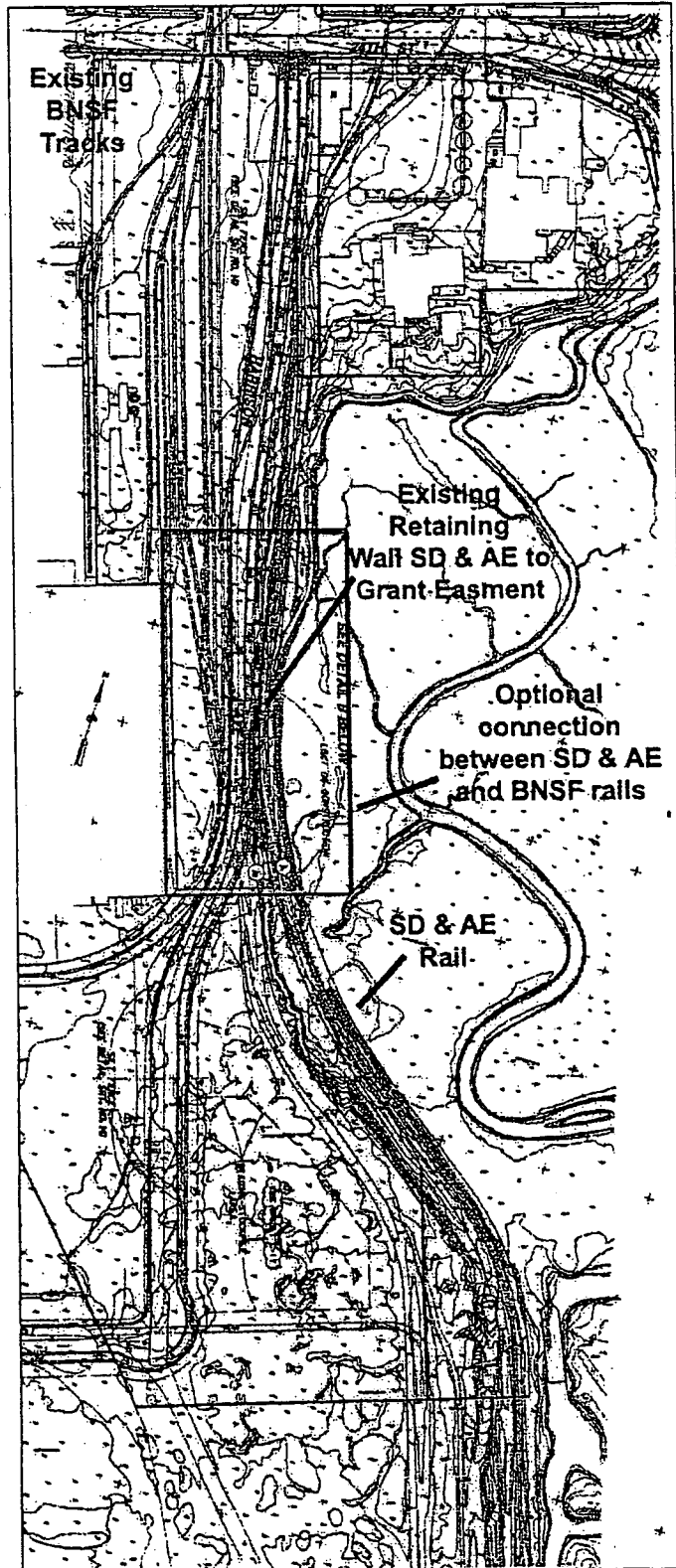
SAN DIEGO AND ARIZONA EASTERN
RAILWAY COMPANY

By: _____
Title: _____

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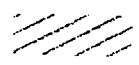
Attachment: Exhibit A - Redevelopment Area
Exhibit B – Easement Map







SALT MARSH



OPTIONAL CONNECTION
BETWEEN SD&AE AND
BNSF RAILS

BNSF
EXISTING TRACKS

HARRISON

BOFF

1.5 SB ON

1.5 SB

1.5 NB

1.5 NB BOFF

1.5 SB BOFF

EXISTING RETAINING
WALL SD&AE TO
GRANT EASEMENT

NARROWS
ALTERNATIVE

SALT
MARSH

SD&AE RAIL

EXHIBIT NOT TO SCALE

REDEVELOPMENT AREA

EXHIBIT B



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Agenda

Item No. 9

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

OPS 970.6 (PC 50101)

September 8, 2005

Subject:

MTS: LIGHT RAIL VEHICLE BLOWER MOTOR REPLACEMENT: WARRANTY CLAIM
SETTLEMENT

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to enter into an agreement (Attachment A) with Siemens Transportation Systems, Inc. (Siemens) to replace 150 blower motors on the U2 light rail vehicle (LRV) fleet for a total cost, including delivery and taxes, not to exceed \$42,385.00.

Budget Impact

The \$42,385.00 for the blower motors would come from the FY 06 Miscellaneous Capital project line item 11147-0200.

DISCUSSION:

In January 2001 MTS awarded a contract to Siemens to replace motor-generator sets with static inverters, DC blower motors with AC blower motors, and DC lighting with AC lighting in every U2 car in the LRV fleet. The contract included furnishing MTS-specified equipment, installing the equipment on the U2 LRV fleet, and testing and commissioning the system.



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.

Within a few months after putting the new system into service, we started experiencing increased failures of blower motors. Initially, these failures were treated as random failures, and bad motors were repaired and/or replaced under warranty. When failures continued, Siemens and its sub supplier, Trans-Technik, did an in-depth investigation of the failures and discovered that motor bearings kept failing because specifications required reuse of existing fans (impellers) with the new motors supplied by Trans-Technik. The existing fan was too heavy for the new motor resulting in imbalance, excessive heat generation, and premature wear and tear on bearings. The original intent of the specifications requirement was to use as many good existing parts as possible, including blower fans, to save costs. This problem did not occur during prototype testing, probably because the duration of the test was not long enough.

Siemens recommended that all blower motors and fans in the U2 LRV fleet (150 total) be replaced with new motors with longer shafts and new lighter aluminum fans attached. Siemens claimed that this is not a warranty issue since the cause of the problem is rooted in the specification requirements and, therefore, it is not responsible for the cost of these replacements.

After negotiating with Siemens, an agreement was reached that MTS and Siemens would share the cost of new motors, impellers, and testing equally. Siemens would bear the cost of delivery of all motors to San Diego, and San Diego Trolley, Inc. would remove the old motors and replace them with new motors in the U2 LRV fleet.

We feel that this is a fair agreement (Attachment A) for both parties, and it would extend the blower motor life significantly.



Paul C. Jablonski
Chief Executive Officer

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

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Attachment: A. Warranty Claim Settlement Agreement

WARRANTY CLAIM SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into effective September 8, 2005, by and between Siemens Transportation Systems, Inc. ("Siemens") and the Metropolitan Transit System ("MTS") (Siemens and MTS are sometimes hereinafter collectively referred to as "the Parties").

WHEREAS:

1. The Parties have entered into a certain contract described as Contract L0523.0-01, dated _____, 2001, including all of the several amendments thereto made by the Parties to the date of this Settlement Agreement (collectively "the Contract");
2. Certain disputes subsequently arose between the Parties over the excessive failure of certain motors and responsibility to resolve the problems;
3. The Parties have agreed to settle all disputes arising from the aforesaid Contract and to mutually release each other from all claims as hereinafter specified to finish the Contract on amicable and mutually beneficial and agreeable terms.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. To increase the life span and the maintenance interval of U2 light rail vehicle ("LRV") resistor blower motors and impeller system installed according to contract Document No. L0532.0-01, the following revisions to the original Technical Specifications shall be made:

Section 1.20 – Resistor Blower Motor

Add the following rows to the General Specifications Table:

<i>A-side bearing</i>	<i>Fixed 6204-2RS self-lubricated sealed bearing.</i>
<i>B-side bearing</i>	<i>6202-2RS self-lubricated, sealed bearing.</i>
<i>Shaft Hub</i>	<i>Must protrude 5 cm from housing for new impeller mounting</i>

Section 1.00 – Furnish Equipment and Parts

Add the following section:

Section 1.21 – Resistor Blower Motor Impeller

Each of the U2 LRVs has two resistor blower motor impellers (Siemens type 2CS7 309-5AB3). To suit the new AC blower motors, these impellers must be replaced with lighter cast aluminum impellers, which meets the following original impeller specifications:

<i>Air Volume</i>	<i>0.5m3/sec</i>
<i>Pressure</i>	<i>380 N/m2</i>
<i>Speed</i>	<i>3,650 rpms</i>

Section 3.34 – AC Blower Motors

Remove the first paragraph, second sentence, and add the following:

The fan housings are reused from the existing installation. Adaptive brackets must be engineered and installed to secure, balanced motor mounting. The installed system must comply with Air Movement and Control Association International, Inc. (AMCA) Standard 204-96, Balance Quality and Vibration Levels for Fans, at both low (40 Hz) and high (50 Hz) fan speeds in horizontal, vertical, and axial directions.

2. To comply with the revised specifications above, Siemens shall deliver 150 new, enhanced AC blower motors and impellers. The blower motors shall be the original Emode type 71L/20L, but shall include the superior sealed bearings and lengthened shaft. The new impeller shall meet the original specifications but shall be constructed of lighter cast aluminum. These modifications are designed to lengthen the life span and maintenance period of the system beyond the two-year warranty period.
 3. Siemens shall supply four complete units for AMCA 204-96 compliance test to its testing facility at Dahl-Beck Electric in Richmond, California. After completion of one week of successful testing, which may be witnessed by MTS, all four units shall be shipped to MTS for installation and revenue service testing for three more months. If successful, delivery of the remaining 146 systems shall be completed within 12 weeks.
 4. MTS shall bear all costs of removing old motors and impellers and replacing them with new motors and impellers in all LRVs.
 5. Siemens shall bear the freight costs to deliver all 150 motors to MTS.
 6. The cost of new motors with longer shafts, mounting of new lighter impellers, and complete testing at the Dahl-Beck Electric facility shall be equally shared between Siemens and MTS (each is responsible for \$42,385.00).
 7. All new systems consisting of blower motors with longer shafts, sealed bearings, and new, lighter impellers shall carry a one-year warranty.
 8. Except for the respective obligations of the Parties under this Agreement and warranty obligations under the subject Contract, Siemens and MTS fully and finally mutually release each other for all claims arising under the Contract. The releases set forth herein extend to unknown as well as known claims. The Parties each waive the benefits of Section 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.
- The Parties each have been advised by their respective counsel with respect to this waiver of Section 1542 and understand the significance and consequences thereof.
9. Each of the Parties shall bear its own attorneys' fees and costs in this matter.

10. MTS agrees to present this Settlement Agreement to its governing board for final action on September 8, 2005. The Parties understand and agree that the provisions of this Agreement shall not be final and binding until final approval shall be given hereto by the MTS governing board.

11. This Agreement is a compromise and settlement of disputed claims and shall not be deemed an admission of liability by either party for any purpose.

12. This Agreement is the complete agreement between the Parties and there are no promises, undertakings, representations, or warranties relative to the Agreement which are not expressly set forth herein. This Agreement may not be amended or modified except by a written instrument signed by each of the Parties.

13. This Agreement may be executed in duplicate counterparts, which shall together comprise one instrument.

DATED: September 8, 2005

METROPOLITAN TRANSIT SYSTEM

SIEMENS

Paul C. Jablonski
Chief Executive Officer

Kevin Kirk
Director

Approved as to form:

Tiffany Lorenzen
General Counsel

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619.231.1466, FAX: 619.234.3407

Agenda

Item No. 10

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

LEG 430 (PC 50121)

September 8, 2005

Subject:

MTS: DISADVANTAGED BUSINESS ENTERPRISE (DBE) APPROVAL OF FY 06
GOALS FOR PUBLICATION

RECOMMENDATION:

That the Board of Directors approve the proposed disadvantaged business enterprise (DBE) goals for FY 06 and authorize staff to publish a notice of these proposed goals for public information and comments.

Budget Impact

None.

DISCUSSION:

DBE goals are developed in accordance with federal regulations set forth in Title 49 of the Code of Federal Regulations Part 26, Participation by DBE in the U.S. Department of Transportation Program. Goals for FY 06 have been developed by our outside consultant, Gonzalez-White Consulting Services, and are based on demonstrable evidence of ready, willing, and able DBEs that are known to be available to work on MTS federally assisted contracts. Census data is also used to determine the relative availability of DBEs in specific areas of expertise. Previously, Standard Industrial Classification (SIC) codes from the Census Bureau's county business pattern were identified and used. Subsequently, the Small Business Administration (SBA) adopted the North American Industry Classification System (NAICS) to replace SIC codes. The NAICS now serves as the basis for the SBA's small business-size standards used by federal procurement officials and others to define whether a business is large or small.



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.

The system identifies hundreds of new, emerging, and advanced-technology industries and reorganizes the industries into more meaningful sectors.

Gonzalez-White Consulting Services has completed its evaluation (Attachment A) of the MTS FY 06 Budget, the pool of ready, willing, and able firms, census data, and past participation quarterly reports. With the consolidation complete, we are only required to submit goals for FTA-assisted contracts, Federal Highway Administration monies have been transferred to the San Diego Association of Governments (SANDAG).

The proposed FTA DBE FY 06 goals are as follows:

<u>Category</u>	<u>Proposed Goal</u>
Construction/Special Trades	0.0 percent
Services	2.3 percent

These goals are based upon total budgeted expenditures of \$0 for construction contracts and \$5,859,700 for service contracts. By way of comparison, the FY 05 FTA DBE goals were 11.6 percent for construction based upon budgeted expenditures of \$37,629,000, and 2.2 percent for services based upon budgeted expenditures of \$7,438,000.

Upon the Board's approval of these proposed goals, notice of the goals will be published pursuant to federal guidelines. Staff will report back to the Board with any public comments 45 days following the publication of the notice. The draft goals have been transmitted to the FTA to allow for the continuation of grant funding. Final goals will be transmitted following the public comment period.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Traci Bergthold, 619.557.4540, traci.bergthold@sdmts.com

JGarde
SEPT8-05.10.DBE06GOALS.TBERGTHOLD
9/22/05

Attachment: A. MTS FY 2006 FTA Goals

GONZALEZ-WHITE CONSULTING SERVICES
3439 Via Beltran
San Diego, CA 92117
858-274-8992

**FTA DBE PARTICIPATION GOALS FOR
FISCAL YEAR 2006**

Presented to:

THE METROPOLITAN TRANSIT SYSTEM

August 5, 2005

METHODOLOGY

Our overall 2.3% DBE goal was based on demonstrable evidence of the availability of ready, willing and able DBEs relative to all businesses ready, willing and able to participate on the MTS's Federal Transit Administration (FTA)-Assisted contracts. The overall goal of 2.3% reflects staff's determination of the level of DBE participation expected absent the effects of discrimination. To achieve this goal, a two-step process was used:

Step 1. - Base figures were calculated to determine the relative availability of DBEs in specific areas of expertise (construction/special trades; professional, scientific and technical services; and wholesale trade durable goods). The 2002 Census Bureau's County Business Pattern database for the San Diego area and the California Unified Certification Program (CUCP) DBE directory were used for data.

Construction: A total of \$0.00 is budgeted for FY06 construction/special trades contracts for the FTA Projects.

Services: A total of \$2,913,700 is budgeted for FY06 service contracts that are assisted by the FTA. These contracts require professional, scientific and technical services. According to the Census Bureau's County Business Pattern NAICS Codes there are 2,681 businesses in the San Diego area. According to the CUCP DBE directory, there are 128 DBEs willing and able to do business in the same NAICS codes. We then divided the number of DBEs (128) by the number of all businesses (2,681) to derive a base figure for the relative availability of DBEs in our market. **DBEs constitute 4.7% in the San Diego area.**

TABLE A

<u>Services</u>	<u>CUCP Code</u>	<u>No. DBEs</u>	<u>NAICS Code</u>	<u>No. County Businesses</u>
Architectural Services	541310	10	541310	334
Engineering Services	541330	34	541330	933
Design	541490	27	541490	019
Custom Computer Programming	541511	09	541511	686
Computer Systems Design	541512	20	541512	473
Other Scientific & Technical	541690	28	541690	236
TOTAL		128		2681

Base Figure – $128 / 2681 = 4.7\%$

Wholesale Durable Goods: A total of \$2,946,000 is budgeted for FY06 wholesale durable goods contracts that are assisted by the FTA. According to the Census Bureau's County Business Pattern NAICS Codes there are 724 businesses in the San Diego area. According to the CUCP DBE directory, there are 0 DBEs willing and able to do business in the same NAICS codes. We then divided the number of DBEs (0) by the number of all businesses (724) to derive a base figure for the relative availability of DBEs in our market. **DBEs constitute 0% in the San Diego area.**

TABLE B

<u>Wholesale Durable Goods</u>	<u>CUCP Code</u>	<u>No. DBEs</u>	<u>NAICS Code</u>	<u>No. County Businesses</u>
Automobile and Other Vehicles	421110	0	421110	050
Tire and Tube Wholesale	421130	0	421130	018
Computer & Peripheral Eq & Soft	421430	0	421430	218
Other Commercial Equipment	421440	0	421440	040
Other Prof. Equipment & Supplies	421490	0	421490	032
Other Electronics Parts and Equip	421690	0	421690	330
Transportation Equipment/Supplies	421860	0	421860	036
TOTAL		0		724

Base Figure – $0 / 724 = 0\%$

Step 2. - We examined the following evidence available in our jurisdiction: 1) the CUCP DBE directory and 2) the median DBE past participation of the FTA-assisted contracts for FY02, FY03 and FY 04.

Based on the above evidence in Step 2, we did not make adjustments to narrowly tailor the base figure to the MTS marketplace.

Services: We did not adjust the base figure of 4.7% in light of one other factor. 1) the median DBE past participation of 4% achieved in FTA service category contracts for FY02 (5%), FY03 (4%) and FY04 (2%); **The DBE availability for FTA-assisted service contracts remains at 4.7%.**

Wholesale Durable Goods: We did not adjust the base figure of 0% in light of one other factor. 1) the median DBE past participation of 0% achieved in FTA wholesale durable goods category contracts awarded FY02 (0%), FY-03 (0%) and FY-04 (0%); **The DBE availability for FTA-assisted wholesale durable goods contracts remains at 0%.**

Overall Goal. - The FTA overall annual 2.3% DBE goal was calculated as follows:

percentage of budgeted contracts x the percentage of DBE availability for each category:

Services	49% x 4.7%	=	2.3%
Wholesale Durable Goods	51% x 0.0%	=	0.0%
Overall Total Annual Goal		=	2.3%

Use of Race-Neutral Methods and DBE Contract Goals. - The U.S. DOT regulations require that the maximum feasible portion of the DBE overall annual goal be met by using race-neutral methods. Race-neutral methods include making efforts to assure that bidding and contract requirements facilitate participation by DBEs and other small businesses. Unbundling large contracts to make them more accessible to small businesses; encouraging prime contractors to subcontract portions of the work that they might otherwise perform themselves; and providing technical assistance, communications programs and other support services to facilitate consideration of DBEs and other small businesses.

The median DBE Goal set under the new Part 26 regulations for the past three years has been 13% (FY-02 – 13%, FY03 – 14% and FY04 – 13%) and the median achieved has been 6% (FY02 – 8%, FY03 – 8% and FY04 – 2%). Based on this data, MTS projects a 2.3% race/gender-neutral and a 0% race/gender-conscious for the coming year.

MTS will continue to monitor DBE participation during the year to determine whether our projections are on target and determine if any midyear corrections will be needed in our mix of race/gender-conscious and race/gender-neutral measures used to achieve our goals.

EXHIBIT A

ITEMIZED BREAKDOWN OF PROJECTS

Professional, Scientific and Technical Services
Wholesale Durable Goods

MTS FY06 BUDGETED CONTRACTS		
PROJECT NO.	PROJECT DESCRIPTION	FY06 BUDGET
PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES		
Major LRT/Bus Capital Improvements		
11042	LRV Body Rehabilitation	500,000
11146	CVT Bus Stop Facility Improvements	25,000
Operations Capital/Replacement		
11400	Rehab Traction Motors - Phase II	1,078,700
10994	Organizational Desktops	150,000
	Planning Studies	500,000
	MCS SVCC Capital Costs of Contracting	260,000
	MCS Operations Studies	150,000
	Replace Senior and Disabled Lift - Phase I	250,000
	Total Services	2,913,700
WHOLESALE DURABLE GOODS		
Major LRT/Bus Capital Improvements		
	Regional Misc. Operating Capital	726,000
Operations Capital/Replacement		
11418	MCS ADA Small Vehicles	1,000,000
10981	Organizational Server Replacement/Upgrades	75,000
10696	CCTV Surveillance Equipment	325,000
11126	LRV Tires	360,000
11145	CVT Minor Bus Stop Hardware	5,000
	SDTC Service Trucks	55,000
	IAD Fuel Station Purchase	400,000
	Total Wholesale Durable Goods	2,946,000
Total Budgeted Contracts FY06		5,859,700



Metropolitan Transit System

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Agenda

Item No. 11

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

OPS 970.6

September 8, 2005

Subject:

SDTI: LIGHT RAIL VEHICLE EQUIPMENT PROCUREMENT - CONTRACT AWARD

RECOMMENDATION:

That the Board of Directors authorize the President-General Manager to execute a Standard Procurement Agreement (Attachment A) with Knorr Brake Corporation to supply 36 split brake discs for light rail vehicles (LRVs) for a total cost, including delivery and taxes, not to exceed \$39,790.

Budget Impact

The \$39,790.00 for the brake discs would come from the LRV Maintenance-Materials and Supplies line item of the FY 06 San Diego Trolley, Inc. (SDTI) operating budget.

DISCUSSION:

Friction brake discs on LRVs are similar to disc brake rotors on automobiles and perform similar braking functions. Some of these discs on the older LRVs are worn and are in need of replacement. SDTI requested three quotes for these brake discs from different suppliers (see Bid Summary, Attachment B). Knorr Brake Corporation submitted the lowest responsive bid.

Paul C. Jablonski
Chief Executive Officer

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

JGarde/SETP8-05.11.LRVBRAKES.RDESAI
8/16/05

Attachments: A. Standard Procurement
B. Bid Summary



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

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San Diego, CA 92101-7492
(619) 595-4949
Telefax: (619) 238-4182

DRAFT

Att. A, AI 11, 9/8/05, OPS 970.6

STANDARD PROCUREMENT AGREEMENT

C.O.040.0-06
CONTRACT NUMBER
OPS 970.6
FILE NUMBER (S)

THIS AGREEMENT is entered into this _____ day of _____ 2005, in the State of California by and between San Diego Trolley, Inc. (SDTI), and the following contractor, hereinafter referred to as "Contractor":

Name: Knorr Brake Corporation Address: 29360 Union City Boulevard

Form of Business: Corporation Union City, CA 94587
(Corporation, partnership, sole proprietor, etc.)

Telephone: 510.475.04770

Authorized person to sign contracts: Paul Akins Western Regional Manager
Name Title

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

Furnish 36 friction rings (No. II/30577/1). The total cost for this procurement, including tax and freight, shall not exceed \$39,790.00. Freight is estimated at \$1,000.00 total.

SAN DIEGO TROLLEY, INC.		CONTRACTOR AUTHORIZATION
By: _____ General Manager		Firm: _____
Approved as to form:		By: _____ Signature
By: _____ Office of General Counsel		Title: _____
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$39,790.00	35654510	06

By: _____
Chief Financial Officer

(Continued on ____ sheets, each bearing contract number)

Date
SEPT8-05.11.SP-LRVBRAKES.RDESAI
8/25/05



BID SUMMARY

LRV BRAKE DISC PROCUREMENT
San Diego Trolley, Inc. (SDTI)

<u>Bidder</u>	<u>Bid Total Price</u>
Knorr Brake Corporation. 7464 French Road, Sacramento, CA. 95828	\$39,790.00**
Hi-Tec Enterprises, 1542 La Coronilla Drive, Santa Barbara, CA. 931210	No Bid
Penn Machine Company 210 Pine Street, Carnegie, PA. 15106	\$44,638.75

**Low Bid.

Russ Desai
Project Manager



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

Agenda

Item No. 12

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

CIP 10426.7

September 8, 2005

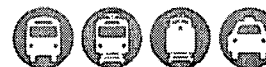
Subject:

MTS: BUDGET TRANSFERS, CONSTRUCTION MANAGEMENT CONTRACT
AMENDMENT, AND CONTRACT CHANGE ORDER FOR MISSION VALLEY EAST

RECOMMENDATION:

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

1. transfer \$600,000 into the Construction Management (CM) line item (WBS #10426-0700) as shown on Attachment A, Budget Change Summary, to fund Contract Amendment No. 37 with Washington Group International (WGI) to extend CM services on the Mission Valley East (MVE) Light Rail Transit (LRT) Project.
2. execute Contract Amendment No. 37 (MTS Doc. No. L6343.37-01) with WGI in substantially the same form as shown in Attachment B, in an amount not to exceed \$1,037,690, for CM services on the MVE LRT Project, including extension of the CM services through December 31, 2005.
3. transfer \$500,000 into the Administration line item (WBS #10426-0100) as shown on Attachment A, Budget Change Summary, to continue project administration of contract closeout activities, including construction contract closeout, claims resolution, and vehicle procurement activities.
4. transfer \$500,000 into the Track and Systems Construction line item to WBS #10426-109918TR, as shown on Attachment A, to fund a negative balance in the line item.
5. transfer \$250,000 into the Right of Way line item (WBS #10426-0900) as shown on Attachment A, to fund a negative balance in the line item.



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.

6. transfer \$400,000 from the remaining balance in the Grantville Construction line item (WBS #10426-109918GR) and \$1,450,000 from the Project Reserve (WBS #10426-3900) as shown in Attachment A, to fund the budget transfers in Recommendations 1, 3, 4, and 5.
7. transfer \$200,000 from the construction contingency for the San Diego State University (SDSU) Underground Station and Tunnel Contract LRT-10426.1 into the construction contingency for the SDSU Utility Relocation Contract LRT-10426.2, as shown in Attachment C, Construction Contingency Changes, to fund small project closeout change orders through the utility relocation contractor.
8. execute Contract Change Order (CCO) No. 74, Supplement No. 3, with Modern Continental Construction Company (MCC), in substantially the same form as Attachment D, to adjust the joint seal assemblies at the stairs and add steel plates at the Grantville Station under Contract LRT-10426.3, Grantville Segment, in an amount not to exceed \$80,000.

Budget Impact

1. Budget actions, including revised line item amounts, line item changes, and remaining balances, are shown on Attachment A.
2. The \$1,037,690 for Contract Amendment No. 37 (Att. B) with WGI would come from the CM line item (WBS #10426-0700) after the transfers above, leaving a balance of \$115,659.
3. A total of \$80,000 for CCO No. 74, Supplement No. 3 (Attachment D), with MCC would be encumbered from available funds in the Grantville Segment Contract LRT-10426.3 Construction Contingency (WBS #10426-109918GR), leaving a balance of \$155,888 in the LRT-10426.3 Construction Contingency.

DISCUSSION:

Budget Transfers

The budget transfers recommended would revise the project budget to increase line items that have exceeded or are anticipated to exceed the approved budget line item amount.

Included in this Board action is an amendment to the CM contract for WGI. In order to fund this action, an additional \$600,000 would need to be added to the Construction Management line item.

The Project Administration line item covers cost for project management, including all staff costs and miscellaneous project expenses. This line item will be exhausted in September. The recommendation is to increase this line item by \$500,000 to fund staff and other related costs needed to continue closeout of the project. With this budget increase the Administration budget line item would be at 3.5 percent of the Project Budget.

The Right-of-Way line item has a small negative balance. We are in the process of appealing the judgment for one property acquisition on the project, which may require additional expenditures for right-of-way and legal services. The recommended budget transfer would increase this line item by \$250,000 to cover the potential for additional services. A satisfactory resolution of this case would return significant funds to the project.

In April 2005, the construction contingency was increased for the Track and Systems Construction line item; however, an action to increase the budget line item was not included. This Board action would increase the Track and Systems Construction budget by \$500,000 to eliminate a negative balance.

The \$1,850,000 for the recommended budget transfers would come from an available balance in the Grantville Construction line item (\$400,000) and the Project Reserve (\$1,450,000), as shown in Attachment A.

At the end of the SDSU Segment construction, we have a number of small work items to be constructed by change order to satisfy SDSU or San Diego Trolley, Inc. (SDTI). The SDSU Underground Station and Tunnel contractor, Clark Construction (Clark), has demobilized most of its civil construction crews and equipment and would have trouble remobilizing at this point. We still have Orion/Balboa Joint Venture (Orion/Balboa), the SDSU utility relocation contractor, under contract. Orion/Balboa is a smaller firm that can mobilize efficiently and is prepared to complete minor work on the project. In order to fund this work, we recommend transferring \$200,000 from the remaining balance of the contract contingency for Clark to the contract contingency for Orion/Balboa. This action does not change the project budget nor the total approved for construction contingency for the SDSU Segment construction line item. Attachment C shows the approved construction contingency changes for the MVE Project.

Attachment E, Budget Transfer History, shows the most recent budget actions for the MVE LRT Project.

Contract Amendment

Amendment No. 37 would continue construction management services with WGI on the MVE Project through December 2005. With previous amendments, staff anticipated that WGI staff would be on the project unit the end of August 2005 with a reduced staff; however, with subsequent change order work and uncompleted work, the contract completion dates have been extended for all the MVE contractors. Therefore, WGI personnel will be required to remain on the project to oversee the final inspection, project documentation, as-built plans, and work on closing out the construction contracts and contractor claims. The work required includes continued services as described below.

In the Tunnel and Underground Station contract the contractor still has CCO work to complete to satisfy the requirements of the State Fire Marshall and MTS staff recommendations. It was anticipated that this work would be completed by July 2005. However, it is estimated that the work will be completed in September 2005 and the project closeout completed by December 2005.

The Advanced Utilities contract is open and being used where MTS and San Diego Association of Governments (SANDAG) have requested and issued CCOs to the Contractor for work that was deferred, delayed, or added to the MVE project, such as:

- maintenance of the MVE stations until Green Line revenue opening;
- additional signage throughout the MVE Project;
- ticket vending machine foundations at SDSU;
- finish work requested by the City of La Mesa;
- finish work requested by the California Department Transportation (Caltrans);
- security improvements at the SDSU underground station; and
- repairs to infrastructure at SDSU and the City of San Diego.

It was anticipated that this work would be completed by September 2005. However, it is estimated that the contractor work will not be completed and closed out until December 2005. Consequently, additional CM staff is required to cover this project until the contract completion.

On the Grantville Line Segment, the contractor has CCO work, punch-list work, and closeout items to complete. It was anticipated that this work would be completed by April 2005; however, it is estimated that final contractor work will not be completed until August 2005 and the project closeout completed by WGI staff immediately thereafter. Additional CM staff from WGI is required to cover this period.

On the La Mesa Line Segment, the contractor has CCO work, punch list-work, closeout items to complete, and a large pending claim. It was anticipated that this work would be completed by March 2005. However, it is estimated that the closeout work will now be completed by September 2005 and the project closeout completed by WGI staff immediately thereafter. Additionally, CM staff will be required to assist SANDAG and MTS staffs with an anticipated construction claim by the contractor. It is forecasted that WGI personnel will need to be present until the end of December 2005 to assist in this effort.

Trackwork and Systems contractor has remedial and CCO work to complete. It was anticipated that this work would be completed by May 2005 and contract closeout by the end of August 2005. However, contract completion was at the end of June, and it is now estimated that the closeout work will be completed by December 2005.

SANDAG and MTS have required the contractor to remain on the project to finish:

- track work corrections;
- completion of added communications items of work;
- rework because of theft and vandalism;
- train signal remedial work and corrections; and
- miscellaneous CCO work requested for the Green Line system.

Additional CM staff is required to cover inspection and project closeout for this contractor until December 2005.

The Board is requested to approve execution by the CEO of CM Contract Amendment No. 37 for \$1,037,690 to retain WGI staff on the project until December 31, 2005. Amendment No. 37 will bring the total contract amount to \$45,388,819.01.

Contract Change Order

MCC, under Contract LRT-10426.3, has been the contractor for the construction of the Grantville Line Segment of the MVE Project since December 2001.

CCO No. 74, Supplement 3, provides for the adjustment and revisions of the joint seal assemblies between the station stairs and the station platform and the addition of new steel plates in the trackway between the station platform and the trackway at the Grantville Station. CCO No. 74, Supplement No. 3, supplements funds for previous CCOs, and adds new work not anticipated in previous CCOs and supplements for this and similar types of work at the Grantville Station. These additions and revisions need to be made in order to provide a safe walking surface for transit patrons. The Board is requested to approve CCO No. 74, Supplement No. 3, to pay MCC for making these required revisions.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Dennis L. Wahl, 619.235.2635, dwh@sandag.org

SEPT8-05.12.MVECCOS.DWAHL

Attachments: A. Budget Change Summary
B. Contract Amendment No. 37
C. Construction Contingency Changes
D. Contract Change Order No. 74, Supplement No. 3
E. Budget Transfer History

Mission Valley East LRT Project
Budget Change Summary
September 8, 2005

WBS	Line Item	Current	Revised	Change	Avail. Balance
10426-0100	Administration	\$16,900,000	\$17,400,000	\$500,000	\$633,241
10426-0700	Construction Management	\$46,900,000	\$47,500,000	\$600,000	\$1,153,349
10426-0900	Right of Way	\$32,900,000	\$33,150,000	\$250,000	\$227,007
10426-109918GR	Grantville Seg. Const.	\$73,729,200	\$73,329,200	-\$400,000	\$347,305
10426-109918TS	Track and Systems Const.	\$46,500,000	\$47,000,000	\$500,000	\$386,427
	Unchanged Line items	<u>\$276,118,550</u>	<u>\$276,118,550</u>		
	Total Budget	\$493,047,750	\$494,497,750	\$1,450,000	
10426-3900	TransNet Reserve	\$ 5,952,259.00	\$ 4,502,259.00	-\$1,450,000	



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

August 10, 2005

MTS Doc No. L6343.37-01
CIP 10426.12

Mr. Steve Paré
Southern California Area Manager
Washington Infrastructure Services, Inc.
17300 Redhill Avenue, Suite 150
Irvine, CA 92614

Subject: AMENDMENT NO. 37 TO MTS DOCUMENT NO. L6343.0-01; CONSTRUCTION
MANAGEMENT SERVICES FOR THE MISSION VALLEY EAST LIGHT RAIL TRANSIT
PROJECT

Dear Mr. Paré:

This letter will serve as Amendment No. 37 to MTS Document No. L6343.0-01 for professional services, as further described below.

SCOPE OF SERVICES

Construction Management (CM) services to extend the services of CM personnel on the Mission Valley East LRT Project until the end of December 2005 because of delays by the Mission Valley East contractors in completing their contract work. Costs shall not exceed those as shown on the attached cost proposal dated August 4, 2005. All personnel and consultants must adhere to MTS Travel Policy No. 44.

SCHEDULE

The services shall be completed by December 31, 2005.

PAYMENT

Payment shall be based on actual costs, not to exceed \$1,037,690, including any fees or markups, in accordance with the attached cost proposal dated August 4, 2005 (\$1,489,652 from WBS 10426-0700). Per diem allowances will not be used. Actual travel costs only will be invoiced. Additional authorization is contingent upon written approval from MTS. The total value of MTS Document No. L6343.0-01, including this amendment, is \$45,388,819.01, not including Amendment No. 17 (not issued).



Mr. Steve Paré
August 10, 2005
Page 2

All other conditions of the original contract shall remain the same.

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

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Steve Paré
Southern California Area Manager

ARamir/L-amend-L6343.37-01.DWAHL

Attachment: WIS Cost Proposal of August 4, 2005

cc: Jim Linthicum, William A. Prey, Dennis Wahl – SANDAG
Mark Benson – WIS

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

	Segment/Contract No.				
	109918GR	1010	1010	109918LM	109918TR
	Grantville LRT 426.3	SDSU Utility LRT 426.2	SDSU LRT 426.1	La Mesa LRT 426.4	Track & Systems LRT 426.5
5% Original Construction Contingency	\$ 2,871,502	\$ 451,731	\$ 4,135,020	\$ 2,981,094	\$ 2,192,878
4/19/01 AI #6		\$ 150,000			
8/09/01 AI #24		\$ 100,000			
8/22/02 AI #9			\$ 500,000		
9/12/02 AI #30			\$ 1,500,000		
11/14/02 AI #18			\$ 450,000		
12/12/2002 AI #33	\$ 500,000		\$ 2,000,000		
1/16/2003 AI #37			\$ 4,200,000		
2/27/2003 AI #18	\$ 750,000				
4/24/2003 AI #5	\$ 500,000				
5/8/2003 AI #10				\$ 500,000	
DW to provide backup		\$ 247,546	\$ (247,546)		
8/7/2003 AI #9	\$ 600,000		\$ 800,000		
10/30/2003 AI #9			\$ 1,000,000		
12/11/2003 AI # 5	\$ 500,000		\$ 1,000,000		
3/25/2004 AI#18	\$ 100,000			\$ 500,000	
4/29/04 AI#12		250,000			
07/08/2004 AI#6			\$ 1,300,000		
09/23/2004 AI#			\$ 1,300,000		
09/23/2004 AI#		\$ (130,000)	\$ 130,000		
04/28/05 AI#31	\$ 100,000	\$ 500,000			\$ 1,200,000
08/11/05 AI#	\$ 250,000				
09/08/2005		\$ 200,000	\$ (200,000)		
Approved Construction Contingency	\$ 6,171,502	\$ 1,769,277	\$ 17,867,474	\$ 3,981,094	\$ 3,392,878

MTDB**CONTRACT CHANGE ORDER (CCO)**

Report Date: 08/22/05

Contract No. LRT- 426.3

MVE GRANTVILLE SEGMENT

File: 104267

Page 1 of 1 pages

CCO NO. 74
 SUPPLEMENT NO. 3
 REVISION NO. 0
 TO: Modern Continental

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

NOTE: This change order is not effective until approved by The Director of Engineering and Construction

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

Estimate of Extra Work at Force Account

In accordance with Section 4-1.03, "Changes" and Section 9-1.03D, "Force Account Payment" of the Standard Specifications, provide labor, material, and equipment necessary to perform the following work:

1. Field adjust the joint seal assemblies to fit the between the station platform and stairs 1, 3, and 4. Any adjustments to be made will be as authorized by the Engineer.
2. Add steel plates at various locations within the Grantville Station Area to reduce openings between public accessible elements within the Station to a maximum 4". The locations and exact limits of this work will be determined by the Engineer.

This change order also provides for additional funds to complete work outlined under Supplements 1 and 2 of this change order.

The total amount of funds required is \$80,000.00

Force Account Estimate \$80,000.00

Total Change This Supplement: \$80,000.00 (Increase)

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

Submitted by: _____ Date _____
 Resident Engineer Ramon Ruelas

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

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

Concurred by: _____ Date _____
 General Manager Paul Jablonski - CEO

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

Accepted, Date _____ Contractor: Modern Continental

By _____ Title _____

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

MISSION VALLEY EAST BUDGET TRANSFER HISTORY

			Budget Transfers						Cumulative Changes	Current Approved Budget	
Board Approval Date> Board Item Number>			34	35	36	37	38	39			
WBS	Budget Line Item	@ FFGA	07/08/2004 #6	09/23/2004 #7	12/09/2004 #8	12/09/2004 #37	04/28/2005 #31	09/08/2005			
0100	Admin	14,900,000				2,000,000		500,000	2,500,000	17,400,000	
0599SDSU	SDSU Utility Betterments								1,500,000	1,500,000	
0610	Design Tunnel	6,800,000					40,000		8,440,350	15,240,350	
0618	Design Line Segment	14,500,000					210,000		13,160,000	27,660,000	
0700	Construction Management	21,300,000		1,800,000			1,800,000	600,000	26,200,000	47,500,000	
0800	Prof. Services	2,400,000							1,000,000	3,400,000	
0900	Right of Way	31,200,000						250,000	1,950,000	33,150,000	
1010	SDSU Construction*	86,500,000	1,300,000	1,500,000	555,325	1,000,000			25,929,200	112,429,200	
1099	SDSU Mitigation	-	(300,000)	(1,000,000)					12,189,000	12,189,000	
1018	Const. Line Segment	179,400,000							(179,400,000)	-	
109918GR	Const. Grantville		300,000		405,325	1,000,000		(400,000)	73,329,200	73,329,200	
109918LM	Const. La Mesa		(800,000)		(150,000)				63,600,000	63,600,000	
109918TS	Const. Track & Sys.		(500,000)					500,000	47,000,000	47,000,000	
109910SR	SDSU Steam Line Repair								1,960,102	1,960,102	
1300	Vehicles	30,000,000							7,850,000	37,850,000	
1400	Fare Collection	1,100,000		(200,000)			(100,000)		(1,000,000)	100,000	
1500	Communications	1,100,000					(300,000)		(900,000)	200,000	
1900	Start up	2,400,000							-	2,400,000	
3800	Contingency	31,400,000			(810,650)				(29,689,350)	-	
4000	Contaminated soils	1,000,000					(250,000)		50,000	1,050,000	
Totals**		424,000,000							75,668,502	497,957,852	Approved Cap Budget
										494,497,750	MTS Funded Budget
										3,460,102	SDSU Betterments & Insurance Claim
3900	Project Reserve	0		(2,100,000)		6,000,000	(1,400,000)	(1,450,000)	(22,547,750)	4,502,250	Available Reserves
										506,000,000	Bdgt w plan & reser w/o SDSU betterments & steam repair

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

Att. E, AI 12, 9/8/05,
CIP 10426.7



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

Agenda

Item No. 30

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

AG 230 (PC 50121)

September 8, 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.

Paul C. Jablonski
Chief Executive Officer

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

JGarde/SEPT8-05.30.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. **31**

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

FIN 310 (PC 50601)

September 8, 2005

Subject:

MTS: FISCAL YEAR 2006 PERFORMANCE INCENTIVE PROGRAM

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to implement the fiscal year 2006 Performance Incentive Program.

Budget Impact

Funds for this program have been included within the fiscal year 2006 Budget.

Executive Committee Recommendation

At its meeting on September 1, 2005, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

As part of the annual budgetary process, the Board has historically approved a Performance Incentive Program that recognizes staff effort and provides a positive incentive for staff to work as a team. This program continues to be significant this year as all operating divisions continue the consolidation into one unified MTS team. This Performance Incentive Program provides an opportunity for nonrepresented employees working as an agency-wide team to be financially rewarded when goals are achieved.



The financial reward is based on 3.5 percent of the budgeted wages (not including benefits) and will be shared based upon individual departmental and combined organizational achievements.

Input from all divisions and departments was taken into consideration as the program was developed. Concepts that arose from those conversations were to focus achievements at the department level that would translate into combined success at the combined organization level. Based upon those conversations, the fiscal year 2006 structure differs somewhat from the fiscal year 2005 structure. Emphasis this year is within the department levels throughout the organization leading directly into combined organizational goals.

As indicated within the Performance Incentive Program Chart (Attachment A) the program is structured into two tiers: MTS organization (top tier) and individual departments (bottom tier). Elimination of the historic "second tier" of divisional goals (bus operations, rail operations, and MTS administrative) for the upcoming fiscal year emphasizes the fact that we are one unified MTS organization.

Attachment B provides the detailed goals at the department level and at the organization level as well. With guidance provided by the Executive Committee, implementation of the Performance Incentive Program includes goals that focus on improvement against the budget or prior year which in turn will benefit the organization as a whole. The Executive Committee also provided direction to exclude energy costs within financially related goals that are outside of the control of management.



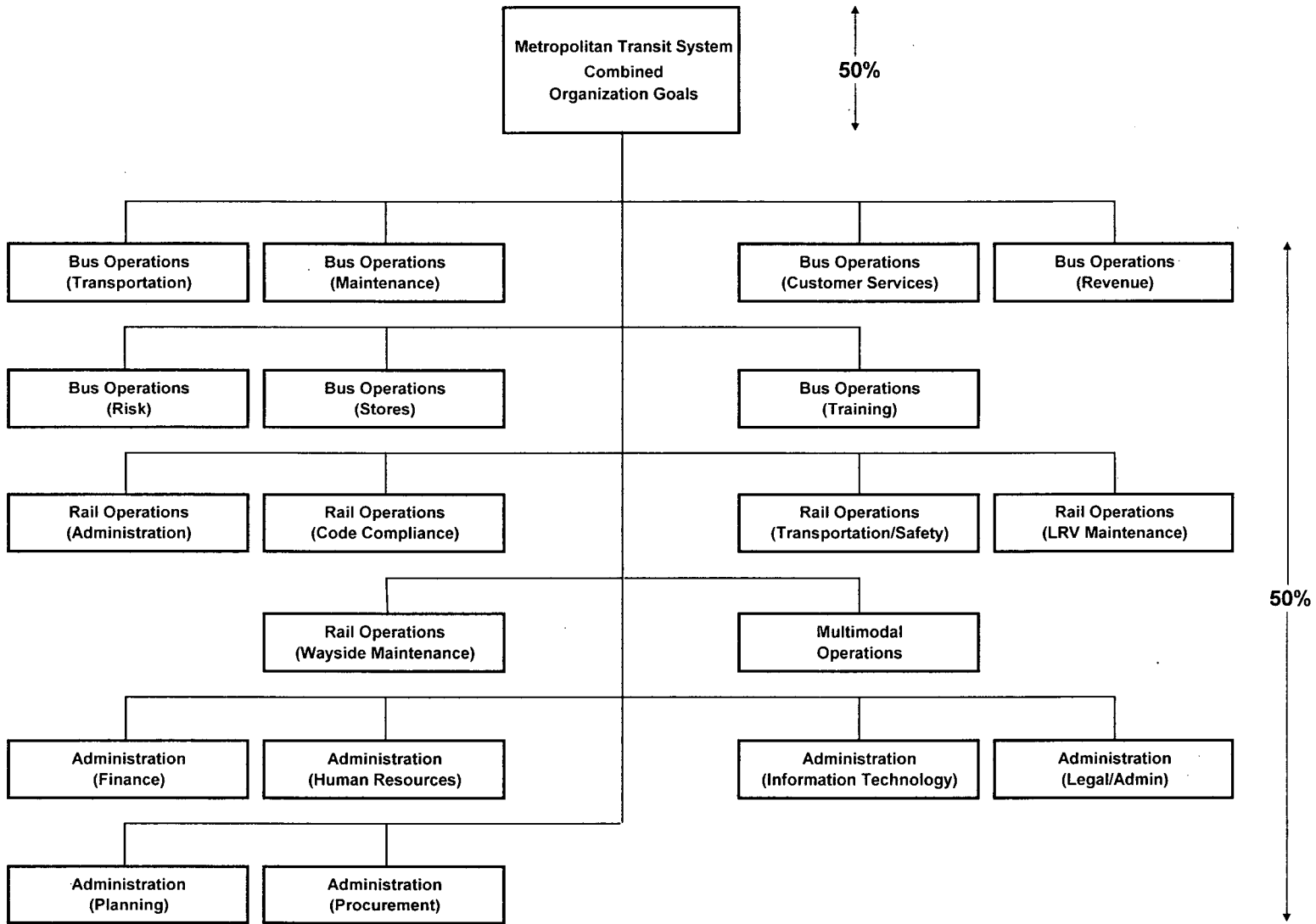
Paul C. Jablonski
Chief Executive Officer

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Attachments: A. Performance Incentive Program Chart
B. Goals

**San Diego Metropolitan Transit System
Performance Incentive Program Chart
Fiscal Year 2006
(Attachment A)**



**Metropolitan Transit System
MTS Organization Goals
Performance Incentive Goals
Fiscal Year 2006**

Att. B, AI 31, 9/8/05, FIN 310

MTS Organization Goals		Award if Achieved
1	Achieve a favorable MTS Organization expense budget variance for fiscal year 2006 (excluding energy costs): - Achieve 2.0% under budget receive 100% of award goal - Achieve 1.5% under budget receive 75% of award goal - Achieve 1.0% under budget receive 50% of award goal - Achieve 0.5% under budget receive 25% of award goal	Up to 25.0%
2	Exceed combined MTS Organization budgeted passengers per revenue hour ratio of 32.85: - Achieve at least a ratio of 33.43, receive 100% of award goal - Achieve at least a ratio of 33.28, receive 75% of award goal - Achieve at least a ratio of 33.13, receive 50% of award goal - Achieve at least a ratio of 32.99, receive 25% of award goal	Up to 15.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 39.3% as budgeted within the combined MTS Organization fiscal year 2006 operating budget: Achieve over 40.5% farebox recovery ratio receive 100% of award goal Achieve at least 40.2% farebox recovery ratio receive 70% of award goal Achieve at least 39.8% farebox recovery ratio receive 30% of award goal	Up to 15.0%
4	Improve system-wide on-time performance (fiscal year 2005 89.4%): - Achieve 92% on-time performance receive 100% of award goal - Achieve 91% on-time performance receive 70% of award goal - Achieve 90% on-time performance receive 30% of award goal	Up to 15.0%
5	Reduce the number of combined MTS accidents per 100,000 miles ratio (2.047): Achieve at least 1.740 accidents per 100,000 miles receive 100% of award goal Achieve at least 1.842 accidents per 100,000 miles receive 70% of award goal Achieve at least 1.945 accidents per 100,000 miles receive 30% of award goal	Up to 15.0%
6	Implement 50% of the Board approved Comprehensive Operational Analysis changes by June 30, 2006	15.0%
Total MTS Organization Goals		100.0%

**Metropolitan Transit System
Bus Operations - Transportation/Safety
Performance Incentive Goals
Fiscal Year 2006**

Bus Operations - Transportation/Safety Goals		Award if Achieved
1	Achieve a favorable Bus Operations - Transportation/Safety expense budget variance for fiscal year 2006: - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 20.0%
2	Exceed Bus Operations budgeted passengers per revenue hour ratio of 26.69: - Achieve at least a ratio of 27.17, receive 100% of award goal - Achieve at least a ratio of 27.04, receive 75% of award goal - Achieve at least a ratio of 26.93, receive 50% of award goal - Achieve at least a ratio of 26.81, receive 25% of award goal	Up to 10.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 30.2% as budgeted within the Bus Operations fiscal year 2006 operating budget: Achieve over 31.5% farebox recovery ratio receive 100% of award goal Achieve at least 31.2% farebox recovery ratio receive 70% of award goal Achieve at least 30.9% farebox recovery ratio receive 30% of award goal	Up to 10.0%
4	Improve Bus Operations on-time performance: - Achieve 90% on-time performance receive 100% of award goal - Achieve 89% on-time performance receive 70% of award goal - Achieve 88% on-time performance receive 30% of award goal	Up to 10.0%
5	Reduce the number of Bus Operations accidents per 100,000 miles ratio compared to fiscal year 2005 (2.954): Achieve at least 2.511 accidents per 100,000 miles receive 100% of award goal Achieve at least 2.659 accidents per 100,000 miles receive 70% of award goal Achieve at least 2.806 accidents per 100,000 miles receive 30% of award goal	Up to 10.0%
6	Decrease driver overtime as a percent of total operating wages (regular and overtime wages) below budgeted percentage (17.6%) - Achieve 15.0% receive 100% of award goal - Achieve 16.0% receive 70% of award goal - Achieve 17.0% receive 30% of award goal	Up to 10.0%
7	Decrease average weekly total missed pullouts within FY 2006 - Achieve less than 8 missed pullouts, receive 100% of goal award - Achieve less than 10 missed pullouts, receive 50% of goal award	Up to 7.5%
8	Improve the Bus Operator absenteeism rate as measured by the level in FY 2005 - If rate improves by 1.0% compared to FY 2005 level, receive 100% of the award - If rate improves by 0.5% compared to FY 2005 level, receive 70% of the award - If rate is improved compared to FY 2005 level, receive 30% of the award	Up to 7.5%
9	Decrease in driver behavior-related customer complaint per 100,000 passengers - For every 1% decrease in driver behavior-related customer complaints per 100,000 passengers receive 20% of award goal (maximum of 100%)	Up to 7.5%
10	Reduce the number of Bus Operations - Transportation Lost Time Injuries (LTI) by 10% in comparison to FY 2005 as measured by injuries per 100,000 hours worked	7.5%
Total Transportation/Safety		100.0%

**Metropolitan Transit System
Bus Operations - Maintenance
Performance Incentive Goals
Fiscal Year 2006**

Bus Operations - Maintenance Goals		Award if Achieved
1	Achieve a favorable Bus Operations - Maintenance expense budget variance for fiscal year 2006 (excluding energy costs): - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 20.0%
2	Exceed Bus Operations budgeted passengers per revenue hour ratio of 26.69: - Achieve at least a ratio of 27.17, receive 100% of award goal - Achieve at least a ratio of 27.04, receive 75% of award goal - Achieve at least a ratio of 26.93, receive 50% of award goal - Achieve at least a ratio of 26.81, receive 25% of award goal	Up to 10.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 30.2% as budgeted within the Bus Operations fiscal year 2006 operating budget: Achieve over 31.5% farebox recovery ratio receive 100% of award goal Achieve at least 31.2% farebox recovery ratio receive 70% of award goal Achieve at least 30.9% farebox recovery ratio receive 30% of award goal	Up to 10.0%
4	Improve Bus Operations on-time performance: - Achieve 90% on-time performance receive 100% of award goal - Achieve 89% on-time performance receive 70% of award goal - Achieve 88% on-time performance receive 30% of award goal	Up to 10.0%
5	Maintain "Perfect Bus" program (no graffiti, clean windows, no litter, clean wheels) as measured by Ride Monitor Reports - Achieve over 90% score on relevant categories receive 100% of award goal - Achieve at least 85% score on relevant categories receive 75% of award goal - Achieve at least 80% score on relevant categories receive 50% of award goal	Up to 10.0%
6	Decrease average weekly total missed pullouts within FY 2006 - Achieve less than 8 missed pullouts, receive 100% of goal award - Achieve less than 10 missed pullouts, receive 50% of goal award	Up to 10.0%
7	Maintenance to increase annual average "Mean Distance Between Failure" - Achieve 20,000 miles and receive 100% of award goal - Achieve 17,000 miles and receive 70% of award goal - Achieve 15,000 miles and receive 30% of award goal	Up to 10.0%
8	Achieve and maintain average days combined out-of-service for bus repairs to 8 days	10.0%
9	Reduce the number of Bus Operations - Maintenance Lost Time Injuries (LTI) by 10% in comparison to FY 2005 as measured by injuries per 100,000 hours worked	10.0%
Total Maintenance		100.0%

Metropolitan Transit System
Bus Operations - Customer Services
Performance Incentive Goals
Fiscal Year 2006

Bus Operations - Customer Services Goals		Award if Achieved
1	Achieve a favorable Bus Operations - Customer Services expense budget variance for fiscal year 2006: - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 20.0%
2	Exceed Bus Operations budgeted passengers per revenue hour ratio of 26.69: - Achieve at least a ratio of 27.17, receive 100% of award goal - Achieve at least a ratio of 27.04, receive 75% of award goal - Achieve at least a ratio of 26.93, receive 50% of award goal - Achieve at least a ratio of 26.81, receive 25% of award goal	Up to 15.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 30.2% as budgeted within the Bus Operations fiscal year 2006 operating budget: Achieve over 31.5% farebox recovery ratio receive 100% of award goal Achieve at least 31.2% farebox recovery ratio receive 70% of award goal Achieve at least 30.9% farebox recovery ratio receive 30% of award goal	Up to 10.0%
4	Successfully migrate data from Hastus to Automated Information Assists by June 30, 2006 (success measured by successful uploading of the June 2006 shake-up information directly into Automated Information Assists)	10.0%
5	Implementation of the Transit Television Network (TTN) System	10.0%
6	Implement migration of MTS customer service contacts by June 30, 2006	10.0%
7	Customer services currently responds to customer complaints within a 24 hour time frame 90% of the time. - Respond to customer complaints within a 24 hour time frame 100% of the time, receive 100% of the goal - Respond to customer complaints within a 24 hour time frame 98% of the time, receive 70% of the goal - Respond to customer complaints within a 24 hour time frame 95% of the time, receive 30% of the goal	12.5%
8	Reduce the fiscal year 2006 number of missed calls relative to fiscal year 2005 - Reduce the number of missed calls by 6%, receive 100% of the goal - Reduce the number of missed calls by 4%, receive 70% of the goal - Reduce the number of missed calls by 2%, receive 30% of the goal	12.5%
Total Customer Services		100.0%

**Metropolitan Transit System
Bus Operations - Revenue
Performance Incentive Goals
Fiscal Year 2006**

Bus Operations - Revenue Goals		Award if Achieved
1	Achieve a favorable Bus Operations - Revenue expense budget variance for fiscal year 2006: - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 20.0%
2	Exceed Bus Operations budgeted passengers per revenue hour ratio of 26.69: - Achieve at least a ratio of 27.17, receive 100% of award goal - Achieve at least a ratio of 27.04, receive 75% of award goal - Achieve at least a ratio of 26.93, receive 50% of award goal - Achieve at least a ratio of 26.81, receive 25% of award goal	Up to 15.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 30.2% as budgeted within the Bus Operations fiscal year 2006 operating budget: Achieve over 31.5% farebox recovery ratio receive 100% of award goal Achieve at least 31.2% farebox recovery ratio receive 70% of award goal Achieve at least 30.9% farebox recovery ratio receive 30% of award goal	Up to 10.0%
4	Improve Bus Operations on-time performance: - Achieve 90% on-time performance receive 100% of award goal - Achieve 89% on-time performance receive 70% of award goal - Achieve 88% on-time performance receive 30% of award goal	Up to 10.0%
5	Produce the databook within 10 working days after the end of the month * For each month achieved, award will be 1%	Up to 12.0%
6	Reduce farebox failures to below 50 per week by December 31, 2005 - Achieve less than 50 farebox failures receive 100% of award goal - Achieve less than 75 farebox failures receive 70% of award goal - Achieve less than 85 farebox failures receive 30% of award goal	18.0%
7	Prepare new standard operating procedure pertaining to maintenance and warranty of the new farebox equipment	7.5%
8	Design new standard jobs in Ellipse for the farebox preventative maintenance inspections	7.5%
Total Revenue		100.0%

**Metropolitan Transit System
Bus Operations - Risk
Performance Incentive Goals
Fiscal Year 2006**

Bus Operations - Risk Goals		Award if Achieved
1	Achieve a favorable Bus Operations - Risk expense budget variance for fiscal year 2006: - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 20.0%
2	Exceed Bus Operations budgeted passengers per revenue hour ratio of 26.69: - Achieve at least a ratio of 27.17, receive 100% of award goal - Achieve at least a ratio of 27.04, receive 75% of award goal - Achieve at least a ratio of 26.93, receive 50% of award goal - Achieve at least a ratio of 26.81, receive 25% of award goal	Up to 15.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 30.2% as budgeted within the Bus Operations fiscal year 2006 operating budget: Achieve over 31.5% farebox recovery ratio receive 100% of award goal Achieve at least 31.2% farebox recovery ratio receive 70% of award goal Achieve at least 30.9% farebox recovery ratio receive 30% of award goal	Up to 10.0%
4	Reduce the total amount paid in all workers compensation claims expenses (including legal and TPA costs) compared to fiscal year 2005 levels (calculation based upon total expenses per employee)	12.5%
5	Reduce the total amount paid in liability claims expenses compared to fiscal year 2005 levels (calculation based upon total expenses per mile)	12.5%
6	Increase the subrogation recovery in both Liability and Workers Compensation by 10% compared to the FY 05 level	10.0%
7	Establish a comprehensive procedure for Third Party Administrator and staff interaction to create consolidated risk department	10.0%
8	Conduct analysis of organizational structure and how risk is handled by all agencies. Success is measured by report and recommendations provided to CEO by December 31, 2005.	10.0%
Total Risk		100.0%

**Metropolitan Transit System
Bus Operations - Stores
Performance Incentive Goals
Fiscal Year 2006**

Bus Operations - Stores Goals		Award if Achieved
1	Achieve a favorable Bus Operations - Stores expense budget variance for fiscal year 2006: - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 20.0%
2	Exceed Bus Operations budgeted passengers per revenue hour ratio of 26.69: - Achieve at least a ratio of 27.17, receive 100% of award goal - Achieve at least a ratio of 27.04, receive 75% of award goal - Achieve at least a ratio of 26.93, receive 50% of award goal - Achieve at least a ratio of 26.81, receive 25% of award goal	Up to 15.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 30.2% as budgeted within the Bus Operations fiscal year 2006 operating budget: Achieve over 31.5% farebox recovery ratio receive 100% of award goal Achieve at least 31.2% farebox recovery ratio receive 70% of award goal Achieve at least 30.9% farebox recovery ratio receive 30% of award goal	Up to 10.0%
4	Manage inventory levels so as year end audit provisions result in a favorable budgetary variance	20.0%
5	Identify all inventory items that have not been removed within one year, develop a plan to remove those items from inventory and dispose related items by June 30, 2006	15.0%
6	Implement program to minimize out of stock conditions which will have a impact on the timely repair of buses - Implement program by December 31, 2005 receive 40% of award goal - During final six months of fiscal year 2006, the "stock-outs" to be reduced by 30%, receive 60% of award goal	Up to 20.0%
Total Stores		100.0%

**Metropolitan Transit System
Bus Operations - Training
Performance Incentive Goals
Fiscal Year 2006**

Bus Operations - Training Goals		Award if Achieved
1	Achieve a favorable Bus Operations - Training expense budget variance for fiscal year 2006: - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 20.0%
2	Exceed Bus Operations budgeted passengers per revenue hour ratio of 26.69: - Achieve at least a ratio of 27.17, receive 100% of award goal - Achieve at least a ratio of 27.04, receive 75% of award goal - Achieve at least a ratio of 26.93, receive 50% of award goal - Achieve at least a ratio of 26.81, receive 25% of award goal	Up to 15.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 30.2% as budgeted within the Bus Operations fiscal year 2006 operating budget: Achieve over 31.5% farebox recovery ratio receive 100% of award goal Achieve at least 31.2% farebox recovery ratio receive 70% of award goal Achieve at least 30.9% farebox recovery ratio receive 30% of award goal	Up to 10.0%
4	Improve Bus Operations on-time performance: - Achieve 90% on-time performance receive 100% of award goal - Achieve 89% on-time performance receive 70% of award goal - Achieve 88% on-time performance receive 30% of award goal	Up to 10.0%
5	Reduce the number of Bus Operations accidents per 100,000 miles ratio compared to fiscal year 2005 (2.954): Achieve at least 2.511 accidents per 100,000 miles receive 100% of award goal Achieve at least 2.659 accidents per 100,000 miles receive 70% of award goal Achieve at least 2.806 accidents per 100,000 miles receive 30% of award goal	Up to 10.0%
6	Graduate 150 bus operators to replace retiring operators in fiscal year 2006	10.0%
7	Ensure all new-hires have on the lot familiarization training within one month of hire and all maintenance employees have their driver's license within three months of hire.	Up to 7.5%
8	Develop and implement "Transit Ambassador" style customer service training program for bus operators - Develop - Conduct training for 40% of bus operators - Conduct training for 60% of bus operators	2.5% 2.5% 2.5% <hr/> 7.5%
9	Develop and determine costs to create an effective management training program for all three MTS divisions by December 31, 2005. Implementation to begin July 1, 2006.	10.0%
Total Training		100.0%

**Metropolitan Transit System
Rail Operations - Administration
Performance Incentive Goals
Fiscal Year 2006**

Rail Operations - Administration Goals		Award if Achieved
1	Achieve a favorable Rail Operations - Administration expense budget variance for fiscal year 2006 (excluding energy costs): - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 20.0%
2	Exceed Rail Operations budgeted passengers per revenue hour ratio of 66.14: - Achieve at least a ratio of 67.32, receive 100% of award goal - Achieve at least a ratio of 67.02, receive 75% of award goal - Achieve at least a ratio of 66.73, receive 50% of award goal - Achieve at least a ratio of 66.43, receive 25% of award goal	Up to 15.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 70.9% as budgeted within the Rail Operations fiscal year 2006 operating budget: - Achieve over 74.1% farebox recovery ratio receive 100% of award goal - Achieve at least 73.2% farebox recovery ratio receive 70% of award goal - Achieve at least 72.5% farebox recovery ratio receive 30% of award goal	Up to 15.0%
4	Improve Rail Operations on-time performance (fiscal year 2005 94.4%): - Achieve 96.0% on-time performance receive 100% of award goal - Achieve 95.5% on-time performance receive 70% of award goal - Achieve 95.0% on-time performance receive 30% of award goal	Up to 10.0%
5	Reduce the number of Rail Operations Lost Time Injuries (LTI) by 10% in comparison to FY 2005 as measured by injuries per 100,000 hours worked	15.0%
6	Exceed the FY 2005 average number of fare vendomat transactions between failures - Increase of 10% receive 100% of the goal - Increase of 5% receive 50% of the goal	Up to 15.0%
7	Complete removal and repainting of platform edge safety striping at six LRT stations - If 6 stations completed receive 100% of the award - If 5 stations completed receive 70% of the award - If 4 stations completed receive 30% of the award	Up to 10.0%
Total Administration		100.0%

**Metropolitan Transit System
Rail Operations - Code Compliance
Performance Incentive Goals
Fiscal Year 2006**

Rail Operations - Code Compliance Goals		Award If Achieved
1	Achieve a favorable Rail Operations - Code Compliance expense budget variance for fiscal year 2006 (excluding energy costs): - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 20.0%
2	Exceed Rail Operations budgeted passengers per revenue hour ratio of 66.14: - Achieve at least a ratio of 67.32, receive 100% of award goal - Achieve at least a ratio of 67.02, receive 75% of award goal - Achieve at least a ratio of 66.73, receive 50% of award goal - Achieve at least a ratio of 66.43, receive 25% of award goal	Up to 15.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 70.9% as budgeted within the Rail Operations fiscal year 2006 operating budget: - Achieve over 74.1% farebox recovery ratio receive 100% of award goal - Achieve at least 73.2% farebox recovery ratio receive 70% of award goal - Achieve at least 72.5% farebox recovery ratio receive 30% of award goal	Up to 15.0%
4	Improve Rail Operations on-time performance (fiscal year 2005 94.4%): - Achieve 96.0% on-time performance receive 100% of award goal - Achieve 95.5% on-time performance receive 70% of award goal - Achieve 95.0% on-time performance receive 30% of award goal	Up to 10.0%
5	Reduce the number of Rail Operations Lost Time Injuries (LTI) by 10% in comparison to FY 2005 as measured by injuries per 100,000 hours worked	10.0%
6	Increase fare inspection level achieved during FY 2005 as a percentage of total ridership (29.87%) - If inspection improves by 2.5% of the total ratio compared to FY 2005 level, receive 100% of the award - If inspection is improved relative to FY 2005 level, receive 50% of the award	Up to 7.5%
7	Improve fare non-compliance rate achieved in FY 2005 as measured by code enforcement / security inspections (2.67%) - If rate improves by 2.5% of the total ratio compared to FY 2005 level, receive 100% of the award - If rate is improved compared to FY 2005 level, receive 50% of the award	Up to 7.5%
8	Improve the absenteeism rate in the code enforcement category as measured by the level in FY 2005 (169 days) - If rate improves by 5% compared to FY 2005 level, receive 100% of the award - If rate is improved compared to FY 2005 level, receive 50% of the award	Up to 10.0%
9	Complete CCTV installation at designated La Mesa and Chula Vista stations (if funding approved by City Councils) by October 1, 2006 - If both communities are completed, receive 100% of the award - If one community is completed, receive 50% of the award - If one city council approves and is completed, receive 100% of the award.	Up to 5.0%
Total Code Compliance		100.0%

Metropolitan Transit System
Rail Operations - Transportation / Safety
Performance Incentive Goals
Fiscal Year 2006

Rail Operations - Transportation / Safety Goals		Award if Achieved
1	Achieve a favorable Rail Operations - Transportation/Safety expense budget variance for fiscal year 2006 (excluding energy costs): - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 20.0%
2	Exceed Rail Operations budgeted passengers per revenue hour ratio of 66.14: - Achieve at least a ratio of 67.32, receive 100% of award goal - Achieve at least a ratio of 67.02, receive 75% of award goal - Achieve at least a ratio of 66.73, receive 50% of award goal - Achieve at least a ratio of 66.43, receive 25% of award goal	Up to 15.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 70.9% as budgeted within the Rail Operations fiscal year 2006 operating budget: - Achieve over 74.1% farebox recovery ratio receive 100% of award goal - Achieve at least 73.2% farebox recovery ratio receive 70% of award goal - Achieve at least 72.5% farebox recovery ratio receive 30% of award goal	Up to 15.0%
4	Improve Rail Operations on-time performance (fiscal year 2005 94.4%): - Achieve 96.0% on-time performance receive 100% of award goal - Achieve 95.5% on-time performance receive 70% of award goal - Achieve 95.0% on-time performance receive 30% of award goal	Up to 10.0%
5	Reduce the number of Rail Operations Lost Time Injuries (LTI) by 10% in comparison to FY 2005 as measured by injuries per 100,000 hours worked	10.0%
6	Decrease the number of LRV/Auto/Pedestrian accident ratio for FY 2006 from the level achieved in FY 2005 as measured by accidents / 100,000 train miles operated - If rate decreases by 20% compared to FY 2005 level, receive 100% of the award - If rate decreases by 10% compared to FY 2005 level, receive 50% of the award	Up to 10.0%
7	Reduce the number of operating rule infractions as compared with the level achieved during FY 2005	10.0%
8	Complete a revised Train Operator recertification program incorporating powerpoint presentations for classroom instruction, LRV trouble-shooting, defensive operating techniques and wayside signaling	10.0%
Total Transportation / Safety		100.0%

Metropolitan Transit System
Rail Operations - LRV Maintenance
Performance Incentive Goals
Fiscal Year 2006

Rail Operations - LRV Maintenance Goals		Award if Achieved
1	Achieve a favorable Rail Operations - LRV Maintenance expense budget variance for fiscal year 2006 (excluding energy costs): - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 20.0%
2	Exceed Rail Operations budgeted passengers per revenue hour ratio of 66.14: - Achieve at least a ratio of 67.32, receive 100% of award goal - Achieve at least a ratio of 67.02, receive 75% of award goal - Achieve at least a ratio of 66.73, receive 50% of award goal - Achieve at least a ratio of 66.43, receive 25% of award goal	Up to 15.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 70.9% as budgeted within the Rail Operations fiscal year 2006 operating budget: - Achieve over 74.1% farebox recovery ratio receive 100% of award goal - Achieve at least 73.2% farebox recovery ratio receive 70% of award goal - Achieve at least 72.5% farebox recovery ratio receive 30% of award goal	Up to 15.0%
4	Improve Rail Operations on-time performance (fiscal year 2005 94.4%): - Achieve 96.0% on-time performance receive 100% of award goal - Achieve 95.5% on-time performance receive 70% of award goal - Achieve 95.0% on-time performance receive 30% of award goal	Up to 10.0%
5	Reduce the number of Rail Operations Lost Time Injuries (LTI) by 10% in comparison to FY 2005 as measured by injuries per 100,000 hours worked	10.0%
6	Increase the number of revenue car miles between in-service failures as compared with the level achieved in FY 2005 - If rate improves by 5% compared to FY 2005 level, receive 100% of the award - If rate is improved compared to FY 2005 level, receive 50% of the award	Up to 10.0%
7	Repaint twelve (12) U-2 cars during FY 2006 (assuming funding levels available) - If 11 cars completed, receive 75% of the award - If 10 cars completed, receive 50% of the award	Up to 5.0%
8	Reduce the number of in-service door failures to a level below FY 2005 as measured by incidents per 100,000 miles operated - If rate decreases by 5% compared to FY 2005 level, receive 100% of the award - If rate is improved compared to FY 2005 level, receive 50% of the award	Up to 5.0%
9	Complete 12 SD-100 Electro-Hydraulic brake unit overhauls for FY 2006 - If 11 overhauls completed, receive 75% of the award - If 10 overhauls completed, receive 50% of the award	5.0%
10	Perform 12 traction motor change-outs on one car-set for FY 2006 - If 11 cars completed, receive 75% of the award - If 10 cars completed, receive 50% of the award	Up to 5.0%
Total LRV Maintenance		100.0%

Metropolitan Transit System
Rail Operations - Wayside / Track Maintenance
Performance Incentive Goals
Fiscal Year 2006

Rail Operations - Wayside / Track Maintenance Goals		Award if Achieved	
1	Achieve a favorable Rail Operations - Wayside / Track Maintenance expense budget variance for fiscal year 2006 (excluding energy costs): - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to	20.0%
2	Exceed Rail Operations budgeted passengers per revenue hour ratio of 66.14: - Achieve at least a ratio of 67.32, receive 100% of award goal - Achieve at least a ratio of 67.02, receive 75% of award goal - Achieve at least a ratio of 66.73, receive 50% of award goal - Achieve at least a ratio of 66.43, receive 25% of award goal	Up to	15.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 70.9% as budgeted within the Rail Operations fiscal year 2006 operating budget: - Achieve over 74.1% farebox recovery ratio receive 100% of award goal - Achieve at least 73.2% farebox recovery ratio receive 70% of award goal - Achieve at least 72.5% farebox recovery ratio receive 30% of award goal	Up to	15.0%
4	Improve Rail Operations on-time performance (fiscal year 2005 94.4%): - Achieve 96.0% on-time performance receive 100% of award goal - Achieve 95.5% on-time performance receive 70% of award goal - Achieve 95.0% on-time performance receive 30% of award goal	Up to	10.0%
5	Reduce the number of Rail Operations Lost Time Injuries (LTI) by 10% in comparison to FY 2005 as measured by injuries per 100,000 hours worked		10.0%
6	Continue tie replacement program and exceed the number achieved in FY 2005 - If the number of replacements increases by 10% compared to FY 2005 level, receive 100% of the award - If the number of replacements increases by 5% compared to FY 2005 level, receive 50% of the award	Up to	10.0%
7	Complete a revised in-house Wayside training program with modules that include signals, traction power, power switches and station electrical		10.0%
8	Continue tamping and track lining program to complete five track miles for FY 2006 - If four track miles are completed, receive 75% of the award		10.0%
Total Wayside Maintenance			100.0%

**Metropolitan Transit System
Multimodal Operations (Fixed Route and Paratransit Operations)
Performance Incentive Goals
Fiscal Year 2006**

Multimodal Operations Goals		Award if Achieved
1	Achieve a favorable Multimodal Operations expense budget variance for fiscal year 2006 (excluding energy costs): - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 25.0%
2	Exceed Fixed Route Multimodal Operations budgeted passengers per revenue hour ratio of 25.26: - Achieve at least a ratio of 25.71, receive 100% of award goal - Achieve at least a ratio of 25.59, receive 75% of award goal - Achieve at least a ratio of 25.48, receive 50% of award goal - Achieve at least a ratio of 25.37, receive 25% of award goal	Up to 10.0%
3	Exceed the fiscal year 2006 farebox recovery ratio (excluding energy costs) of 41.5% as budgeted within the Contracted Bus Operations Fixed Route fiscal year 2006 operating budget: Achieve over 44.9% farebox recovery ratio receive 100% of award goal Achieve at least 43.7% farebox recovery ratio receive 70% of award goal Achieve at least 42.5% farebox recovery ratio receive 30% of award goal	Up to 15.0%
4	Improve Multimodal Operations on-time performance: - Achieve 90% on-time performance receive 100% of award goal - Achieve 89% on-time performance receive 70% of award goal - Achieve 88% on-time performance receive 30% of award goal	Up to 15.0%
5	Reduce the number of Fixed Route Multimodal Operations accidents per 100,000 miles ratio compared to fiscal year 2005 (2.557): Achieve at least 2.174 accidents per 100,000 miles receive 100% of award goal Achieve at least 2.302 accidents per 100,000 miles receive 70% of award goal Achieve at least 2.429 accidents per 100,000 miles receive 30% of award goal	Up to 15.0%
6	Install 220 additional new design MTS bus stop signs during FY 2006	10.0%
7	Develop and implement a strategy to facilitate improved response for short taxi trips. Strategy success to be measured by a second-half fiscal year decrease in the level of complaints as compared to the fiscal year first-half basis. - If second-half of the fiscal year level of complaints decrease by 5% compared to the first-half fiscal year level of complaints, receive 100% of the award - If second-half of the fiscal year level of complaints decrease compared to the first-half fiscal year level of complaints, receive 100% of the award	Up to 10.0%
Total Multimodal Operations		100.0%

**Metropolitan Transit System
Finance Department Goals
Performance Incentive Goals
Fiscal Year 2006**

Finance Department Goals		Award if Achieved
1	Achieve a favorable Finance department expense budget variance for fiscal year 2006 - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 25.0%
2	MTS Staff Payroll Conversion: This project will move the payroll processing of the MTS Staff currently outsourced to ADP so that the MTS staff payroll can be processed on the Ellipse system in house. Success measured by completing the configuration and processing the first payroll in January 2006 on the Ellipse System for all MTS Staff.	15.0%
3	Completion of IFAS to Ellipse conversion by 6/30/06 Success measured by (1/3 awarded for each step completed on time) - Completion of global purchasing and contract management by December 2005 - Migration of IFAS chart of accounts into Ellipse ledgers by February 2006 - All MTS financial processes on Ellipse by June 30, 2006	Up to 15.0%
4	Completion of the fiscal year 2005 financial statement audit for all three agencies by December 31, 2005	15.0%
5	Provide Chief Executive Officer monthly financial reporting (with pass sales estimation) by the 15th of the month. * For each month achieved, award will be 1.0%	Up to 12.0%
6	Completion of all monthly operational balance sheet account reconciliations by the end of the following month. * For each month achieved, award will be 1.0%	Up to 12.0%
7	Develop documentation and implement the processes and procedures of a consolidated payroll department unifying best practices of all three MTS divisions	6.0%
Total Finance Department Goals		100.0%

**Metropolitan Transit System
Human Resources Department Goals
Performance Incentive Goals
Fiscal Year 2006**

Human Resources Department Goals			Award if Achieved
1	Achieve a favorable Human Resources department expense budget variance for fiscal year 2006 - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to	25.0%
2	Revise and update all management job descriptions for MTS and Trolley employees. (Completed by June 30, 2006).		15.0%
3	Analyze all classifications at MTS, SDTC and SDTI to ensure they are classified appropriately pursuant to the Fair Labor Standards Act. a. Meet with supervisors and positions in question to see if actual duties meet Federal tests for exemption. (Completed by June 30, 2006).		15.0%
4	Evaluate health care market and policies to see if MTS can achieve reduction in health care costs by consolidating plans and leaving PERS. Success of goal determined by presentation of recommendations to the CEO by March 1, 2006		13.0%
5	Decrease bus operator overtime by maintaining staffing within this area. Goal will be achieved if monthly actual headcount is not within 2% of budgeted levels (1% per month for each month achieved).	Up to	12.0%
6	Work toward establishing one entity (MTS) identity by creating an Employee Committee that organizes recognition and team building events (three new fiscal year events)		10.0%
7	Develop and determine costs to create an effective management training program for all three MTS divisions by December 31, 2005. Implementation to begin July 1, 2006.		10.0%
Total Human Resources Department Goals			100.0%

**Metropolitan Transit System
Information Technology Department Goals
Performance Incentive Goals
Fiscal Year 2006**

Information Technology Department Goals		Award if Achieved
1	Achieve a favorable Information Technology department expense budget variance for fiscal year 2006 - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to 25.0%
2	MTS Staff Payroll Conversion: This project will move the payroll processing of the MTS Staff currently outsourced to ADP so that the MTS staff payroll can be processed on the Ellipse system in house. Success measured by completing the configuration and processing the first payroll in January 2006 on the Ellipse System for all MTS Staff.	15.0%
3	Completion of IFAS to Ellipse conversion by 6/30/06 Success measured by (1/3 awarded for each step completed on time) - Completion of global purchasing and contract management by December 2005 - Migration of IFAS chart of accounts into Ellipse ledgers by February 2006 - All MTS financial processes on Ellipse by June 30, 2006	Up to 15.0%
4	AS400 Legacy Processing and Report Transition (completion 6/30/2006): This project will transfer remaining daily processing activities and report generation that is done on the AS400 system to new deployed systems. The following processing will be replaced: - Customer complaint tracking system - Monthly miles versus revenue month end report - Consumables calculation - Operational data analysis and ridership (Data Book) - Bus sign-out & operator dispatching functions (Scheduling/Rostering) - Taxi Administration - Employee requisition system	20.0%
5	Rail Operations Automated Time and Attendance Conversion: This project will automate the time and attendance tracking which is currently a manual system. The operations, maintenance and materials department would be configured to use a badge system to record start and stop times for scheduled shifts. Success measured by implementation and configuration of the system to be used by Rail Operations by December 31, 2005.	12.5%
6	MTS File Storage Consolidation (completion by 6/30/2006): This project will consolidate the agencies network user file storage hardware, expand the current storage for mission critical applications, and provide a disk to disk back up solution. Currently the agencies user file storage servers have been in operation since 2000 are at storage capacity and software updates are no longer offered by the vendor. This project also addresses Information Lifecycle Management and addresses storage expansion needs for the agencies for the next five years. Success measured by the installation of the new storage server hardware and the consolidation of existing network user file storage.	12.5%
Total Information Technology Department Goals		100.0%

Metropolitan Transit System
Legal / Administration Department Goals
Performance Incentive Goals
Fiscal Year 2006

Legal / Administration Department Goals			Award if Achieved
1	Achieve a favorable Legal / Administration department expense budget variance for fiscal year 2006 - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to	25.0%
2	Establish a comprehensive procedure for Third Party Administrator and staff interaction to create consolidated risk department		7.5%
3	Conduct analysis of organizational structure and how risk is handled by all agencies. Success is measured by report and recommendations provided to CEO by December 31, 2005.		10.0%
4	Comprehensive review and revision of procurement and related policies consistent with SB 959. The success of this goal is to be measured by Board adoption of all required policy changes		10.0%
5	Finish Access / SD Commute Chronology of events project which creates an electronic database of all Board actions		7.5%
6	Reorganize the financial structure of Property Management for SD&AE, MTS, and SDNR real estate assets and consolidate to internal MTS budgeting, control, and management.		10.0%
7	Develop and implement a program plan including scope, cost, funding sources, and implementation schedule for MTS real estate assets records management. This plan would include a policy for profit targets and benchmarks for when we should or should not generate income.		10.0%
8	Develop and implement a charter between MTS real estate assets and SANDAG engineering and construction identifying roles and responsibilities for capital project involvement and owner/operator support.		10.0%
9	Develop a target list of FY 2006 marketable real estate properties approved by the MTS Board of Directors.		10.0%
Total Legal / Administrative Department Goals			100.0%

**Metropolitan Transit System
Marketing Department Goals
Performance Incentive Goals
Fiscal Year 2006**

Marketing Department Goals			Award if Achieved
1	Achieve a favorable Marketing department expense budget variance for fiscal year 2006 - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to	25.0%
2	Generate outside funded programs to leverage additional Marketing strategies in fiscal year 2006 - Generate \$100K in outside funded programs, receive 100% of award goal - Generate \$75K in outside funded programs, receive 70% of award goal - Generate \$50K in outside funded programs, receive 30% of award goal	up to	10.0%
3	Increase hits to MTS website and eStore by up to 5 points over three-year trend - Achieve 2.5 points over three-year trend, receive 50% of award goal	up to	7.5%
4	Complete MTS brand update to the Transit Store, the MTS website, and all MTS collateral materials including timetables by June 30, 2006		7.5%
5	Create and execute marketing campaign to maximize ridership and revenue opportunities for Green Line and new bus services in the Mission Valley corridor with emphasis on SDSU students, faculty and staff		20.0%
6	Design and implement school safety program presentation to all students attending public and private K-8 schools within one mile of the four new Green Line stations - Conduct presentation to up to 100% of the K-8 schools, receive 100% of award goal - Conduct presentation to up to 75% of the K-8 schools, receive 75% of award goal		7.5%
7	Create and conduct five promotional activities to educate existing and potential customers about service changes as a result of the Comprehensive Operational Analysis (COA) by June 30, 2006		10.0%
8	Leverage MTS' 120th Anniversary of public transit in San Diego at 10 community events to increase awareness and understanding of value of public transit within the region and to increase MTS brand awareness and awareness of transit's contribution to the vitality of the region		7.5%
9	Facilitate with SANDAG the pilot Smart-Card introductory program for a select group of MTS customers		5.0%
Total Marketing Department Goals			100.0%

**Metropolitan Transit System
Planning Department Goals
Performance Incentive Goals
Fiscal Year 2006**

Planning Department Goals			Award if Achieved
1	Achieve a favorable Planning department expense budget variance for fiscal year 2006 - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to	25.0%
2	Complete the Comprehensive Operational Analysis (COA) by December 2005 (final report).		30.0%
3	Conduct 10 public and 5 operator open houses to support COA development.		10.0%
4	Revise MTS Policy No. 42 for New and Existing Service: Evaluation to reflect a system monitoring and evaluation process that is consistent with the Service Development Guidelines adopted as part of the COA.		15.0%
5	Establish a clearinghouse for all MTS operational and performance data.		10.0%
6	Create and conduct five promotional activities to educate existing and potential customers about service changes as a result of the Comprehensive Operational Analysis (COA) by June 30, 2006		10.0%
Total Planning Department Goals			100.0%

**Metropolitan Transit System
Procurement Department Goals
Performance Incentive Goals
Fiscal Year 2006**

Procurement Department Goals			Award if Achieved
1	Achieve a favorable Procurement department expense budget variance for fiscal year 2006 - Achieve 3.0% under budget receive 100% of award goal - Achieve 2.0% under budget receive 70% of award goal - Achieve 1.0% under budget receive 30% of award goal	Up to	25.0%
2	Comprehensive review and revision of procurement and related policies consistent with SB 959. The success of this goal is to be measured by Board adoption of all required policy changes		25.0%
3	Develop and implement an MTS procurement manual by January 1, 2006		20.0%
4	Due to the recent consolidation of Procurement efficiencies have been identified. Identify and award contracts for joint agency procurements. - Conduct 7 joint agency procurements, receive 100% of the award goal - Conduct 5 joint agency procurements, receive 75% of the award goal - Conduct 3 joint agency procurements, receive 50% of the award goal	Up to	15.0%
5	Due to the recent consolidation of Procurement efficiencies have been identified. Identify and award contracts for specific inventory commodities - Conduct 8 specific inventory commodity procurements, receive 100% of the award goal - Conduct 6 specific inventory commodity procurements, receive 75% of the award goal - Conduct 4 specific inventory commodity procurements, receive 50% of the award goal	Up to	15.0%
Total Procurement Department Goals			100.0%

Metropolitan Transit System Performance Incentive Program Fiscal Year 2006

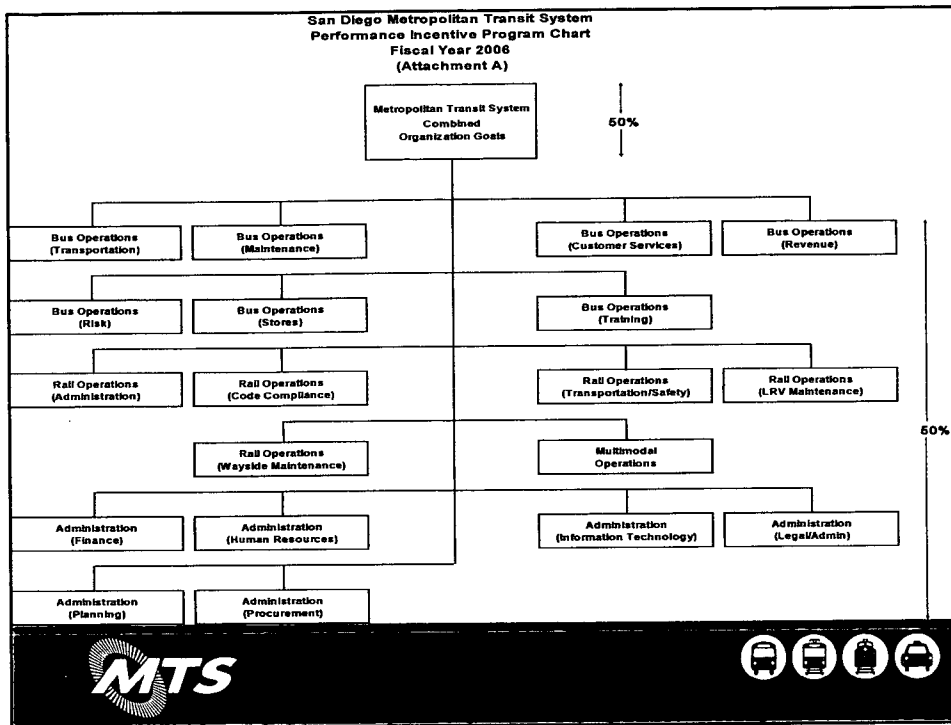
MTS Board of Directors Meeting
September 8, 2005



Performance Incentive Program Background and Focus

- Developed with input from all divisions and departments
- Consolidation of MTS continues
- PIP focus:
 - MTS Organization Level
 - Individual Department Level
- PIP provides a positive incentive for teamwork
- 3.5 percent of budgeted wages
- All goals developed at improving on either budgetary levels or prior year performance





MTS Organization & Operational Unit Highlights

- Achievement of Favorable Expense Budget Variances
(excludes non-manageable energy costs)
- Passenger/Revenue Hour Goal
- Farebox Recovery Ratio Goal
- On-Time Performance
- Reduce Accidents/100K Miles
- Reduce Lost Time Injuries by 10%
- Implement 50% of COA Changes by 6/30/2006



MTS Administration Departmental Highlights

Several "Shared" Department Goals

- Favorable Expense Budget Variance Goals
- Finance & IT: Payroll Conversion/IFAS to Ellipse Conversion
- HR & Training: Management Training Program
- Legal & Procurement: Review/Revise of SB 959
- Marketing & Planning: COA Promotional Activities
- Procurement: Joint Agency / Commodity Procurements



Metropolitan Transit System Performance Incentive Program Fiscal Year 2006

MTS Board of Directors Meeting
September 8, 2005





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.

MKPC 620.3
(PC 50551)

September 8, 2005

Subject:

MTS: TROLLEY SAFETY VIDEO

RECOMMENDATION:

That the Board of Directors receive the report and presentation of the 2005 Trolley Safety Video *Don't Be That Kid* for information.

Budget Impact

None.

DISCUSSION:

At MTS, rider safety is of great importance. To provide more effective ways to increase knowledge and awareness of safety for youth riders, MTS Trolley Safety Manager Andy Goddard commissioned the *Don't Be That Kid* video to teach trolley safety to youth with emphasis on preteen-to-teenage riders and potential riders who reside within the Mission Valley East (MVE) corridor.

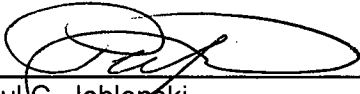
The safety video was created over the past several months with support from MTS Marketing and Operation Lifesaver. The video provides four true-to-life situations. Each vignette illustrates a basic rule and ends with the main message for youngsters to not be "that kid" who breaks the rules and to "Look, Listen, and Live" to stay safe.



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.

- Students playing near trolley tracks. Message: trespassing near trolley tracks is extremely dangerous.
- Student with headphones on near trolley crossing. Message: not paying attention to warning signs at crossings could lead to serious injuries.
- Students at trolley station waiting for next train. Message: stay behind the yellow line and pay attention to your surroundings.
- Student trying to get to the other side of the trolley tracks. Message: never cross between trolley cars as they can move at any time.

The video's general message is that riders should always use common sense and make safety their number one goal. Initially, the video will be used as a training tool to teach safety to students at schools within the MVE corridor this fall, and it will also be used as public safety commercials on local television stations.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Andy Goddard, 619.595.4946, andy.goddard@sdmts.com

JGarde
SEPT8-05.45.SAFETYVIDEO.JLEITNER
8/31/05



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)

September 8, 2005

Subject:

MTS: JUNE 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 June 2005, month 12 of FY 2005. There were 22 operational weekdays and 8 weekend days of service. Padres regular season games continued at PETCO Park, with 18 games played at the stadium during the month. The Annual Coca-Cola One Rock 'N' Roll Marathon was held in the streets of San Diego. There was a new routing chosen this year that worked well to minimize the impact on operations for both bus and rail. MTS bus provided shuttle service for runners and spectators at both the start and finish lines and was assisted for most of the morning by Laidlaw contract services. MTS rail provided extra service for the day's events.

Service Statistics

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



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.

- Service Effectiveness
 - The MTS system carried 6,510,552 passengers in June with 3,729,040 traveling on MTS buses and 2,781,512 passengers traveling on MTS rail.
 - MTS rail carried 240.30 passengers per revenue hour. The MTS bus system carried 24.33 passengers per revenue hour with fixed-route services performing at 27.02 passengers per revenue hour.
- Service Reliability
 - On-time Performance: MTS system wide on-time performance for June was 91.1%. MTS bus reported 90.0% of its trips as being on time. MTS rail reported 93.2% of its trips on time.
 - Mean Distance Between Failures (MDBF): MTS bus was 15,939 miles overall for the month of June. There was one major failure on MTS rail; the MDBF was 616,831 car miles.
- Quality of Service
 - MTS bus had 3.28 total collisions per 100,000 miles. MTS rail had 3 collisions, with a rate of 0.49 collisions per 100,000 miles.
 - Non-ADA customer complaints reported 10.75 complaints per 100,000 passengers. There were 15 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

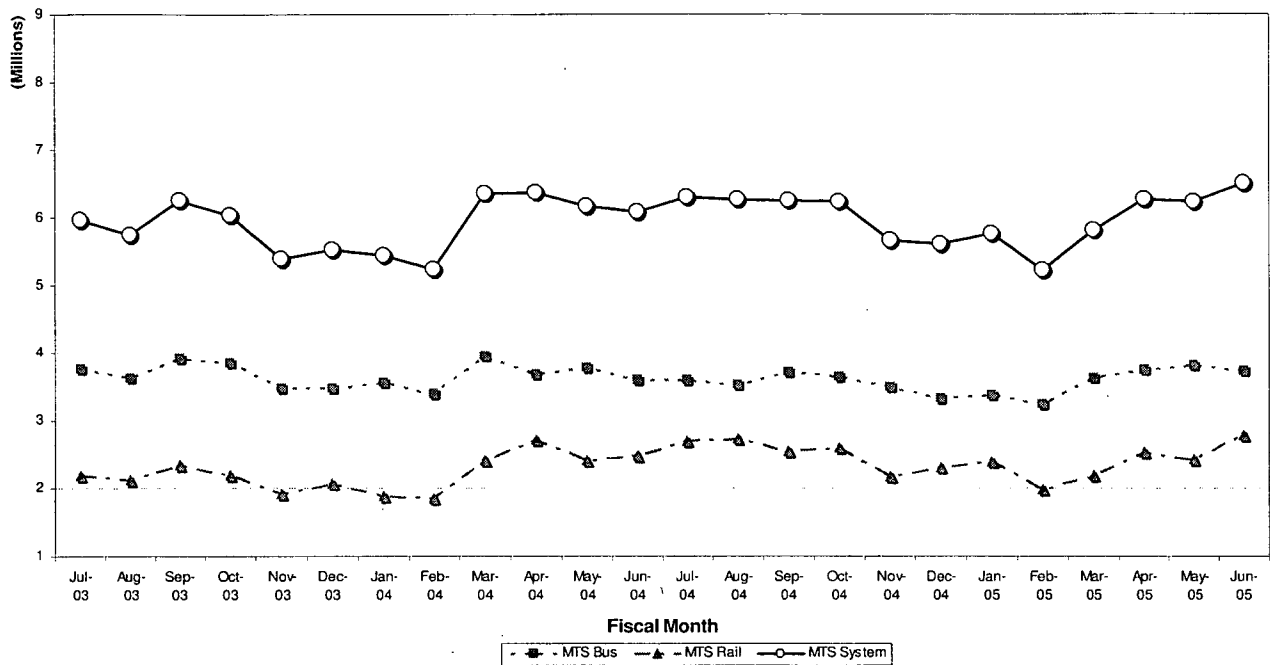
JGarde/SEPT8.05.46.JUNEPERFORM.ADESILVA
8/31/05

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

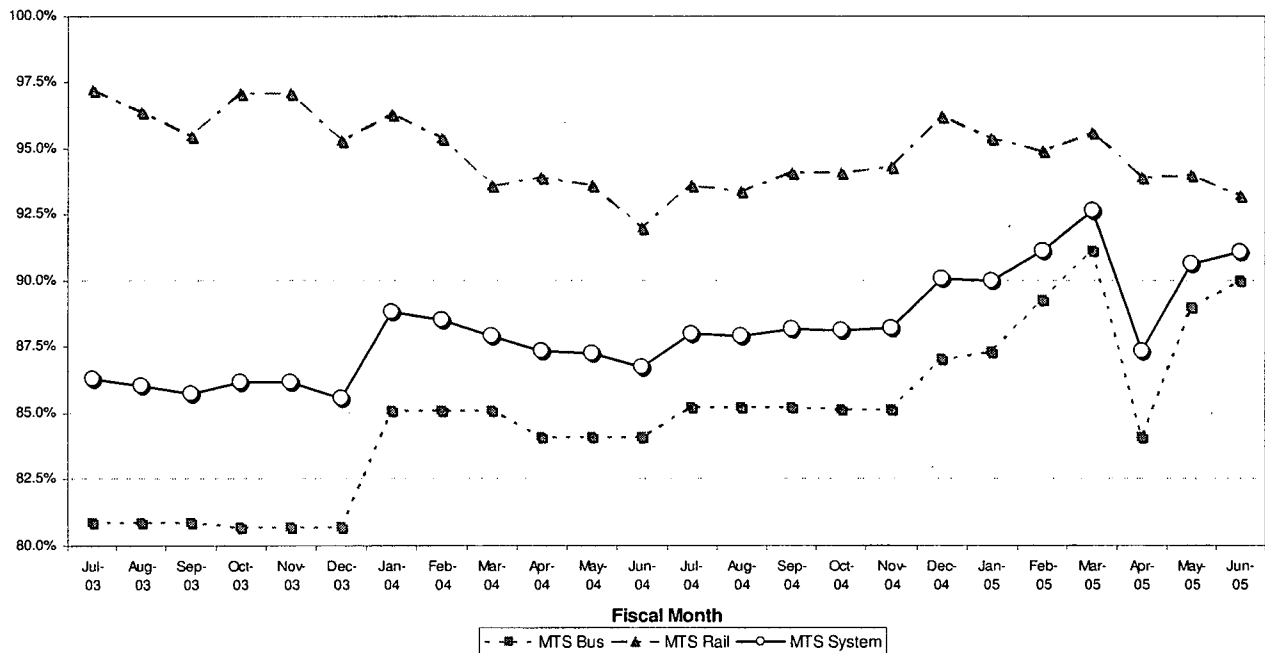
Att. A, AI 46, 9/8/05, OPS 920.1,
960.5, 970.5

System Ridership
FY 2004 to Present



ON TIME PERFORMANCE

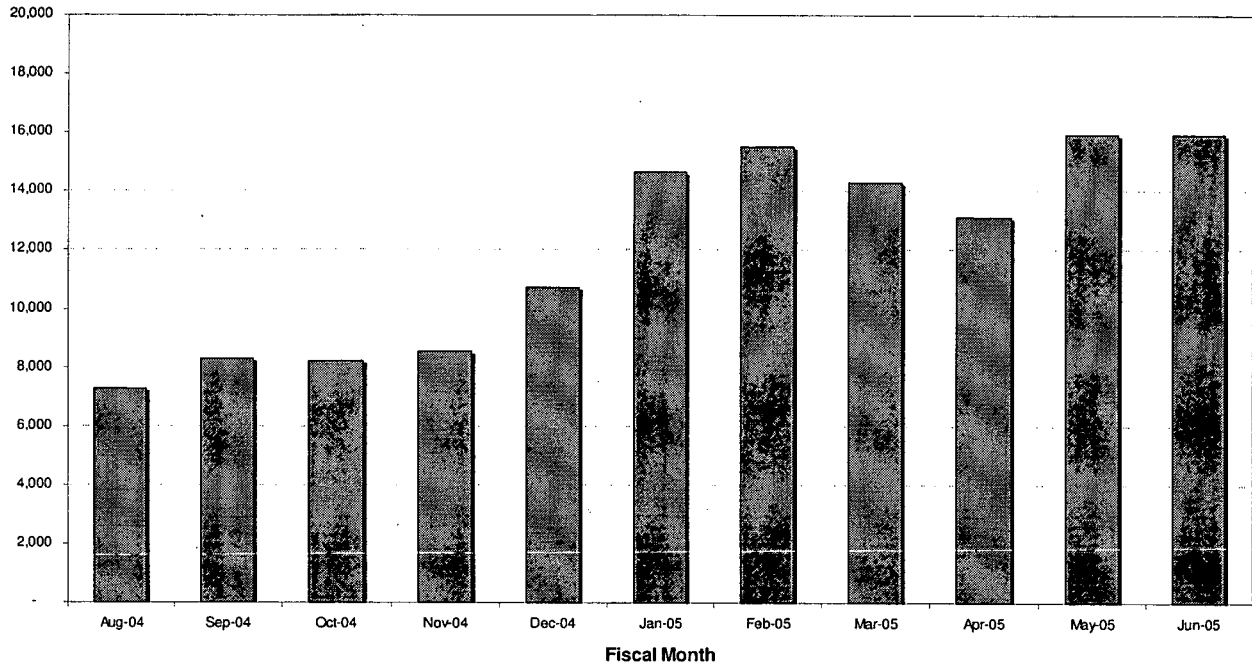
System On Time Performance
FY 2004 to Present



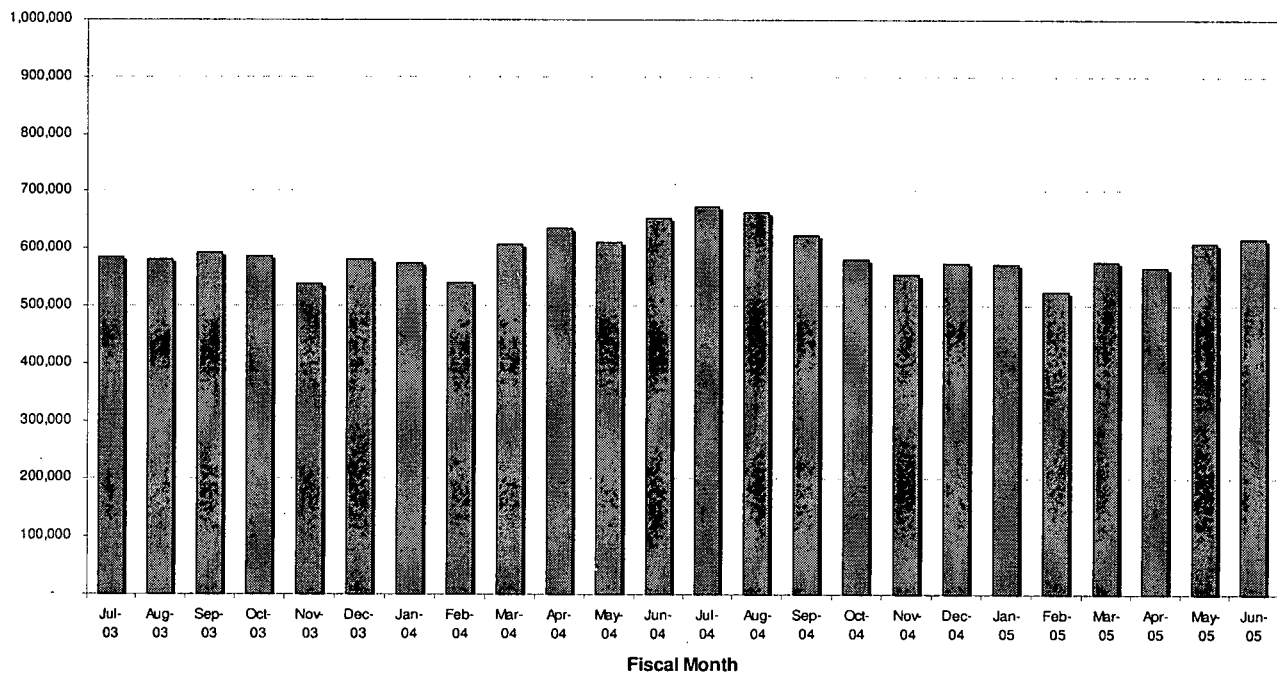
MEAN DISTANCE BETWEEN MECHANICAL FAILURES

Att. B, AI 46, 9/8/05, OPS 920.1, 960.5, 970.5

Bus Mean Distance Between Failures
FY 2004 to Present



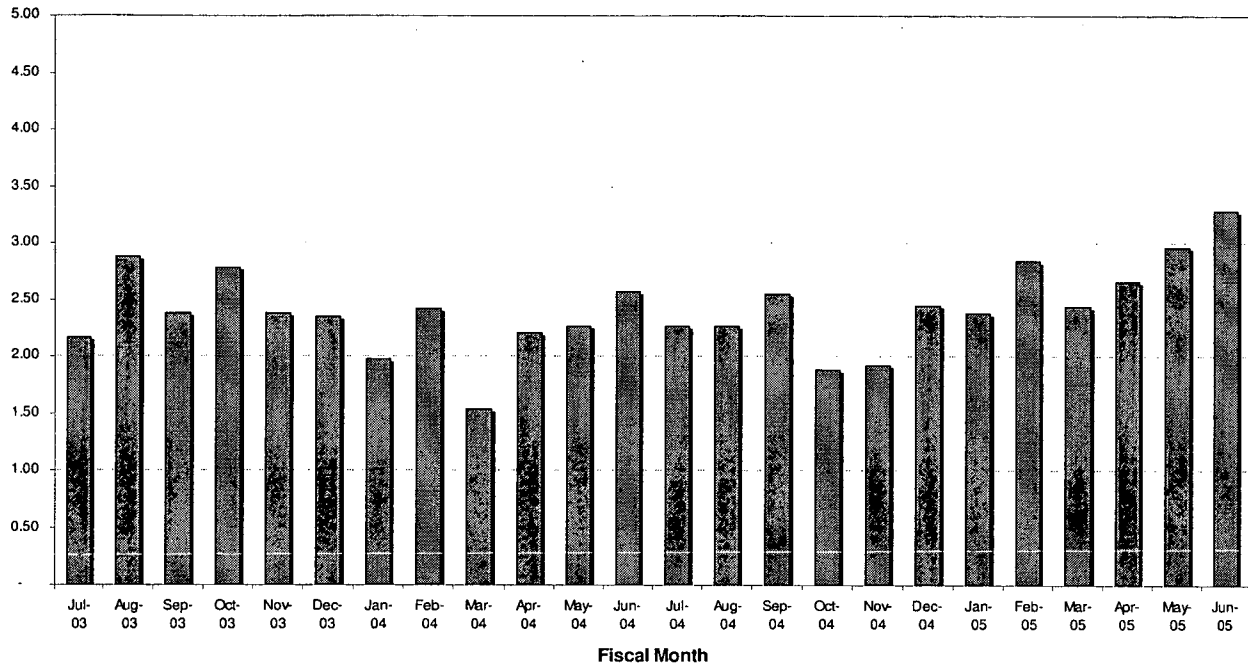
Rail Mean Distance Between Failures
FY 2004 to Present



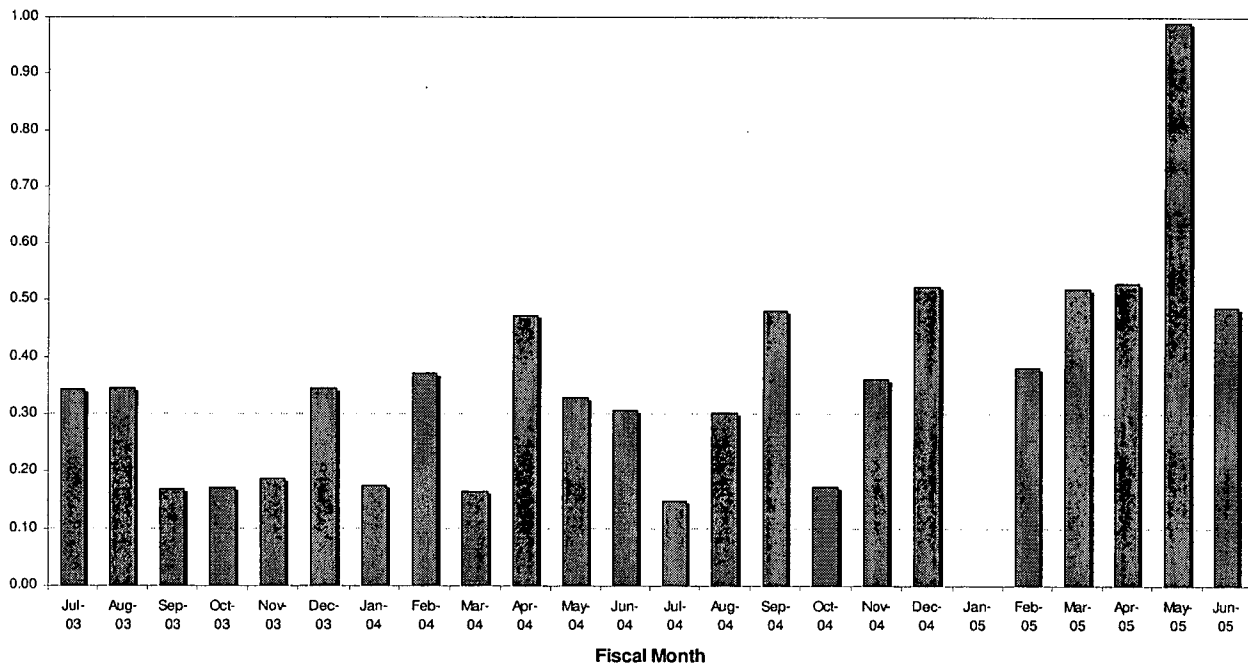
TOTAL COLLISION ACCIDENTS (PER 100,000 MILES)

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960.5, 970.5

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

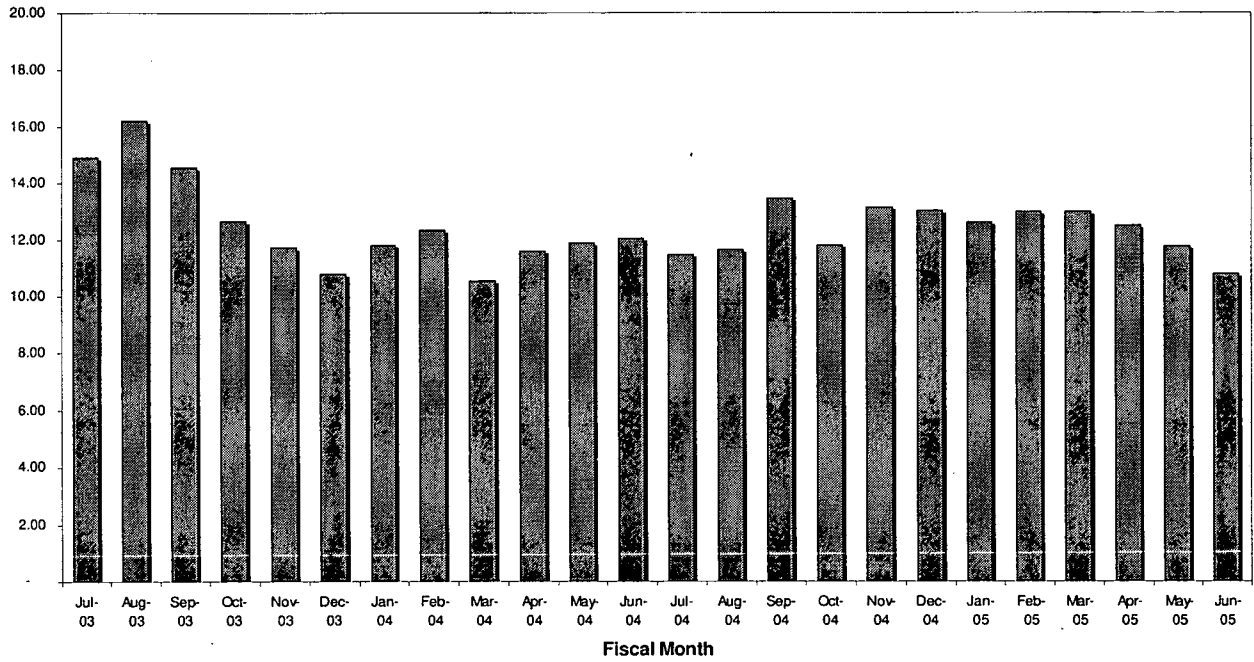


Rail Total Collision Accidents (per 100,000 Miles)
FY 2004 to Present



CUSTOMER COMPLAINTS Att. D, AI 46, 9/8/05, OPS 920.1, 960.5, 970.;5

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



Metropolitan Transit System

June 2005 Monthly Performance Indicators

September 8, 2005

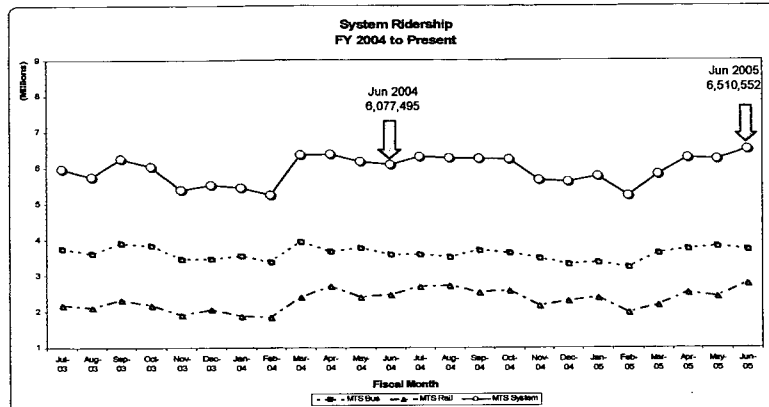


Operating Environment

- **Service Levels**
 - 22 days of weekday service.
- **Special Events**
 - 18 Padres games played at Petco Park.
 - Annual Rock 'n' Roll Marathon
 - Improved routing reduced impact on regular bus, trolley service.
 - MTS Bus, Contract Services provided shuttle service; extra trolley service.



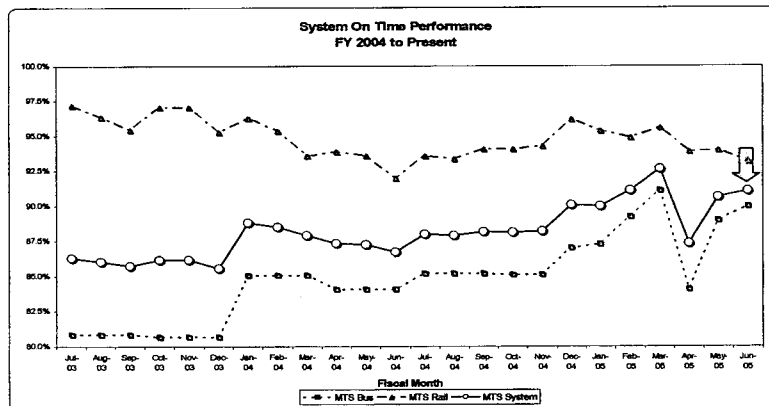
System Ridership



- System carried 6,510,552 passengers in June 2005:
 - Ridership on MTS Bus totaled 3,729,040.
 - Ridership on MTS Rail totaled 2,781,512.



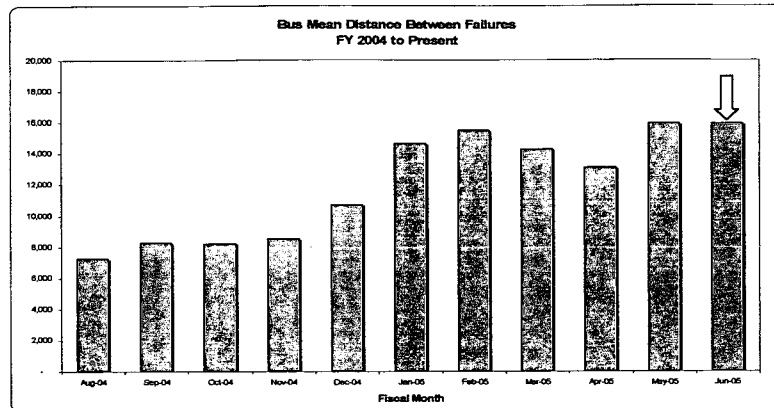
On Time Performance



- MTS System achieved 91.1% on time performance:
 - On time performance for MTS Bus was reported at 90.0%.
 - On time performance for MTS Rail was reported at 93.2%.



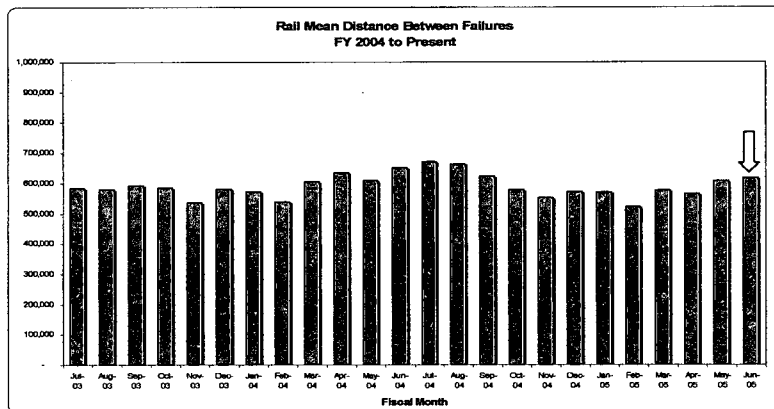
Mean Distance Between Failures - Bus



- Mean distance between failures for MTS Bus was 15,939 miles.



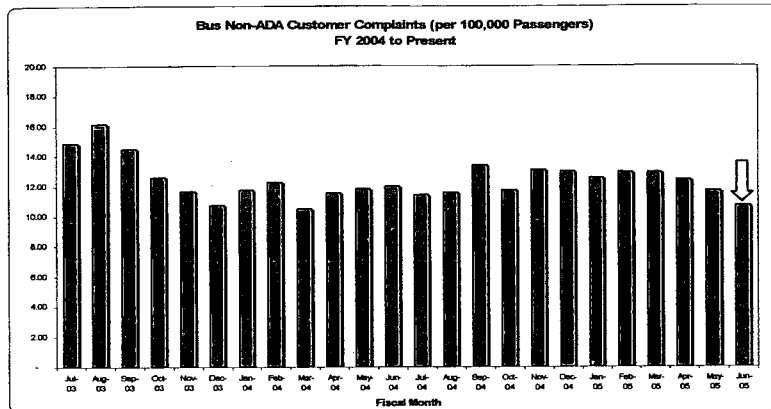
Mean Distance Between Failures - Rail



- Mean distance between failures for MTS Rail was 616,831 car miles. There was one mechanical failure for MTS Rail in June 2005.



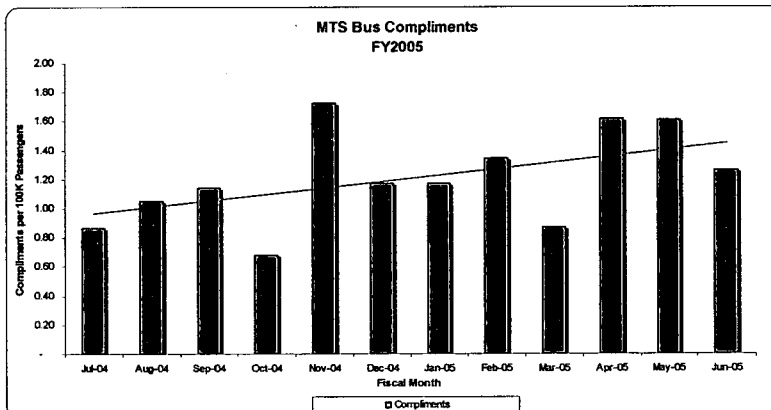
Customer Complaints



- Non-ADA complaints declined to 10.75 complaints per 100,000 passengers
- ADA services' 15 complaints represented 0.05% of ADA ridership.



Customer Compliments



- Customer compliments from MTS Bus (SDTC) Customer Service reports for FY 2005.
- Comments primarily about good customer service from bus operators.



Collision Accidents

- MTS Bus collision rate was 3.28 collisions per 100,000 miles in June 2005.
- MTS Rail had three collision accidents in June 2005, at a rate of 0.49 collisions per 100,000 miles.



Conclusion of Report June 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 970.2

September 8, 2005

Subject:

SDTI: MTS RAIL 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 pertaining to the status of MTS Rail (San Diego Trolley, Inc.) operations and maintenance for FY 05 year-end. An overview of statistical information is presented, followed by a brief discussion of accomplishments during the fiscal year.

Transportation Department

Ridership. The annual ridership for FY 05 was fixed at 29,334,362, representing an increase of 10.5% over the previous fiscal year (29,334,362 vs. 26,538,239). This number is attributed to an ever-increasing public use of trolley service for work, travel, special events, and increasing gas prices.

Accidents Per 100,000 Train Miles. San Diego Trolley, Inc. (SDTI) has once again achieved one of the lowest accident rates among light rail agencies in the country. Although the accident rate for FY 05 was slightly higher than the previous fiscal year, it is



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.

nonetheless a rate of which to be proud. During FY 05 (commencing July 1, 2004), there were 2,714,894 train miles operated. The total number of accidents during the fiscal year was 29, representing 0.8 accidents per 100,000 miles operated. When the total FY 05 accidents per 100,000 miles is compared with FY 04, (0.8 vs. 0.7), a slight decrease in safe train miles operated is realized. However, it is important to note that, of the 29 accidents reported, 3 were considered preventable.

Schedule Adherence/On-Time Performance. SDTI scheduled 121,462 regular train trips in FY 05. Of the number scheduled, 121,373 were operated for a schedule adherence of 99.92 percent. Of those trips operated, 98.3 percent were on time (within five minutes of schedule). Staff continually monitors system operations, trip times, and ridership patterns so as to implement timely responses to events that may occur in a rail environment where even minor delays can impact the trip times of multiple trains and delay numerous passengers. Monitoring ridership patterns and making appropriate adjustments to train-consist size (the number of LRVs) is important and required to balance passenger comfort against the economies of service provided.

Lift Service. Total wheelchair ridership during FY 05 reached 76,556 (209 per day). This constitutes a 15% increase, or 11,117 more riders, over FY 04. The introduction of the new low-floor S70 LRV will likely increase this market segment by allowing four disabled riders per LRV as opposed to the two-rider maximum per train on the U2 LRVs and three-rider maximum per train on the SD 100 LRVs.

Special Event Service. During FY 05, SDTI provided service to 123 special events, including: 84 Padres games, 10 Chargers games, the Holiday Bowl, Street Scene, Comic Con, and Oktoberfest, to name a few of the larger events. Total attendance at these 123 events was reported to be 4,396,966, with 712,919 (16.2%) using the trolley for transportation. There were over 7,000 train trips operated to support special event service to these events, and revenue from manual ticket sales was up 14% as compared to FY 04 (\$1,344,537 vs. \$1,178,961).

Standard Operating Procedures Manual. An extensive revision of the Transportation Department Standard Operating Procedures was completed to upgrade the image and improve the comprehensibility of this instruction and reference book. To accomplish this, new graphics and text were added, in addition to the considerable number of new procedures required to support the Mission Valley East (MVE) operations.

SDTI Rules and Instructions for Employees Handbook. An extensive revision of the SDTI Rules and Instructions for Employees Handbook was completed. This was necessary as the previous revision was made in 1989 when the Orange Line was extended to the City of El Cajon. This reissue was slated to coincide with the MVE service implementation and was achieved.

LRV Maintenance Department

Car Miles Between Service Failures. The LRV Maintenance Department has instituted numerous fleet tasks (component inspections/repair) throughout the year in an effort to ensure maximum efficiency and reliability with the LRV fleet. The fleet incorporates three series of Siemens vehicles beginning with 71 U2 LRVs (20 to 25 years old),

53 SD100 LRVs (10 years old), and 11 S70 LRVs (recently delivered to support operations on the new Green Line). Differing maintenance training and service programs for each series of vehicle requires that personnel maintain a high degree of technical knowledge in a variety of areas associated with the maintenance of electrical and mechanical components of each vehicle.

The department remains focused on preventative maintenance programs to address the most common component defects, enhance maintenance procedures, and reduce equipment failures and service delays. By achieving 50,020 vehicles miles between service failures, the LRV Maintenance Department exceeded the FY 05 goal of 46,556 vehicle miles between service failures.

LRV Body Restoration and Painting Program. An aggressive body restoration and painting program continued in FY 05 to address the exterior appearance of the U2 LRV fleet. In FY 05, a total of 18 U2 LRVs received extensive body restoration and finish paint, bringing the total number restored to 44. In the U2 fleet, 27 vehicles remain to be completed. The current contract is scheduled to be renewed over the new two years; after the renewal, a similar restoration program will be initiated on the SD100 LRV fleet. It is anticipated that the body restoration program for the U2 cars will be completed in FY 07.

LRV Exterior Car Buffing Program. A review of the SD100 LRV fleet revealed severe paint oxidation problems on the vehicle body. Since these vehicles are not scheduled for body and paint rehabilitation until FY 08, a sanding and buffing program was implemented resulting in the restoration of up to 70 percent of the original paint gloss.

An ongoing internal inspection effort has been initiated as part of our regular vehicle inspection and preventive maintenance program. Through appropriate project implementation and an effective oversight plan, it is expected that the LRV fleet will maintain an acceptable appearance.

New S70 LRV. Eleven low-floor S70 LRVs were purchased for the MVE line extension. The first LRV arrived on the property on October 9, 2004, and the remaining vehicles began arriving monthly, beginning in February 2005. Of the 11 purchased, 9 have been conditionally accepted for revenue service; vehicle equipment and technical modifications (including software revisions) continue under the guidance of Siemens representatives.

System and vehicle modifications were required to support the use of the S70 LRV. The electrical and mechanical components are located on the roof of the vehicle, which required the construction of a catwalk in the LRV shop with a motorized trolley crane over the vehicle. The wheel-truing machine required extensive modifications to accept the new wheel-set configuration to ensure wheel flange and profiles are appropriately maintained. The stations over which the new low-floor LRV will operate required that platforms be raised two inches to meet Americans with Disabilities Act (ADA) requirements.

Wayside Maintenance Department

Maintenance programs and inspection activity specific to the track structure, safety and ride quality, signaling, grade crossings safety, and general system maintenance continued throughout the year. These programs are initiated annually to ensure a safe operating environment is consistently maintained.

During the second half of FY 05, the department superintendent and senior staff played a vital role in the interface with systems engineering and integration contractors on the MVE extension. Extensive system work, integration testing, development of maintenance procedures, and personnel training on fire, life, and safety equipment associated with the 4,000-foot tunnel and the SDSU underground station was conducted.

Mission Valley East Extension Green Line Start-Up

On July 8, 2005, after years of planning, engineering, and construction, the Green Line began revenue service. The rail activation component of this start-up effort was an intense and aggressive effort that involved every discipline in the organization. This project was the most ambitious extension ever undertaken in terms of operating complexity, application of advanced technology, and physical infrastructure (such as the fire, life, and safety components associated with the SDSU tunnel and underground station). A total of 63 hourly employees were hired, and 18 employees were promoted to management positions during the start-up process. Over 500 employees were required to undergo training exercises to qualify on all discipline-specific aspects of the MVE extension.

During the prerevenue phase of the project, SDTI personnel assumed control of the 5.8-mile extension 17 weeks in advance of start-up. During this period, oversight measures and operating controls were implemented to establish a safe environment to blend ongoing contractor work with personnel training, systems integration testing, and field inspections, including schedule simulation activities and vehicle familiarization. SDTI staff worked diligently and coordinated with representatives of the California Public Utilities Commission (CPUC) to make certain that appropriate protocols were in place to satisfy regulatory standards and achieve a safe and efficient start-up of revenue service operations. Staff also worked closely with the California State Fire Marshall (CSFM) assigned to the SDSU Tunnel and Underground Station Project to ensure that appropriate safeguards, testing, and training elements relative to all fire, life, and safety components associated with the tunnel and underground station were identified, addressed, and in compliance.



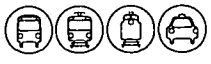

Paul C. Jablonski
Chief Executive Officer

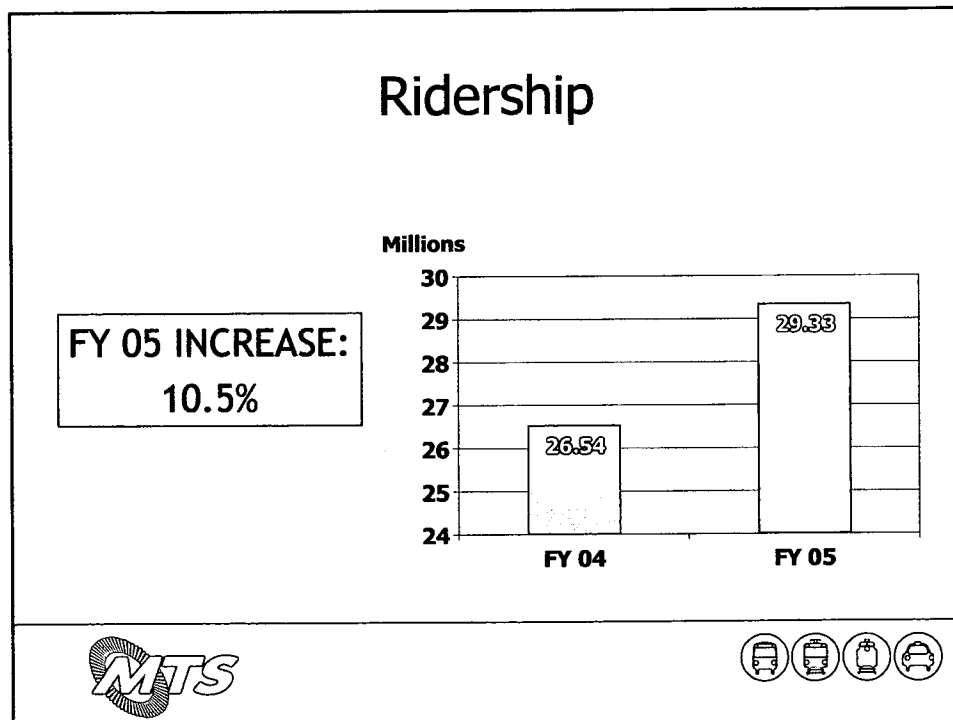
Key Staff Contact: Wayne Terry 619.595.4906, wayne.terry@sdmts.com

MTS Trolley

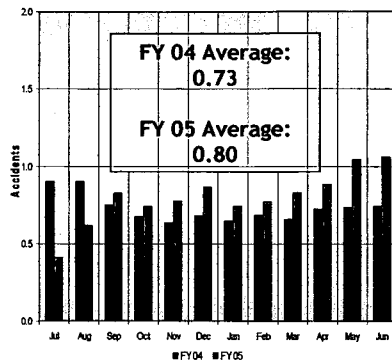
FY 05 Year End Report

Board of Directors Meeting
September 8, 2005





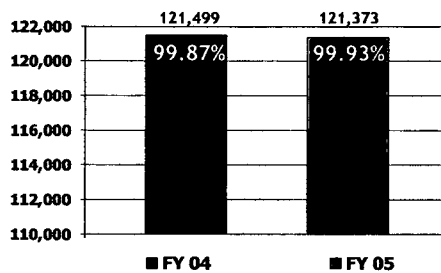
Accidents per 100,000 Miles



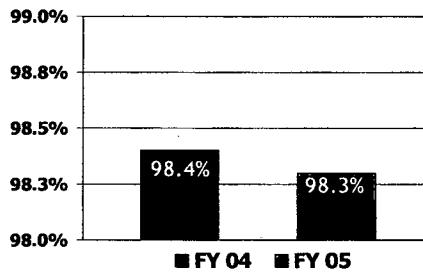
- Train Miles Operated: 2,714,894
- Accidents: 29
- Accidents considered preventable: 3



Schedule Adherence



On-Time Performance

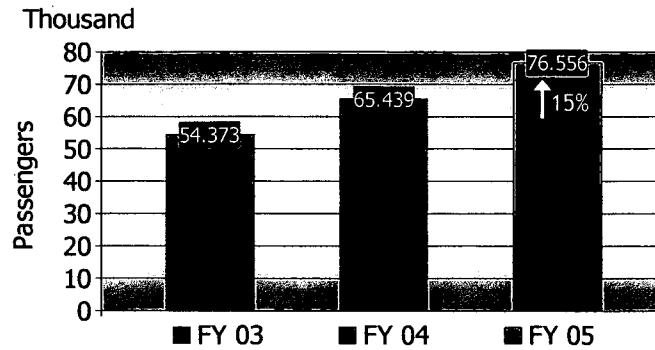
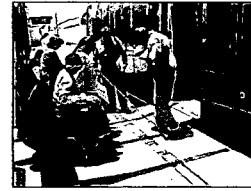


- Delays and Recovery Techniques
- Multiple Wheelchair Boardings = 44% of delays
- Ridership Pattern Monitoring





S/D Lift Usage



S70 LRV: 4 wheelchairs/car

SD-100 LRV: 3 wheelchairs/train

U2 LRV: 2 wheelchairs/train

Special Event Service

- Special Events Systemwide: 123
 - Padres Games: 84
 - Charger Games: 10
 - Holiday Bowl
 - Street Scene
 - ComicCon
 - Oktoberfest



Special Event Service

- Total Event Attendance: 4,396,966
- Special Event Ridership: ↑16.2%
- Train Trips Operated: 7,000
- Manual Ticket Sale Revenue ↑14%
 - \$1,344,537 (FY 05) VS \$1,178,961 (FY 04)

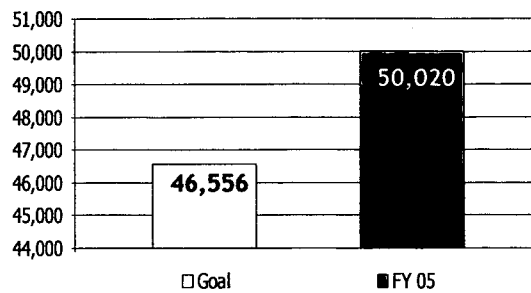


Document Preparation for Mission Valley East



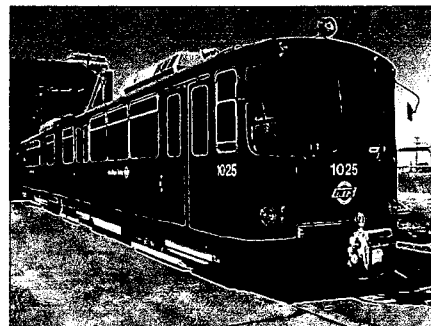
Car Miles Between Service Failures

- Fleet Tasks / Component inspections
- Training / Technical knowledge
 - 71 U2s: 20-25 years old
 - 52 SD100: 10 years old
 - 11 S70: new



Repainting in Progress

Completed Restoration



U2 Fleet Body Restoration

- LRVs restored in FY 05: 18
- Total restored to date: 44
- Contract renewals in FY 06 and FY 07 will complete task
- Establish similar program for SD-100 fleet in FY 08



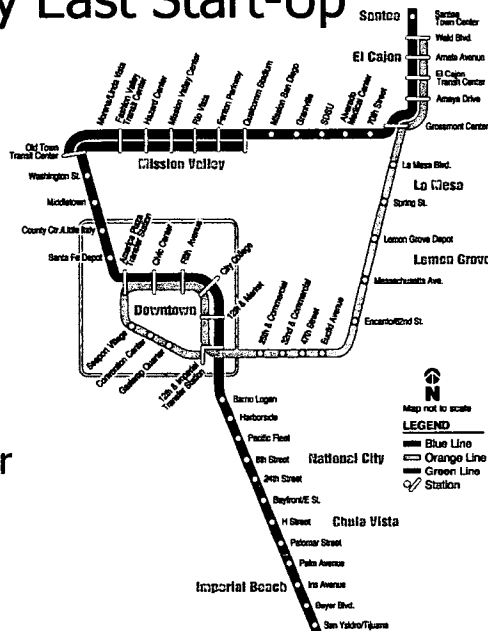
Buffing Program

- Removes Cleaning Solvent Residue and oxidation
- Process: Sanding and Buffing
- Restoration of up to 70% of original finish



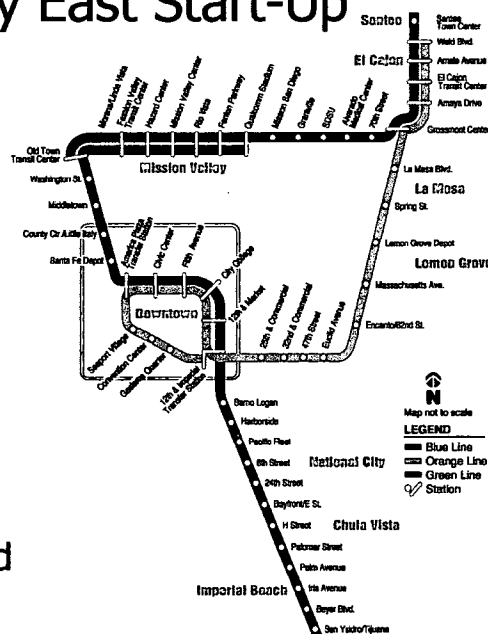
Mission Valley East Start-Up

- Rail Activation Planning
- New Employees: 63
- Management Promotions: 18
- Employees trained: over 500



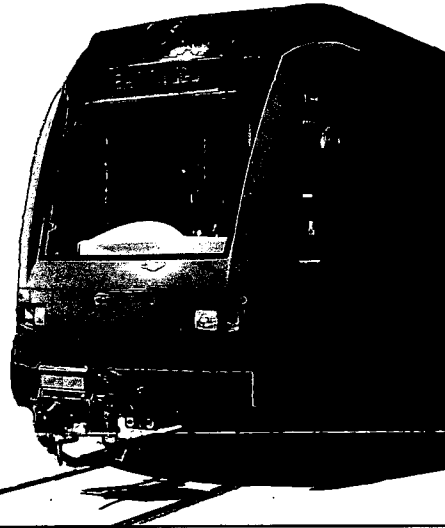
Mission Valley East Start-Up

- 17-week Pre-Revenue phase
- CPUC Regulatory standards
- CSFM Oversight / Acceptance of fire, life, safety components associated with SDSU tunnel and underground station



S70 Light Rail Vehicle

- LRV 3001 arrived: October 2004
- Remaining vehicles began arriving February 2005
- All vehicles conditionally accepted
- Siemens technical modifications and software revisions – in progress




Questions?



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

Memorandum

To: MTS Board of Directors

From: Tiffany Lorenzen 
General Counsel

Re: Status of Senate Bill 959

Date: September 8, 2005

ADM 110.1 (PC 50101)

Following direction given by the Executive Committee at the September 1, 2005, meeting, staff met with members of the Local 1309 and was able to successfully negotiate a compromise regarding the union's proposed changes to Senate Bill (SB) 959. Senator Kehoe was willing to amend the bill to include the compromise language, and Assemblywoman Saldana agreed to carry the bill. Because SB 959 requires a 2/3 vote to pass, two modifications had to be made last Friday. The pension obligation bond language originally requested by MTS had to be removed from the bill in order to obtain republican support, and the compromise language proposed by the Executive Committee was not fully modified. The Executive Committee had proposed the following:

"Changes made to this subdivision as a result of the enactment of Senate Bill 959 of the 2005-06 legislative session are meant solely to clarify prior law and shall not be interpreted either to enlarge or to ~~contract~~ reduce the Board's right to contract out for public transportation services."

Staff will be working closely with our lobbyist to insert the pension obligation bond language and the word "reduce" into a bill that requires only a majority vote during the 2006-2007 legislative session.

SB 959 was scheduled to be heard in the California State Assembly late yesterday; however, due to an extended caucus session as well as the Assembly's consideration of the undocumented alien driver's license bill, SB 959 was not heard. The Assembly is scheduled to reconvene at 10:00 a.m. this morning; SB 959 is item number 90 on the docket.

JGarde
M-SB959BOARD.TLOREN
9/8/05





Metropolitan Transit System

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

Memorandum

DATE: September 8, 2005

ADM 110.1 (PC 50111)

TO: Board of Directors

FROM: Paul Jablonski 

SUBJECT: **Complimentary Letters from Customers**

At a recent Executive Committee meeting, staff was asked to provide the Board with comments of a positive nature about bus operators from MTS customers.

You will find attached a sampling of positive comments recently received from customers regarding agency employees and service-related topics for San Diego Transit, San Diego Trolley, and Multimodal Operations. On a periodic basis, we will place these types of materials at each Board member's place at the table prior to the start of a Board meeting.

If you have any questions, please don't hesitate to contact me.



San Diego Transit
PO Box 122511
San Diego CA 92112

May 26, 2005

Attn: Customer Service
Supervisor for # 7 Bus #1109
Driver's name: Ben

On May 24, 2005 I took the #7 Bus downtown at approximately 4:45 am. I was running late and since I have two other connections to make for work I was very appreciative because this bus driver looked and saw me coming.

He took the time and waited a few minutes and I was able to make all my connections. I know that the few minutes he waited does not seem like much but when I leave at 4:45 am everyday and get home at 7 pm it means a lot. Especially, when I don't have to lose any hours toward my pay.

- Again, I just want to thank Ben for being so kind and courteous. I hope he will be recognized for this kind act.

who was very kind
to me. He was also
cheerful too!

Thank you for
drivers like -

#1523

H. A. Farnsworth

I do not know his name.

Sat. June 4th

Dear Sir,

Just a little note
to say thank you.
Not many people do
things like this
much anymore or they
think of it, and never
send it in.

I wanted to mention
one of your drivers

June 24, 2005

Metropolitan Transit Systems
100 Sixteenth Street
San Diego CA 92101

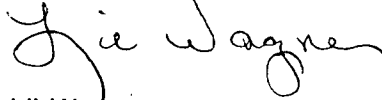
Re: Ms. Ramona Palmer
Employee Number 688978

Dear Sir or Madam:

Since January 3, of this year I have been using the Metropolitan Transit Systems Route number 50 / 150 express bus while I was serving downtown on the San Diego County Civil Grand Jury.

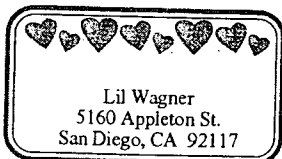
While the drivers all seem competent, I must point out one driver who is certainly a cut above the usual. That driver is Ms. Ramona Palmer. Ms. Palmer always greets her passengers with a friendly hello and bright smile. She announces stops timely and in a clear voice. She is always willing to provide directions and information to those of us fortunate enough to have her as our driver. If there is any way to note the MARVELOUS service passengers receive from this delightful woman I do hope it will be done. Good employees are often hard to find--great employees even more so!

Very truly yours,



Lil Wagner
858-279-8722

Palmer
688978



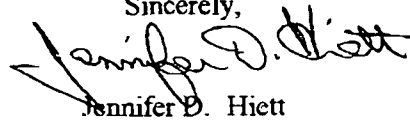
163029

June 28, 2005

To Whom It May Concern

I am writing to sing the praises of one of your bus drivers, Cynthia Mitchell. She drove the 30A for the past several months. I rode Cynthia's bus many mornings to work here at UCSD. I want you to know that she is absolutely the BEST bus driver I have ever had (and I've had some very good ones). Cynthia is always professional, respectful, courteous, and on schedule. I am so impressed that Cynthia maintains her warm demeanor in such a high "burn-out" profession. I hope you all realize what a valuable employee she is. She is certainly the kind of person any business would want to represent them. Please, let her know how much her efforts are appreciated.

Sincerely,



Jennifer D. Hiatt
Pacific Beach

574910
Cynthia Mitchell

5
M
P
10
12

7/12/05

Dear Peter D. Teereschuck:

My name is Lloyd Haith, I wrote you a letter about 3 weeks ago, in the letter I talk about the Euclid Trolley and Bus Stop, the letter also talk (that I wrote you) about why wasn't there any portable toilet for the handicap handicap, well about a few days ago I was in the area of Euclid Trolley Station, and I notice they had put one there, I don't know if it was because of you and the letter I wrote to you about this situation, but any way if it was you I wish to thank you for doing it, the people of that Euclid Station I know that they wish to thank you I speak for them on this matter.

Also I am with you that it is a high crime area as well!

Thank's again!



Allan and Susan Marion
9108 Alanda Place
Beverly Hills, CA 90210

RECEIVED
JUL 18 2005
SDTI

San Diego Trolley
Attention: Personnel
1255 Imperial Avenue
San Diego, CA 92101-7492

July 13, 2005

Dear Head of Personnel,

I recently had a wonderful experience with one of your employees and was hoping that this letter of acknowledgment would be placed in her file. The employee is Christina Thomas, Reception.


I called because my autistic son left the cardboard folding trolley on the Surfliner when we visited San Diego. My son has told me every day that "his heart is broken" because he does not have his trolley. I called and explained this to Ms. Thomas in hopes of being sent 1 more foldout Trolley.

She not only sent my son a foldout trolley, she sent a trolley bank, stickers and a couple of coloring books to remember the trip. She sent the material in his name with a very kind letter. My son checked the mail and he received it the very next day and he could not be happier!! He now says that "his heart is better".

In a world of little customer service, I admire Ms. Thomas for doing her job with tremendous heart, care, and efficiency.

Thank you again.

Sincerely,


Susan Marion, Grateful Mom

cc: Christina Thomas



July 25, 2005

Metropolitan Transit System
Attn: Claire Spielberg-CEO
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490

RECEIVED
JUL 27 2005

Reference: Letter of Commendation for: Driver of Bus #1827
Route #9 on Sunday, July 17, Which Arrived at
the Old Town Transit Center at 2:30PM

Dear Ms. Spielberg:

This is a somewhat tardy letter of commendation (and I apologize for the tardiness but my typewriter required a repair and I didn't want to inflict my sprawling handwriting on you.)

I don't know the name of the referenced bus driver but I do hope you can identify him from the referenced information.

He is certainly an outstanding representative of the Metropolitan Transit System. His courtesy and his good cheer are noteworthy. This is particularly praiseworthy because the Sunday was a most busy one, what with the good weather, the tourists and the Comic-Con convention.

I was obliged to go into downtown San Diego and I knew I'd have to transfer from the Number 9 bus to the Number 5 bus at the Old Town Transit Center. I seldom have to go downtown on weekends as I rely on the Number 30 bus on weekdays. When I arrived at the Transit Center, I was somewhat puzzled as to where I'd get the #5 bus, so I returned to the #9 bus and sought directions from the driver. He was very helpful and I was able to zero in on the transfer site. Not only did he assist me but I noticed that he was equally courteous and helpful to passengers who were evidently tourists on a visit to San Diego. His good cheer was also a definite asset as the bus proceeded from Mission Boulevard & Sapphire Street, where I boarded the bus, to the Transit Center.

I would certainly be remiss if I failed to report such a splendid MTS employee.

Sincerely,



Dr. Stephen A. All, III Dba
7025 Regner Road
San Diego, CA 92119-1941

Copy to
Paul J

27 July 2005

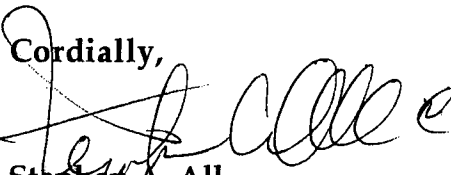
Executive Director
San Diego Trolley, Inc.
1255 Imperial Avenue
San Diego, CA 92101

Dear Sir;

Today, I took the trolley from the AMAYA Station.

THANK YOU.... THANK YOU.... THANK YOU

What a difference

Cordially,

Stephen A. All
619) 460-4837 Telephone
619) 460-6160 FAX
stephenall0@mac.com e-mail
P.O. Box 19755
San Diego, CA 92159-07755

Comments



094540

Please use this space to describe any bus/trolley problems, suggestions for improvements, or ideas for the future.

Si considera el servicio regular o decepcionante, describa brevemente por qué. ¿Qué cosas le gustaría que atendiéramos en el futuro?

Date (fecha) 8/9/05 Time of Trip (hora) 6:20 am
 Route No. 150 Vehicle No. 1145 Destination (destino) Downtown SD to UTC
 (linea) (numero de vehiculo) (Driver: James)

We love our Driver!
 James is a wonder full
 safe & courteous Driver!
 He is extremely polite
 always cheerful especially
 at that time of the morning.
 Please keep him on the route!!

Optional Information:

Name Ana Schultz
 Address 2370 Spring Oak Wy
 City San Diego Zip Code 92139 Tel. No. (858) 535-7367

Comments

Please use this space to describe any bus/trolley problems, suggestions for improvements, or ideas for the future.

Si considera el servicio regular o decepcionante, describa brevemente por qué. ¿Qué cosas le gustaría que atendiéramos en el futuro?

09/18/05
 B-10-05 7:06 A.M.
 Date (fecha) Time of Trip (hora)
 13 8019 GATEWAY & HOME
 Route No. Vehicle No. Destination (destino)
 (linea) (numero de vehiculo)

THIS BUS DRIVER WAS THE
 BEST DRIVER I'VE HAD THE
 PRIVILEGE TO BE IN THE PRESENCE
 OF SOMEONE WHO EPITOMIZES
 WHAT AN EXCELLENT, SUPERB,
 IN A CLASS ALL BY HIMSELF.
 HE WELCOMED EVERY ONE

Optional Information:

VICTOR TENAARO

Name

103 N. BENTON AVE.

Address

NATIONAL CITY 91950

City

Zip/Code

Tel. No.

PASSENGER ON BOARD. HE
 TRULY WAS SOMEONE WHO SHOWS
 HOW TO WORK WITH THE PUBLIC
 IF YOU WANT TO INCREASE RIDE SHIP
 HAVE HIM TRAIN YOUR OTHER DRIVERS.
 HE IS TRULY A MENTOR AND AN
 EXAMPLE OF
 WHAT SOMEONE
 WHO DESERVES
 NOTHING BUT
 CASH BONUS ES
 AND SHOULD
 BE PROMOTED
 TO TRAIN ALL YOUR
 DRIVERS. ANYTHING LESS IS UNACCEPTABLE

BUSINESS REPLY MAIL

FIRST CLASS MAIL PERMIT NO. 23232 SAN DIEGO, CA USA

POSTAGE WILL BE PAID BY ADDRESSEE

San Diego Metropolitan
 Transit Development Board
 1255 Imperial Avenue, Suite 1000
 San Diego, CA 92101-9869

NO POSTAGE
 NECESSARY
 IF MAILED
 IN THE
 UNITED STATES



MTDB

AUG 12 2005

RECEIVED



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)

September 8, 2005

Minor Contract Actions

- Monster, Inc. for job advertising services for one year.
- San Diego Union-Tribune for ¼ page ad for special services for the Charger season.
- Clear Channel Broadcasting for radio advertising for special services for the Charger season.
- Daniel Obst & Associates for a new radio jingle and licensing rights.
- Tri-Signal Integration, Inc. for 24-hour monitoring of elevators phones in the Mission Valley East (MVE) Light Rail Transit (LRT) Extension.
- Vortex for Web Development Training for Information Technology staff.
- Bordeaux Printers, Inc. for dashboard fare cards.
- Aztec Janitorial Services for the cleaning of the Fashion Valley Transit Center.
- Latham & Watkins for legal environmental services for the MVE LRT Extension.
- Kimley Horn and Associates, Inc. for design services for the San Ysidro Intermodal Transportation Center (SYITC).
- Orion Construction Corp./Balboa Construction, Inc. for construction services for the MVE LRT Extension – SDSU Segment Utilities.
- Clark Costruction Group for construction services for the MVE LRT Extension.
- Balfour Beatty/Ortiz Enterprises, Inc. for construction services for the La Mesa segment of the MVE LRT Extension.
- Stacy & Witbeck, Inc. for construction services for the MVE LRT Extension.



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

- Raphael's Party Rental for equipment for MVE LRT Extension opening festivities.
- Sign On San Diego for on-line advertising for the opening of the MVE LRT Extension.

Contract Matters

Mass Electric, Transit West was granted relief from maintenance and responsibility, with the exception of a punch list, for the Refurbish and Standardize Traction Power Substations Project, Contract LRT-10799, Doc. No. L0674.0.

[gail.williams/agenda item 61](#)