

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

## Agenda

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

December 14, 2006

9:00 a.m.

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

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### ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - November 9 and November 16, 2006 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 give your copies 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.

## CONSENT ITEMS

- |     |   |         |
|-----|---|---------|
| 6.  | <u>MTS: Adoption of Amended 2006 Conflict of Interest Code</u><br>Action would: (1) adopt Resolution No. 07-01 Amending the MTS Conflict of Interest Code pursuant to the Political Reform Act (PRA) of 1974; (2) adopt the Amended 2006 MTS Conflict of Interest Code; and (3) forward the Amended 2006 MTS Conflict of Interest Code to the County of San Diego-the designated code reviewing body.   | Approve |
| 7.  | <u>MTS: An Ordinance Amending Ordinance No. 13, An Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles and Prohibited Actions on or about a Transit Facility or a Bus Stop</u><br>Action would: (1) read the title of Ordinance No. 13, An Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles and Prohibited Actions on or About a Transit Facility or a Bus Stop; (2) waive further readings of the ordinance; (3) introduce the ordinance for further consideration at the next Board meeting on January 18, 2007; and (4) direct publication of an ordinance summary. | Approve |
| 8.  | <u>MTS: The Ticket Factory - Contract Amendment</u><br>Action would authorize the CEO to exercise a fourth and final option year with The Ticket Factory to print Universal Daily-Dated Transfer Slips.   | Approve |
| 9.  | <u>MTS: Audit Report on The Transit Store</u><br>Action would receive a report for information.   | Receive |
| 10. | <u>MTS: Investment Report</u><br>Action would receive a report for information.   | Receive |
| 11. | <u>MTS: Insurance Brokerage and Consultation Services</u><br>Action would authorize the CEO to award a contract to John Burnham Insurance Services contingent upon successful negotiations. In the event that the CEO is unable to reach an agreement with John Burnham Insurance Services, the CEO would be authorized to begin negotiations with the next-ranked proposer(s) and award a contract contingent upon successful negotiations.  | Approve |
| 12. | <u>MTS: Mission Valley East (MVE) Landscape Maintenance Project Contract Award</u><br>Action would: (1) authorize the CEO to execute a contract (MTS Doc. No. M6651.0-07) with Aztec Landscaping, Inc. to perform the MVE Landscape Maintenance Project (LRT-10426); and (2) approve a 10 percent contingency.  | Approve |
| 13. | <u>MTS: Transportation Development Act Claim Revision</u><br>Action would adopt Resolution No. 06-14 revising a Transportation Development Act (TDA) claim of the County of San Diego.  | Approve |

14. MTS: Creative Bus Sales Contract - Airport Shuttles Approve  
Action would authorize the CEO to exercise available options and award a contract to Creative Bus Sales to purchase seven midsize compressed natural gas-powered airport shuttle transit buses.

#### CLOSED SESSION

24. a. SDTC: CONFERENCE WITH LABOR NEGOTIATORS  
Pursuant to California Government Code section 54957.6  
Agency-Designated Representative - Jeff Stumbo  
Employee Organization - Amalgamated Transit Union Local 1309
- b. MTS: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION  
Pursuant to California Government Code Section 54956.9(a):  
Tonantzin LeGrette v. SDTC, Gonzalez Jurado (GIC 857654)
- c. MTS: CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Pursuant to California Government Code Section 54956.8  
Property: 808 West Cedar Street, San Diego, California  
Agency Negotiators: Tiffany Lorenzen, Tim Allison  
Negotiating Parties: Monarch School Project  
Under Negotiation: Price and Terms of Payment
- d. MTS: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): Wooten v. San Diego Trolley, Inc., Et Al. (Superior Court Case No. GIC 853080)

#### Oral Report of Final Actions Taken in Closed Session

#### NOTICED PUBLIC HEARINGS

25. MTS: Public Hearing on the Proposed Replacement of Route 31 Service on Weekends with Route 921 Service Approve  
Action would: (1) conduct a public hearing on the proposed changes to Routes 31 and 921 bus service; and (2) approve the proposed changes for implementation on January 28, 2007.

#### DISCUSSION ITEMS

30. MTS: Transferring Operational Responsibility for National City Transit Service Approve  
Action would: (1) receive a report from staff; (2) approve the transfer of operational responsibility for National City transit services to MTS and discontinue payment to National City for those services; and (3) appoint a transition team to work with National City to assist with the transfer of the transit services and resolution of any contractual termination costs.

31. MTS: Legislative Update and Proposed Federal and State Legislative Goals Approve  
Action would: (1) receive a report on 2006 legislative and intergovernmental activities; (2) accept the proposed MTS 2007 Federal Legislative Program; (3) accept the proposed MTS 2007 State Legislative Program; and (4) authorize the Chief Executive Officer (CEO) to direct MTS's Sacramento and Washington representatives to advocate the state and federal legislative programs.
32. MTS: TransNet Early Action Program and Blue/Orange Line Improvements Approve  
Action would authorize the Chief Executive Officer (CEO) to gain SANDAG approval to include Blue Line and Orange Line trolley improvements in the TransNet Early Action Program at its December Board meeting and to initiate a contract for consulting services for a study of the Blue Line and Orange Line trolley rehabilitation.
33. MTS: Policies and Procedures No. 18 (Joint Use and Development of Property) Approve  
Action would approve changes to Policy No. 18 as recommended by the Executive Committee.

#### REPORT ITEMS

45. MTS: C Street Master Plan Update Receive  
Action would receive an update regarding the Centre City Development Corporation's (CCDC's) C Street Master Plan.
46. MTS: Year-to-Date Operations Budget Status Report Through October 2006 Receive  
Action would receive a report for information.
47. MTS: January and March 2007 Service Changes Receive  
Action would receive a report for information.
60. Chairman's Report Possible Action
61. Chief Executive Officer's Report Information
62. Board Member Communications
63. Additional Public Comments Not on the Agenda Possible Action  
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.
64. Next Meeting Date: January 18, 2007
65. Adjournment



Submitted by: D. Bridge

Remove On: 12/14/06

Return to Submitter: G. Williams  
OR (Pick One)

Retain in Posting File: \_\_\_\_\_

**METROPOLITAN TRANSIT DEVELOPMENT BOARD  
ROLL CALL**

MEETING OF (DATE): 12/14/06

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

RECESS: \_\_\_\_\_

RECONVENE: \_\_\_\_\_

CLOSED SESSION: 9:37 a.m.

RECONVENE: 10:39 a.m.

ORDINANCES ADOPTED: \_\_\_\_\_

ADJOURN: 12:22 p.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"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:12 a.m. during Consent Agenda	12:20 p.m. during AI 47
HANSON-COX	<input checked="" type="checkbox"/> (Lewis) <input type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/> (Rose) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (McCann) <input type="checkbox"/>	9:13 a.m. during Consent Agenda	11:42 a.m. during AI 45
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:22 a.m. during AI 7	
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		<input checked="" type="checkbox"/>
YOUNG	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
ZARATE	<input type="checkbox"/> (Parra) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

*Gail Williams*

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

*Jeffery L. Brown*

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE  
METROPOLITAN TRANSIT SYSTEM (MTS),  
SAN DIEGO TRANSIT CORPORATION (SDTC), AND  
SAN DIEGO TROLLEY, INC. (SDTI)

November 9, 2006

MTS  
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Harry Mathis called the meeting to order at 9:04 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Monroe moved to approve the minutes of the October 19, 2006, Board of Directors meeting. Mr. Emery seconded the motion, and the vote was 10 to 0 in favor.

4. Successful First Year of the Green Line – Senator Christine Kehoe *(Taken Out of Order)*

State Senator Christine Kehoe presented a resolution from the California Legislature commemorating the first anniversary of Green Line Trolley service and recognizing the positive impact this expansion of public transit has made in San Diego. She stated that the opening of the Green Line has increased overall ridership of the trolley system and has generated a new generation of users of public transportation. She highlighted that parking demand at San Diego State University has been reduced, for the first time in its history, by 2,000 cars per day.

Senator Kehoe stated that MTS has struggled against funding constraints and its reorganization, and deserves to be commended. The resolution recognized MTS for bringing smart public transportation alternatives to the San Diego region.

Senator Kehoe also advised the Board that there will be a hearing at Caltrans on Friday, November 17, to discuss the reorganization of the San Diego County Regional Airport Authority. She welcomed everyone to attend and also to pass their comments on to her (formally or informally), since one of the models that will be discussed is the structure of MTS and SANDAG. She stated that she was contemplating introducing legislation in January for the restructuring of the airport authority.

Chairman Mathis thanked Senator Kehoe on behalf of the Board and employees of MTS and stated that everyone at MTS is very proud of the work they do and realize the importance of public transportation. He also extended thanks for Senator Kehoe's efforts in support of Proposition 1B – Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. He stated that the passage of this ballot measure will make it possible for MTS to do more to benefit public transit.

3. Public Comment

*Donna Erickson:* Ms. Erickson reported that she attended a meeting on November 11, 2005, at H Street, for which MTS Planning staff were late because of vehicle problems. She stated that staff elected not to take the trolley to the meeting because of the numerous heavy materials they were carrying. She pointed out that many transit passengers also carry heavy loads and gave some examples. She reported that there are many of these types of passengers who are no longer riding the Route No. 25 shuttle because it is now overcrowded. She requested that 40-foot coaches be restored to bus service in Linda Vista.

*Don Stillwell:* Mr. Stillwell stated that bus and trolley services no longer make efficient connections at Mission San Diego.

*Clive Richard:* Mr. Richard expressed strong objections to the fact that he was precluded from participating in the Morena/Linda Vista opening as he did not become aware of this event until the day after it occurred. He stated that he preferred the right to choose whether or not to spend his time attending these types of events. He stated that he had been involved with MTS for 20 years, considers himself to be a friend of the agency and transit, and was not made aware of this event. He stated that the Trolley Access Advisory Committee, of which he is a member, should also have been invited to the event. Chairman Mathis stated that there was no intent to exclude Mr. Richard, and that, had MTS known that Mr. Richard and the Trolley Access Advisory Committee were unaware of the event, MTS would have taken steps to inform them.

CONSENT ITEMS

6. SDTI: LRV Vandalism and Accident Repair – Work Order (OPS 970.6)

Recommend that the Board of Directors authorize the President-General Manager to issue Work Order No. 07-02 under Contract No. C.O.011.0-05 to Carlos Guzman, Inc. for light rail vehicle accident and vandalism repair services for a cost not to exceed \$646,364.00, which would include \$250,000 for estimated services for the remainder of the current fiscal year and \$396,365.000 in ratified payments made in FY 06 and FY 07 under the base contract.

7. MTS: Transportation Management and Design, Inc. Contract Amendment (SRTP 805.1, PC 50451)

Recommend that the Board of Directors authorize the CEO to enter into a contract amendment (MTS Doc. No. G0939.4-05 – Attachment A of the agenda item) with Transportation Management and Design, inc. to increase the existing contract budget by \$22,000 (from \$600,000 to \$622,000) and encumber this additional \$22,000 into Work Task No. 8 (Financial and Implementation Plan).

8. MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratify Actions taken by the SD&AE Railway Company Board of Directors at its October 24, 2006, Meeting (SDAE 710.1, PC 50771)

Recommend that the Board of Directors (1) Receive the San Diego and Imperial Valley Railroad, Pacific Southwest Railway Museum Association, and Carrizo Gorge Railway, Inc. quarterly reports (Attachment A of the agenda item); and (2) ratify actions taken by the San Diego and Arizona Eastern Railway Company Board of Directors at its meeting on October 24, 2006 (Attachment B of the agenda item).

9. MTS: CNG Hybrid Bus Demonstration Project (CIP 11171)

Recommend that the Board of Directors receive a report on the development of a compressed natural gas hybrid bus.

10. MTS: Closed-Circuit Television Project Update – Chula Vista and Spring Street in La Mesa (CIP 11166)

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

11. MTS: Renewal of San Diego Transit Corporation and San Diego Trolley, Inc. Operating and License Agreements (OPS 960.6, 970.6)

Recommend that the Board of Directors authorize the CEO to execute amendments (Attachments A and B of the agenda item) for the renewal of San Diego Transit Corporation and San Diego Trolley, Inc. operating and license agreements.

12. MTS: Workers' Compensation Audit Report (LEG 492, PC 50121)

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

13. MTS: SDTC Warranty Management Audit Report (LEG 492, PC 50121)

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

14. MTS: SDTI Warranty Management Audit Report (LEG 492, PC 50121)

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

15. MTS: Investment Report (FIN 310, PC 50601)

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

Recommended Consent Items

Mr. Ewin moved to approve Consent Agenda Items No. 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:21 a.m.

- a. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a); Tonantzin LeGrette v. SDTC, Gonzalez Jurado (Case No. GIC 857654)
- b. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) Balfour Beatty/Ortiz v. MTS (Claim No. Unassigned)

- c. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) Wooten (Case No. GIC 853080)
- d. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) (Stella Reed) (Claim No. Unassigned)

The Board reconvened to Open Session at 10:19 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.
- b. The Board received a report and gave direction to staff.
- c. The Board received a report and gave direction to outside counsel.
- d. City of San Diego representatives were not present for the discussion of this item. The Board received a report.

NOTICED PUBLIC HEARINGS

25. There were no Noticed Public Hearings.

DISCUSSION ITEMS

There were no Discussion Items

REPORT ITEMS

45. SDTI: Padres Baseball 2006 Year-End Summary (OPS 970.12)

Mr. Tom Doogan, Special Events Coordinator, reviewed the 2006 year-end report for trolley service to Padres games at PETCO Park. He reviewed game attendance and ridership as well as gate percentage by game and month. During his discussion of gate percentage by game, he pointed out that there is a direct correlation between parking availability downtown and trolley ridership to the park. He also pointed out that there is a direct correlation between trolley ridership and attendance levels for the games. He then reviewed cost recovery statistics for this service.

Mr. Monroe stated that MTS was not very aggressive in pursuing a transit-oriented approach to the building of the ballpark downtown and suggested that MTS take a more proactive approach to achieving that end during discussions of the building of a new football stadium. Mr. Emery agreed with Mr. Monroe about MTS being more proactive in encouraging a transit orientation for the new stadium and added that having abundant parking available at a low cost discourages people from using public transportation.

In response to a question from Mr. Young, Mr. Peter Tereschuck, SDTI President-General Manager, stated that MTS works very closely with the Padres on joint marketing activities in an effort to boost both ridership on the trolley as well as attendance at Padres games. Mr. Doogan pointed out that trolley ridership decreased once 9,000 parking spaces became available after

the opening of the ballpark. Mr. Young requested that staff return to the Board with a report on marketing strategies for improving ridership for the 2007 season.

Mr. Clabby requested that staff provide the Board, via a separate memo, with ridership numbers related to the World Baseball Classic and the Rolling Stones Concert, which were held at PETCO Park. In response to a question from Mr. Lewis, Mr. Tereschuck reported that MTS has had discussions about combining season ticket sales with the sale of monthly passes for transit, but no decision has been made to do so.

Action Taken

Mr. Emery moved to receive this report for information. Mr. Monroe seconded the motion, and the vote was 10 to 0 in favor.

60. Chairman's Report

Chairman Mathis advised Board members that there will be a special Board meeting held on Thursday, November 16, 2006, at 9:00 a.m. in the Board room. The draft agenda for this meeting was passed out to the members of the board.

61. Chief Executive Officer's Report

*California Transit Association (CTA) Annual Meeting:* MTS Chief Executive Officer Mr. Paul Jablonski reported that he attended the CTA Annual Meeting in Long Beach on Wednesday, November 8, 2006.

*Passage of Propositions 1A and 1B:* Mr. Jablonski reported that the passage of these two propositions will be of benefit to MTS. He pointed out that Proposition 1A protects state sales tax revenues for transportation purposes from general-purpose use. He also reported that MTS should be able to expect about \$200 million in funding for infrastructure as a result of the passage of Proposition 1B. Mr. Jablonski stated that MTS, and especially Sharon Cooney, Director of Governmental Affairs and Community Relations, worked very hard with public officials to get a transit element added into this bond measure. He added that this funding will help MTS address its funding challenges for capital projects. He also stated that the SANDAG Transportation Committee has amended the TransNet Early Action Plan to include Blue Line and Orange Line rehabilitation projects. He stated that applications were made to include these items in an earlier version of the Early Action Plan but were rejected. He reported that funding from the bond measure can now be used to provide the local match for the Blue and Orange line rehabilitation projects. He stated that this funding does not solve all of MTS's capital challenges, but will help MTS avoid significant breakdowns in the short term.

62. Board Member Communications

*Rehabilitation of Lindbergh Field:* Mr. Rindone stated that, since it now appears that Lindbergh Field will be rehabilitated rather than relocated, staff should again initiate discussion with the airport authority regarding transit service to the front door of the airport.

*Nominating Committee:* In response to a question from Mr. Ewin, Ms. Lorenzen stated that staff will initiate contacts to set up the first meeting of the Nominating Committee.

*Grossmont Trolley Station Joint Development Project:* In response to a question from Mr. Ewin, Mr. Jablonski reported that four dates have been identified as possibilities for a groundbreaking

ceremony for this project. He stated that staff is working on coordinating everyone's schedule and identifying the best date. He stated that the most likely dates are December, 13, 14 or 21.

*CEO's Report Synopsis:* Mr. McLean requested a synopsis of Mr. Jablonski's comments about Propositions 1A and 1B that Board members could pass to their respective city councils and the media.

*Ethics Training:* Ms. Lorenzen advised Board members that there will be an ethics training class held in the Board room from 1:00 p.m. to 3:00 p.m. this day if any Board members are interested in attending.

*Symphony Pops Reception and Performance:* Chairman Mathis reminded everyone of this reception and performance and reported that he and Coca-Cola's Charles Simpson will be on the stage to make comments before the start of the performance.

63. Additional Public Comments on Items Not on the Agenda


There were no additional public comments.

64. Next Meeting Date

The next scheduled Board meeting will be Thursday, November 16, 2006, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Mathis adjourned the meeting at 10:48 a.m.

  
A handwritten signature in black ink, appearing to be 'J. Mathis', is written over a horizontal line.

Chairperson  
San Diego Metropolitan Transit System  
Filed by:

  
A handwritten signature in black ink, appearing to be 'Gail Williams', is written over a horizontal line.  
Office of the Clerk of the Board  
San Diego Metropolitan Transit System

Approved as to form:

  
A handwritten signature in black ink, appearing to be 'D. Housh', is written over a horizontal line.  
Office of the General Counsel  
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

[gail.williams/minutes](mailto:gail.williams/minutes)



**METROPOLITAN TRANSIT DEVELOPMENT BOARD  
ROLL CALL**

MEETING OF (DATE): 11/09/06

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

RECESS: \_\_\_\_\_

RECONVENE: \_\_\_\_\_

CLOSED SESSION: 9:21 a.m.

RECONVENE: 10:19 a.m.

ORDINANCES ADOPTED: \_\_\_\_\_

ADJOURN: 10:48 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"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>	9:08 a.m. during AI 3	
FAULCONER	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
HANSON-COX	<input type="checkbox"/> (Lewis) <input checked="" type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/> (Rose) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		10:37 a.m. during AI 45
RINDONE	<input checked="" type="checkbox"/> (McCann) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		<input checked="" type="checkbox"/>
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		<input checked="" type="checkbox"/>
YOUNG	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>	9:26 a.m. during AI 24	
ZARATE	<input type="checkbox"/> (Parra) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

*Gail Williams*  
*Duffy Williams*

SPECIAL JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE  
METROPOLITAN TRANSIT SYSTEM (MTS),  
SAN DIEGO TRANSIT CORPORATION (SDTC), AND  
SAN DIEGO TROLLEY, INC. (SDTI)

November 16, 2006

MTS  
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Harry Mathis called the meeting to order at 9:02 a.m. A roll call sheet listing Board member attendance is attached.

2. Public Comment

*Don Stillwell:* Mr. Stillwell stated that buses and trolleys are not making efficient connections at Fashion Valley. Mr. Monroe stated that, at special meetings, public comment is limited to the subject of the meeting. Chairman Mathis stated that since general public comment was listed on the agenda, he would rule that Mr. Stillwell be allowed to speak. Mr. Stillwell added that bus drivers cannot get from 70<sup>th</sup> to College in the time allowed within the schedule.

DISCUSSION ITEMS

30. MTS: Transferring Operational Responsibility for National City Transit (NCT) Service  
(FIN 3402, PC 50601)

Mr. Paul Jablonski, MTS Chief Executive Officer (CEO), provided an overview of this item. He provided the Board with information regarding the structure of NCT and reported that it operates nine buses with five spares on three routes. He advised the Board that MTS provides the funding for National City's budget and that NCT provides good customer service and has an excellent farebox recovery rate. Mr. Jablonski then reported that NCT's bus maintenance facility, which was purchased by the City in 1995 using Transportation Development Act (TDA) funds, has no compressed natural gas (CNG) infrastructure and one would have to be built before CNG-powered buses could be used in National City. He then reviewed NCT's relationship with MTS and pointed out that the contract with McDonald Transit is with NCT, not MTS. He reported that MTS, because of continuing budget deficits, embarked on an effort to identify efficiencies while attempting to deliver more service at less cost for the taxpaying public through a Comprehensive Operational Analysis (COA). He reported that staff's recommendation regarding the transfer of operational responsibility of NCT services was part of that effort. He also reported that NCT submitted an increase in overhead of \$120,000 for the FY 2006 budget, which caused the MTS Budget Development Committee to take a closer look at the relationship between NCT and MTS.

Mr. Jablonski then reviewed a chronology of events, which included meetings with National City representatives in which there were discussions about the savings that would result from a

transfer of operational responsibility to MTS and a reinvestment of those savings in additional transit service for National City. Mr. Jablonski stated that, by reinvesting the savings in additional transit service for National City, there should be a corresponding increase in revenues. He reported that a White Paper that presented a completed detailed analysis on this issue was delivered to National City representatives in early March 2006. Mr. Jablonski pointed out that MTS can absorb NCT service into its existing structure with a net savings of \$565,200 and reviewed the elements included in that savings. Mr. Jablonski added that, through the COA, MTS was able to identify a 41 percent increase in transit services for National City.

He then outlined the benefits of the recommended transfer, which include better service at lower cost, reduced MTS oversight requirements, construction of CNG infrastructure would be unnecessary and CNG buses could be operated in National City sooner, a property asset would be freed up for National City's use with potential use as a major transit center, and NCT's employees' jobs would be protected.

In response to a question from Mr. Lewis regarding the job security of the McDonald Transit employees, Mr. Jablonski stated that most employees would go to work for Veolia; however, if NCT employees want to work for San Diego Transit, they will be accommodated. He pointed out that employees who transfer would receive the same or better wages. He advised Mr. Lewis that operators may not retain the particular route they are driving. He added that transferring employees would be handled in accordance with the labor contract provisions at the respective property into which they transfer. Mr. Jablonski further advised Mr. Lewis that the transfer of operational responsibility was discussed by the Budget Development Committee in the spring and by the Board shortly after that.

#### Public Comment

*Ron Morrison, Councilmember and Mayor-Elect of National City and Former MTS Board Member:* Mr. Morrison stated that National City requested the special meeting of the MTS Board in order to cure Brown Act violations and added that this is the first time this issue has been discussed in public. He stated that the reports in the agenda item, including the letter dated September 2006, are filled with assertions and assumptions that National City disagrees with and that words from conversations between MTS and National City representatives were used out of context. Mr. Morrison added that he is very proud of NCT and its performance indicators. He stated that, while most properties have farebox recovery rates of 20-25 percent, NCT has a recovery rate above 60 percent.

Mr. Morrison added that there were discussions of this matter in 2005 and he received the White Paper in March and he thought discussions were proceeding in an amicable fashion. He stated that, on August 22, 2006, he met with the CEO and Chairman who informed him that MTS was serving notice of the recommended transfer and that there had been a unanimous vote by the Board to discontinue TDA funding for National City Transit. He added that there has never been a "public" vote on National City's TDA funding. He stated that he was quite surprised. He stated that they had been working in good faith to determine how this issue could be handled amicably. He added that he was told that National City's reception of MTS's recommendation would depend on how he "spun" the message to his city council. He added that National City is the most transit friendly city in the County. He stated that the City is considering increasing transit service at its own expense to include a feeder system to serve downtown. He added that NCT ridership is two million passengers per year. He also

maintained that the COA's purpose was to analyze the productivity of each route and had nothing to do with the transfer of National City service to MTS. He stated that there was never any quid pro quo saying that this transfer had to occur before National City would be provided with an increase in transit service.

Mr. Morrison stated that he believes in a regional outlook. He said that local governments give up control to a regional agency, but it's done on the basis of working for a common good and is not done arbitrarily and unilaterally. He objected to the way National City has been treated. Mr. Morrison stated that this decision merits further discussion and should not be made arbitrarily and unilaterally. He suggested that this issue be revisited and that McDonald Transit be involved in those discussions. He stated that if these discussions end with the same conclusion, he would be okay with that. He stated that National City wants to have the best transit system possible.

In response to a question from Mr. Allan, Mr. Jablonski stated that, if the decision on this matter is not made today, the implementation of the COA January 1 changes will be delayed. Mr. Jablonski added that McDonald Transit's contract expires June 30. Mr. Mathis stated that McDonald Transit's contract can be automatically extended for five years, and it was MTS's intent not to provide the means for that to happen.

In response to a question from Mr. McLean, Mr. Morrison explained that National City Transit recovers 65 percent of its budget from the farebox and MTS provides the TDA funding for the remaining 35 percent. He added that the only profit to the City of National City comes from rent that McDonald Transit pays for the land on which the maintenance facility stands. He also explained to Mr. McLean that though National City would not lose transit service if the recommended action is taken, it will lose the flexibility it currently enjoys in adapting service for community events and other purposes.

In response to a question from Chairman Mathis, Mr. Morrison stated that the \$150,000 charge to MTS for overhead is comprised of \$28,000 for ongoing management information system services and \$92,000 is for National City oversight of McDonald Transit. Mr. Mathis questioned why that cost is passed on to MTS.

Mr. Jablonski stated that NCT's operating farebox recovery rate, based on a comparison of NCT's total budget to operating revenue, is 43 percent, which means that MTS provides 57 percent of the funding for NCT operations or \$1,720,000. Mr. Monroe stated that when the oversight function was transferred to the City, the corresponding decrease in NCT's budget should have gone to the City to cover its increased cost. He stated that, instead it has been added to MTS's subsidy for NCT. Mr. Monroe requested that staff look into why it was handled this way.

*John Webster, General Manager, National City Transit:* Mr. Webster provided the Board with information on his involvement within the National City community. He stated that he was not involved in the decision-making process. He stated he would have liked an opportunity to respond to the White Paper. He also stated that National City Transit could take on another 40 buses. He suggested that MTS clone NCT service, not break it up. He stated that operators may be guaranteed jobs but might choose instead to continue to work for NCT. He talked briefly about the quality of the service provided by NCT. He also pointed out that NCT was able to return unspent funding to MTS in the amount of \$125,000 in FY 04, \$75,000 in FY 2005, and

\$95,000 in FY 2006. He added that NCT could cut \$300,000 from its budget by reducing staff but was never given an opportunity to present that idea.

*Kevin Kane, National City Transit:* Mr. Kane stated that the CNG fueling concept could be used to save rather than cost money. He pointed out that MTS never asked NCT to review its budget and service in an attempt to reduce costs. He added that the oversight of NCT relates to a recommendation made by TDA auditors that oversight of NCT be transferred to the City of National City. He also suggested using NCT's resources to cover more service. He referred to the Los Angeles Metropolitan Transit Authority where they recently split operations into five parts in order to reduce bureaucracy.

*Robert Babbitt, President, McDonald Transit:* Mr. Babbitt stated that everyone involved in this issue works for the taxpayers. He added that McDonald Transit has never been asked to remove the automatic five-year renewal option from their contract with NCT and added that they would be willing to do so. He added that NCT is run by many talented people, and the Board is being lead to a false assumption that they are inefficient. Mr. Monroe congratulated McDonald on doing such a good job and thanked them for offering to remove the five-year option. He requested that they not exercise that option on June 30.

*Steve Alcove, Business Agent, Amalgamated Transit Union, Local 1309:* Mr. Alcove pointed out that he received information regarding this issue via e-mail and was not involved in discussions of this matter. Mr. Alcove added that he appreciated that the employees will be taken care of. He stated that employees are currently uncertain about their future and are understandably concerned. He requested that the Board consider making him a member of the transition team. Chairman Mathis advised Mr. Alcove that the detail Mr. Alcove is looking for regarding the future of employees is part of the transition process. He also pointed out that both he and the CEO had met face to face with Alcove regarding this matter. Mr. Alcove stated that he was referring to not being included in the initial discussions.

*Clive Richard:* Mr. Richard was not present to make comments.

A chart provided by National City representatives showing performance indicators for NCT was distributed.

Mr. Jablonski advised the Board that the contract with McDonald Transit can be cancelled with a one-year notice or a 30-day notice if funding is eliminated. He stated that the COA was going to be implemented in January 2007, and McDonald Transit was going to be given a 30-day notice. In response to a question from Mr. Lewis, Mr. Jablonski explained that the Federal Transit Administration (FTA) is recommending that MTS increase its oversight of NCT's Americans with Disabilities as well as Drug & Alcohol compliance.

Mr. Lewis stated that he could understand the positions of both MTS and NCT, and he would like to see an amicable agreement reached. He suggested that the Board not take action until the questions raised could be answered and suggested that the union representative be included on the transition team. He also felt that the operators should have been brought in at the beginning of discussions. Mr. Mathis pointed out that MTS considers the \$565,200 an unnecessary expense for an operation that can be folded into an existing structure. He agreed that NCT is a good system, and, in recognition of the demand for transit in National City, MTS has included a service increase of 41 percent for National City as part of the COA. He stated

that the MTS Board has a fiduciary responsibility to absorb this much smaller operation in order to eliminate an unnecessary expense.

Mr. Emery agreed that it is desirable to reach an amicable agreement and added that he thinks that can happen. He stated that MTS is not criticizing NCT's system, and that the decision was based on MTS bearing an unnecessary expense in order to have this separate system. He stated that MTS has to operate the entire MTS system as economically as it possibly can. He stated that if staff's figures are correct, and he felt comfortable that they were, then he would vote in support of the recommendation.

Mr. Allan stated that he understood Mr. Morrison's desire to do what is best for National City. He added that he did not feel comfortable with voting in favor of the recommendation. He added that he thought the Union should have representation on the transition team.

Ms. Atkins stated that it is key that MTS pay attention to service for the transit rider. She added that Mr. Morrison made some serious statements and charges regarding MTS's communication with the City of National City, and she would like to hear responses to those charges. She stated that adequate dialogue between the parties is very important to this type of process. She added that she also understands that the business aspect of this action needs to be given consideration. She asked how some jurisdictions could have separate transit services. She stated that if MTS can increase service, save money, pay fair wages to and take care of the employees, and have adequate dialogue with member agencies, then she will rely on the numbers presented by staff to make a decision. She also stated that the COA is designed to maximize MTS's responsibility for providing equitable service for the greater good. She also stated that the process itself and the dialogue that occurs are very important. She added that she would like it to be made part of the record that employees will be taken care of.

Mr. Mathis stated that this meeting doesn't acknowledge any errors on the part of MTS and its Board, but addresses concerns of those who want to speak to this issue. He stated that in any dialogue, people form different impressions of what occurred. He stated that Mr. Morrison's objections related to the way this matter was handled rather than the end result, and stated that he regretted that. He apologized for any role he had in that. He stated that National City is a partner in the MTS organization.

In response to a question from Ms. Atkins, Mr. Jablonski responded that initial discussions on May 26, 2005, with Mr. Morrison were conducted from a win/win perspective under which MTS would absorb NCT and reinvest the savings in an increase in service for National City. He added that they also spoke about NCT being able to use the maintenance facility property for other uses or it could be turned into a major transit facility according to their wishes. He added that National City was involved in the Capital Improvement Program process during which building a new facility in a different location was discussed. He added that National City asked in July if MTS would buy that property. He added that, in October of 2005, he and two staff members met to discuss property issues and to review service increases for National City and the absorption of NCT. He added that a White Paper was finalized and provided to Mr. Morrison in the spring of 2006.

Mr. Parra felt that having a transparent process had not been done in this case. He also pointed out that McDonald Transit has offered to identify a savings of \$300,000 and give up their automatic five-year contract extension. He added that NCT employees are very happy,

asked if they would retain their seniority when they transfer, and asked how they would be treated. He also stated that there needed to be a clarification on the use of the property in question.

Mr. Parra moved to delay the recommended action, form a committee to further address these issues, and bring this issue back to the Board. Mr. Lewis seconded the motion.

Mr. Clabby stated that he was involved in the COA process, and that much consideration was given to how to most effectively use the available funding while addressing budget deficits. He reminded everyone that San Diego County does not have a dedicated tax base for transportation. He stated that absorbing NCT in order to complete a regional organization was discussed, and that the COA Committee on which he sat looked at the savings that would result from taking that action. He added that it makes sense from a business standpoint and that there is no need for an additional management structure. He stated that the entire COA concept was presented and discussed with transit riders during many public meetings with MTS customers. He stated that the action recommended by staff is the right thing to do. He stated that being more efficient lets MTS better serve its customers with increased service levels and stated and that he felt very strongly about this issue. He also stated that he took exception to the comments that there was not enough communication. He stated that a lack of continuity in National City representation on the Board may have contributed to that feeling. He also stated that he served on the Budget Development Committee when these discussions were taking place and felt that these overhead expenses for such a small organization were not necessary. He added that some employees of NCT may even improve their employment situation by taking advantage of the transfer opportunity that results from approval of this action. He added that delaying this action will delay the entire implementation process for the COA. He stated that MTS has already spent thousands of dollars on a process that is ready to move forward in January 2007. He stated that to not approve this action will also delay the savings that MTS will realize from the implementation of the COA.

Mr. Cox stated that, on the surface, the Board's choice should be obvious given the savings that can be realized by absorbing NCT. He added that there are definitely differences of opinion and he would prefer to err on the side of giving NCT the opportunity to dispute the information presented or offer alternatives. He stated that the overriding issue is providing as much service as possible with the available funding.

Mr. Monroe stated that when the Board takes a vote that affects another city, it is very difficult to do. He stated that he was willing to delay the vote on this item but maintained that MTS, whatever the outcome is, must still realize the \$565,200 savings. He added that he was in favor of McDonald Transit participating in the process to review this issue. He reminded the Board that there would be an added cost for creating CNG infrastructure in National City. He stated that CNG is very important and that any report back to the Board should address that issue. Mr. Monroe stated that he did not feel that he was completely briefed for the Closed Session discussions of this issue. He also stated that he thought the staff's recommendation had been developed cooperatively.

Mr. Rindone stated that the Board needs to be cognizant of the savings and its impact on the budget. He asked General Counsel to address the allegations regarding violation of the Brown Act. Ms. Tiffany Lorenzen, General Counsel, referred to her letter to National City. She paraphrased the pertinent points of the letter for the Board and stated that there was no

violation at any time by the Board. In response to a question from Mr. Parra, Ms. Lorenzen stated that there were no public meetings regarding the decision to absorb NCT.

Mr. Emery agreed that National City should be given the opportunity to rebut staff's figures and that the parties should meet to discuss these issues. He stated that the group should work toward a result that is mutually beneficial, has the needed cost savings, and ensures efficient bus service in National City. Mr. Jablonski stated that it is his recommendation that implementation of the COA be delayed until the June 1 shakeup. He stated that any decisions made will affect NCT, Veolia Transportation, and SDTC. Mr. Mathis stressed that MTS has a fiduciary responsibility to address inefficiencies in its operation and that the issues raised during the meeting could be addressed during the transition process. He stated that the management structure for NCT is redundant and should be absorbed. He also stated that National City has known for a long time that this was the direction in which MTS was moving even if they didn't like the way the process unfolded. He stated that approving staff's recommendation gives National City improved service and provides them with the opportunity to utilize the property in question for whatever purpose it chooses. He pointed out that approving the recommendation would be of significant benefit to National City and fulfills the Board's fiduciary responsibility.

Ms. Atkins stated that she would like to move forward on this action today, but that National City is a member agency of this Board and she would like to offer National City additional opportunity for input. She suggested that this item be deferred to the Board's December 14, 2006, agenda. She stated, however, that she did not want MTS to wait until June to implement the COA. Mr. Cox stated that some of the comments today were extreme and everyone needed to take a step back. He also stated that staff had done a great job. He agreed with Ms. Atkins' suggestion that this item be deferred to the next Board meeting. He stated that his instinct was to support staff's recommendation. Mr. Monroe pointed out that delaying the COA would also have a negative impact on the projected savings for that project. Ms. Claire Spielberg, Chief Operating Officer – Bus, and Mr. Conan Cheung, Director of Planning & Performance Monitoring, provided the Board with an overview of the administrative details that have to be handled as part of service changes. Mr. Jablonski stressed that this is a very large effort and preparation is weeks long. Ms. Spielberg stated that shake-up dates are established within the collective bargaining agreement and cannot be arbitrarily changed.

Mr. Rindone reiterated previous comments about the benefit to National City, the cost savings, McDonald Transit's offer regarding the five-year contract extension, and their offer to try to identify savings. He stated that the bottom line for him is that everyone should work together on this matter and suggested a compromise. Mr. Jablonski stated that MTS could ask the Union for a delay in the date for the next shakeup.

#### Action Taken

Ms. Atkins made a substitute motion that representatives from MTS, National City Transit, McDonald Transit, and ATU meet to discuss this matter, pursue a delay in the scheduled January 1, 2006, shakeup, consider counterproposals, and report back at the December 14, 2006, Board meeting. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.



CLOSED SESSION:

40. Closed Session Items (ADM 122)

The Board convened to Closed Session at 11:22 a.m.

- a. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) Wooten v. San Diego Trolley, Inc., Et Al. (Superior Court Case No. GIC 853080)
- b. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) (Stella Reed v. MTS, Et Al.) (Claim No. Unassigned)

The Board reconvened to Open Session at 11:32 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.
- b. There was no discussion of this item. The item was continued to the next Board meeting.

62. Board Member Communications

There were no Board member communications.

63. Additional Public Comments on Items Not on the Agenda


There were no additional public comments.

64. Next Meeting Date

The next scheduled Board meeting will be Thursday, December 14, 2006, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Mathis adjourned the meeting at 11:33 a.m.



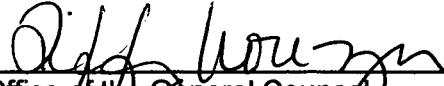
Chairperson  
San Diego Metropolitan Transit System

Filed by:



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

Approved as to form:



Office of the General Counsel  
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

[gail.williams@minutest.com](mailto:gail.williams@minutest.com)

**METROPOLITAN TRANSIT DEVELOPMENT BOARD  
ROLL CALL**

MEETING OF (DATE): 11/16/06

CALL TO ORDER (TIME): 9:02 a.m.

RECESS: \_\_\_\_\_

RECONVENE: \_\_\_\_\_

CLOSED SESSION: 11:22 a.m.

RECONVENE: 11:32 a.m.

ORDINANCES ADOPTED: \_\_\_\_\_

ADJOURN: 11:33 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		11:20 a.m. during AI 40
CLABBY	<input checked="" type="checkbox"/> (Selby) <input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
EWIN	<input type="checkbox"/> (Allan) <input checked="" type="checkbox"/>		
FAULCONER	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
HANSON-COX	<input type="checkbox"/> (Lewis) <input checked="" type="checkbox"/>		
MAIENSCHIEIN	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/> (Rose) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Tierney) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (McCann) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/> (Cox) <input checked="" type="checkbox"/>	9:05 a.m. during AI 2	
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		<input checked="" type="checkbox"/>
YOUNG	<input type="checkbox"/> (Vacant) <input type="checkbox"/>		<input checked="" type="checkbox"/>
ZARATE	<input type="checkbox"/> (Parra) <input checked="" type="checkbox"/>		11:20 a.m. during AI 40

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL



8:54

AGENDA ITEM NO.

3

**REQUEST TO SPEAK FORM**

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\*\***

**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 12-14-2006  
Name (PLEASE PRINT) DON STILLWELL  
Address 6308 RANCHO MISSION RD #173  
SAN DIEGO, CA 92108  
Telephone (619) 282-7760  
Organization Represented (if any) \_\_\_\_\_

Subject of your remarks: BUS SERVICE

Agenda Item Number on which you request to speak \_\_\_\_\_

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐**2. TESTIMONY AT NOTICED PUBLIC HEARINGS**

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

**3. DISCUSSION OF AGENDA ITEMS**

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

**4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA**

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

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



SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

3

ORDER REQUEST RECEIVED

2

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

1. INSTRUCTIONS

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Date December 14, 2006  
 Name (PLEASE PRINT) Chuck Lungerhausen  
 Address 5308 Monroe Ave # 124  
San Diego, CA 92115  
 Telephone (619) 546-5610  
 Organization Represented (if any) Self

Subject of your remarks: COA Analysis

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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**1.**  
**Dec. 14, 2006**  
**MTSB mtg.**  
**AGENDA ITEM #3 ( Public Comment)**

**Good morning Chair Mathis, Board members, Staff, and other fellow citizens. Chuck Lungerhausen of 5308 Monroe Ave. #124 which is in the SDSU neighborhood of San Diego. 92115  
Phone 619-546-5610**

**To this point in time my experience with the results of the COA has been very good. My trips on the new route 15 along El Cajon Blvd with limited stops to downtown have been very quick and the every 15 minute headway works well. The new routes 8/9 to and from Old Town to Belmont Park in the Mission Beach area seem to be faster than the route 34 which it replaced. Again the every 15 minute headway on this route 8/9 seems faster than the old route 34 which also had a 15 minute headway.**

**Anyway this person hopes the COA has increased ridership on MTS.**

**Now on the subject of low floor Trolleys, I hope that a yearly purchase of a number of these cars can be made even if it is only a couple of car sets each year. We need to replace the older cars with new state of the art hardware just like we do with our buses.**

**Merry Christmas and Happy New Year to all and hope to see you in 2007.**

**Thank you for listening and the opportunity to speak.**



**MTS**  
Metropolitan Transit System

AGENDA ITEM NO.

3

**REQUEST TO SPEAK FORM**

ORDER REQUEST RECEIVED

3

NEED TO CORRECT.

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

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Date 12/14/06  
Name (PLEASE PRINT) Michelle Krug  
Address 2423 Sea Breeze Dr.  
S.D., Ca. 92139  
Telephone 619/434-9343  
Organization Represented (if any) Self

Subject of your remarks: ~~at large~~ Bus routing issues

Agenda Item Number on which you request to speak Public Comment

Your comments are presenting a position of: SUPPORT ☐ OPPOSITION ☐

**2. TESTIMONY AT NOTICED PUBLIC HEARINGS**

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

**3. DISCUSSION OF AGENDA ITEMS**

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

## Agenda

Item No. 6

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

ADM 110 (PC 50101)

December 14, 2006

### SUBJECT:

MTS: ADOPTION OF AMENDED 2006 CONFLICT OF INTEREST CODE

### RECOMMENDATION:

That the Board of Directors:

1. adopt Resolution No. 06-15 Amending the MTS Conflict of Interest Code pursuant to the Political Reform Act (PRA) of 1974;
2. adopt the Amended 2006 MTS Conflict of Interest Code (in substantially the same format as Attachment A); and
3. forward the Amended 2006 MTS Conflict of Interest Code to the County of San Diego—the designated code reviewing body.

### Budget Impact

None.

### DISCUSSION:

As a public agency, MTS is required to comply with the provisions of the PRA, which mandates that public agencies maintain a Conflict of Interest Code for each of its publicly elected officials as well as certain designated staff. Every other year, MTS is required by the PRA to revise and update its Conflict of Interest Code. Attached to this agenda item is the proposed Amended 2006 Conflict of Interest Code incorporating the



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.



model provisions as drafted by the California Fair Political Practices Commission (FPPC). The proposed 2006 Conflict of Interest Code contains the model terms and conditions as well as:

1. List of Designated Officials who Manage Public Investments (Exhibit A)
2. List of Designated Positions for Employees (Exhibit A); and
3. Disclosure Categories (Exhibit B).

The General Counsel is requesting the Board of Directors adopt Resolution No. 06-15 Amending the MTS Conflict of Interest Code Pursuant to the Political Reform Act of 1974, adopt the 2006 MTS Conflict of Interest Code in substantially the same format as attached, and forward the 2006 MTS Conflict of Interest Code to the County of San Diego—the designated code reviewing body.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Tiffany Lorenzen, 619.557.4512, [Tiffany.Lorenzen@sdmts.com](mailto:Tiffany.Lorenzen@sdmts.com)

DEC14-06.6.CONFLICT.TLOREN

Attachments: A: Resolution No. 06-15  
B: Proposed 2006 Amended Conflict of Interest Code with Exhibits

RESOLUTION NO. 06-15

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
METROPOLITAN TRANSIT SYSTEM ADOPTING AN  
AMENDED CONFLICT OF INTEREST CODE PURSUANT  
TO THE POLITICAL REFORM ACT OF 1974**

**WHEREAS**, the Legislature of the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the Metropolitan Transit System ("MTS") and requires all public agencies to adopt and promulgate a Conflict of Interest Code; and

**WHEREAS**, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in MTS being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

**WHEREAS**, the Board of Directors adopted a Conflict of Interest Code (the "Code") in compliance with the Act; and

**WHEREAS**, subsequent changed circumstances within the District have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update MTS's Code; and

**WHEREAS**, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Conflict of Interest Code was provided each designated employee and publicly posted for review at the offices of MTS; and

**WHEREAS**, a public meeting was held upon the proposed amended Conflict of Interest Code at a regular meeting of the Board of Directors on December 14, 2006, at which all present were given an opportunity to be heard on the proposed amended Conflict of Interest Code.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE  
METROPOLITAN TRANSIT SYSTEM DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** All previous Conflict of Interest Codes adopted by the Board of Directors is hereby rescinded.

**SECTION 2.** The Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the General Counsel and available to the public for inspection and copying.

**SECTION 3.** The said amended Conflict of Interest Code shall be submitted to the Board of Supervisors of the County of San Diego for approval.

**SECTION 4.** The said amended Conflict of Interest Code shall become effective 30 days after the Board of Supervisors approves the proposed amended Code as submitted.

**PASSED, APPROVED AND ADOPTED** this 14<sup>th</sup> day of December, 2006.

AYES:

NOES:

ABSTAIN:

ATTEST:

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Chairperson, Board of Directors  
METROPOLITAN TRANSIT SYSTEM

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Clerk, Board of Directors  
METROPOLITAN TRANSIT SYSTEM

APPROVED AS TO FORM:

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General Counsel  
METROPOLITAN TRANSIT SYSTEM

# **CONFLICT OF INTEREST CODE OF THE METROPOLITAN TRANSIT SYSTEM**

The following Conflict of Interest Code of the Metropolitan Transit System was adopted by Resolution No. 06-15 of the Members of the Board of Directors on December 14, 2006.

Approved by the Board of Supervisors  
County of San Diego

Date: \_\_\_\_\_

**CONFLICT OF INTEREST CODE**  
**OF THE**  
**METROPOLITAN TRANSIT SYSTEM**

(Amended December 14, 2006)

The Political Reform Act, (Government Code Sections 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730) which contains the terms of a standard model conflict of interest code which can be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. Code of Regs. Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This attached regulation and the attached Appendix designating officials and employees and establishing disclosure categories shall constitute the conflict of interest code of the Metropolitan Transit System (MTS).

All Officials and Designated Employees required to submit a statement of economic interests shall file their statements with MTS's General Counsel as MTS's Filing Officer. The Filing Officer shall make and retain a copy of all statements filed by Members and Alternates of the Board of Directors, Chief Executive Officer and the Chief Financial Officer, and forward the originals of such statements to the Clerk of the Board of Supervisors. The Filing Officer shall retain the originals of the statements of all other Designated Employees. The Filing Officer will make all retained statements available for public inspection and reproduction (Gov. Code Section 81008).

## Regulations of the Fair Political Practices Commission

### TITLE 2, DIVISION 6, CALIFORNIA CODE OF REGULATIONS

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#### **§ 18730. Provisions of Conflict of Interest Codes.**

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in the Appendix referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

#### **(1) Section 1. Definitions.**

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18100, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

#### **(2) Section 2. Designated Employees.**

The persons holding positions listed in the Appendix are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

#### **(3) Section 3. Disclosure Categories.**

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and

(C) The filing officer is the same for both agencies.<sup>1</sup>

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Appendix specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in the Appendix. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

**(4) Section 4. Statements of Economic Interests: Place of Filing.**

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.<sup>2</sup>

**(5) Section 5. Statements of Economic Interests: Time of Filing.**

(A) Initial Statements. All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) Assuming Office Statements. All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) Annual Statements. All designated employees shall file statements no later than April 1.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

**(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.**

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

- (1) File a written resignation with the appointing power; and
- (2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

**(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.**

**(A) Contents of Initial Statements.**

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

**(B) Contents of Assuming Office Statements.**

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

**(C) Contents of Annual Statements.** Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Government Code section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to 2 Cal. Code Regs. section 18754.

**(D) Contents of Leaving Office Statements.**

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

**(7) Section 7. Manner of Reporting.**

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

**(A) Investments and Real Property Disclosure.**

When an investment or an interest in real property<sup>3</sup> is required to be reported,<sup>4</sup> the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;



3. The address or other precise location of the real property;

4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

(B) Personal Income Disclosure. When personal income is required to be reported,<sup>5</sup> the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;

2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or greater than one hundred thousand dollars (\$100,000);

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported,<sup>6</sup> the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

#### **(8) Section 8. Prohibition on Receipt of Honoraria.**

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Government Code section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

**(8.1) Section 8.1 Prohibition on Receipt of Gifts in Excess of \$360.**

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$360 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

**(8.2) Section 8.2. Loans to Public Officials.**

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.
2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.
4. Loans made, or offered in writing, before January 1, 1998.

**(8.3) Section 8.3. Loan Terms.**

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.
2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.
3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

**(8.4) Section 8.4. Personal Loans.**

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired
2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:
  - a. The date the loan was made.
  - b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.
2. A loan that would otherwise not be a gift as defined in this title.
3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.
4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.
5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

#### **(9) Section 9. Disqualification.**

No designated employee shall make, participate in making, or in any way attempt to use his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$360 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

#### **(9.3) Section 9.3. Legally Required Participation.**

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

**(9.5) Section 9.5. Disqualification of State Officers and Employees.**

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value one thousand dollars (\$1,000) or more.

**(10) Section 10. Disclosure of Disqualifying Interest.**

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

**(11) Section 11. Assistance of the Commission and Counsel.**

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 and 2 Cal. Code Regs. sections 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

**(12) Section 12. Violations.**

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000 – 91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.

NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300 87302, 89501, 89502 and 89503, Government Code.

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<sup>1</sup> Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided

that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code section 81004.

<sup>2</sup>See Government Code section 81010 and 2 Cal. Code of Regs. section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

<sup>3</sup>For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

<sup>4</sup>Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

<sup>5</sup>A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

<sup>6</sup>Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

### History

1. New section filed 4-2-80 as an emergency; effective upon filing. Certificate of Compliance included.
2. Amendment of subsection (b) filed 1-9-81; effective 30 days thereafter.
3. Amendment of subsection (b)(7)(B)1. filed 1-26-83; effective 30 days thereafter.
4. Amendment of subsection (b)(7)(A) filed 11-10-83; effective 30 days thereafter.
5. Amendment filed 4-13-87; effective 5-13-87.
6. Amendment of subsection (b) filed 10-21-88; effective 11-20-88.
7. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; effective 9-27-90.
8. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of NOTE filed 8-7-92; effective 9-7-92.
9. Amendment filed 2-4-93; effective upon filing.
10. Change without regulatory effect adopting COIC for California Mental Health Planning Council filed 11-22-93. Approved by FPCC 9-21-93.
11. Change without regulatory effect redesignating COIC for California Mental Health Planning Council filed 1-4-94.
12. Amendment filed and effective 3-14-95.
13. Amendment filed and effective 10-23-96.
14. Amendment filed and effective 4-9-97.
15. Amendment filed and effective 8-24-98.
16. Amendment filed and effective 5-11-99.
17. Amendment filed 12-6-2000; effective 1-1-2001.
18. Amendment filed 1-10-2001; effective 2-1-2001.
19. Amendment filed and effective 2-13-2001.
20. Amendment filed 1-16-03; effective 1-01-03.
21. Amendment filed and effective 01-01-05.
22. Amendment filed 10-11-2005; effective 11-10-05.

# APPENDIX

## CONFLICT OF INTEREST CODE OF THE METROPOLITAN TRANSIT SYSTEM

(Amended December 14, 2006)

### EXHIBIT "A"

#### OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

MTS Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18701(b), are NOT subject to MTS's Code, but are subject to the disclosure requirements of the Act. (Government Code Section 87200 et seq.). [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments<sup>1</sup>:

Board of Directors and Alternates

Chief Executive Officer

Chief Financial Officer

Investment Consultant

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<sup>1</sup> Individuals holding one of the above-listed positions may contact the FPPC for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The FPPC makes the final determination whether a position is covered by § 87200.

## DESIGNATED POSITIONS

### GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED EMPLOYEES'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Assistant Transportation Planner	2, 6
Associate Transportation Planner	2, 6
Budget Manager	1, 2
Business Manager – Marketing & Communications	6
Buyer	5
Chief Operating Officer – Bus	1
Chief Operating Officer – Rail	1
Communications Designer	6
Contract Services Administrator	6
Controller	1, 2
Copy Center Coordinator	5
Director of Governmental Affairs& Community Relations	1
Director of Human Resources and Labor Relations	6
Director of Maintenance	6
Director of Marketing & Communications	6
Director of Multimodal Operations	6
Director of Planning & Development	1, 2
General Counsel	1, 2
Manager of Human Resources	6



DESIGNATED EMPLOYEES'  
TITLE OR FUNCTION

DISCLOSURE CATEGORIES  
ASSIGNED

Manager of Information Technology	6
Manager of Procurement	5
Manager of Real Estate Assets	1, 2
President & General Manager	1, 2
Procurement Analyst	6
Risk Administrator	6
Risk Management Coordinator	6
Senior Buyer	5
Senior Transportation Planner	1, 2
Storeroom Manager	5
Superintendent of LRV Maintenance	6
Superintendent of Transportation	6
Superintendent of Wayside Maintenance	6
Taxicab Administration Manager	6
Vice-President of Operations	1, 2

Consultant<sup>2</sup>

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<sup>2</sup> Consultants shall be included in the list of Designated Employees and shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Chief Executive Officer may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in this Section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

## **EXHIBIT "B"**

### **DISCLOSURE CATEGORIES**

The disclosure categories listed below identify the types of investments, business entities, sources of income, including gifts, loans and travel payments, or real property which the Designated Employee must disclose for each disclosure category to which he or she is assigned.

Category 1: All investments and business positions in business entities, and sources of income located in, that do business in or own real property within the jurisdiction of MTS.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of MTS.

Category 3: All investments and business positions in, and sources of income from, business entities that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of MTS.

Category 4: All investments and business positions in, and sources of income from, business entities that are banking, savings and loan, or other financial institutions.

Category 5: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by MTS.

Category 6: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by the Designated Employee's Department.

# APPENDIX

## CONFLICT OF INTEREST CODE OF THE METROPOLITAN TRANSIT SYSTEM

(Amended December 14, 2006)

### EXHIBIT "A"

#### OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

MTS Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18701(b), are NOT subject to MTS's Code, but are subject to the disclosure requirements of the Act. (Government Code Section 87200 et seq.). [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments<sup>1</sup>:

Board of Directors and Alternates

Chief Executive Officer

Chief Financial Officer

Investment Consultant

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<sup>1</sup> Individuals holding one of the above-listed positions may contact the FPPC for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The FPPC makes the final determination whether a position is covered by § 87200.

## DESIGNATED POSITIONS

### GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED EMPLOYEES'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Assistant Transportation Planner	2, 6
Associate Transportation Planner	2, 6
Budget Manager	1, 2
Business Manager – Marketing & Communications	6
Buyer	5
Chief Operating Officer – Bus	1
Chief Operating Officer – Rail	1
Communications Design Manager	6
Communications Designer	6
Contract Services Administrator	6
Controller	1, 2
Copy Center Coordinator	5
Director of Governmental Affairs& Community Relations	1
Director of Human Resources and Labor Relations	6
Director of Maintenance	6
Director of Marketing & Communications	6
Director of Multimodal Operations	6
Director of Planning & Development	1, 2
Director of Transportation	1

<u>DESIGNATED EMPLOYEES'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
General Counsel	1, 2
Manager of Facilities	6
Manager of Human Resources	6
Manager of Information Technology	6
Manager of Procurement	5
Manager of Real Estate Assets	1, 2
President & General Manager	1, 2
Procurement Analyst	6
Risk Administrator	6
Risk Management Coordinator	6
Senior Buyer	5
Senior Transportation Planner	1, 2
Storeroom Manager	5
Superintendent of LRV Maintenance	6
Superintendent of Transportation	6
Superintendent of Wayside Maintenance	6
Taxicab Administration Manager	6
Vice-President of Operations	1, 2

DESIGNATED EMPLOYEES'  
TITLE OR FUNCTION

DISCLOSURE CATEGORIES  
ASSIGNED

Consultant<sup>2</sup>

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<sup>2</sup> Consultants shall be included in the list of Designated Employees and shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Chief Executive Officer may determine in writing that a particular consultant, although a “designated position,” is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in this Section. Such written determination shall include a description of the consultant’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer’s determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

## **EXHIBIT "B"**

### **DISCLOSURE CATEGORIES**

The disclosure categories listed below identify the types of investments, business entities, sources of income, including gifts, loans and travel payments, or real property which the Designated Employee must disclose for each disclosure category to which he or she is assigned.

Category 1: All investments and business positions in business entities, and sources of income located in, that do business in or own real property within the jurisdiction of MTS.

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Category 5: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by MTS.

Category 6: All investments and business positions in, and sources of income from, business entities that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by the Designated Employee's Department.



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

## Agenda

Item No. 7

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

ADM 110.3 (PC 50451)

December 14, 2006

### SUBJECT:

MTS: AN ORDINANCE AMENDING ORDINANCE NO. 13, AN ORDINANCE  
REGARDING PROHIBITED CONDUCT ONBOARD TRANSIT VEHICLES AND  
PROHIBITED ACTIONS ON OR ABOUT A TRANSIT FACILITY OR A BUS STOP

### RECOMMENDATION:

That the MTS Board of Directors:

1. read the title of Ordinance No. 13, An Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles and Prohibited Actions on or About a Transit Facility or a Bus Stop;
2. waive further readings of the ordinance;
3. introduce the ordinance for further consideration at the next Board meeting on January 18, 2007; and
4. direct publication of an ordinance summary.

### Budget Impact

\$55 per sign, up to ten signs per station, located at 53 stations for a total estimated cost of \$29,150.00. This estimate does not include posting signs at individual bus stops. Staff is seeking direction on how to cover the cost of no smoking signs at each bus stop. The American Lung Association has expressed a willingness to participate in offsetting these costs. Additional enforcement costs are currently unknown.



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



## DISCUSSION:

At its February 9, 2006, meeting, the Board of Directors approved in concept a ban on smoking at all transit facilities, transit centers, and bus stops. The Board directed the General Counsel to amend Ordinance No. 13 to include appropriate provisions to implement this ban upon the close of escrow for the Grossmont Trolley Station Joint Development Project.

### History

MTS has received comments and complaints regarding smoking at bus stops and transit stations for a number of years. At the request of Board Member Emery, staff was asked to research whether MTS may regulate smoking at transit stations and bus stops. The following summarizes the current state and local laws regarding smoking.

California Health and Safety Code (Cal. H&S) section 118875, also known as the California Indoor Clear Air Act (ICAA), was enacted in 1976 and provides that "tobacco smoke is a hazard to the health of the general public." The ICAA also specifies that "a local government body may ban the smoking of tobacco, or may regulate smoking in any manner not inconsistent with this article and Article 3 (commencing with section 118920) or any other provision of state law." The provisions of the ICAA govern the prohibition of smoking indoors.

In 1995, the Legislature enacted Cal. H&S sections 118920-118945, which prohibit smoking:

... in any vehicle of a passenger stage corporation, the National Railroad Passenger Corporation (Amtrak) except to the extent permitted by federal law, in any aircraft except to the extent permitted by federal law, on a public transportation system, as defined by section 99211 of the Public Utilities Code<sup>1</sup>, or in any vehicle of an entity receiving any transit assistance from the state.

That chapter goes on to state that every public transportation agency must designate and post a continuous area of not less than 75% of any area made available as a waiting room as nonsmoking (Cal. H&S § 118935[a]). Public transportation agencies are also required to post signs prohibiting smoking in any building where tickets, tokens, or other fare media are sold (Cal. H&S § 118935[b]). Finally the chapter concludes by stating it does not prohibit "any local ordinance on the same subject where a local ordinance is more restrictive to the benefit of the nonsmoker" (Cal. H&S § 118940).<sup>2</sup>

Based on Cal. H&S and relevant California case law, the General Counsel believes MTS has the authority to regulate smoking within its transit facilities.

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<sup>1</sup> Public Utilities Code section 99211 specifies: "Public transportation system" means any system of an operator which provides transportation services to the general public by any vehicle which operates on land or water, regardless of whether operated, separated from, or in conjunction with other vehicles."

<sup>2</sup> Cal. H&S § 118945 concludes by specifying any violation of the article constitutes an infraction punishable by a fine not exceeding \$100 for the first violation, \$200 for the second violation within one year, and \$500 for each subsequent violation within one year.

This item is being placed before the Board for its first reading; the second reading is scheduled for January 18, 2006. The revision of Ordinance No. 13 is provided in Attachment A.

  
\_\_\_\_\_  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Tiffany Lorenzen, 619.557.4512, [Tiffany.Lorenzen@sdmts.com](mailto:Tiffany.Lorenzen@sdmts.com)

DEC14-06.7.AMENDORDNO13.TLOREN

Attachment: A. Proposed Amended Codified Ordinance No. 13

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD SYSTEM

CODIFIED ORDINANCE NO. 13  
(as Adopted 8/9/01 and amended 6/9/05 12/14/06)

An Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles  
and Prohibited Actions on or About a Transit Facility, Trolley Station, or Bus Stop

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

Section 13.1: General

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

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

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

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

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

Section 13.2: Definitions

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

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

B. Bus - A "bus" is any motor vehicle, other than a motortruck or truck tractor, designed for carrying more than 10 persons including the driver, and used or maintained for the transportation of passengers, except that any motor vehicle, other than a motortruck or truck tractor, designed for carrying not more than 12 persons, including the driver, which is maintained and used in the nonprofit transportation of adults to and from a work location as part of a carpool program or when transporting only members of the household of the owner thereof, shall not be considered to be a bus for the purposes of this section.

C. Bus Stop – A “bus stop” is a designated area marked by a sign depicting a specific route number or numbers for the loading and unloading of passengers from or onto a bus, which may or may not include a bench or shelter.

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

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

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

G. Trolley Station – A “trolley station” is a designated area marked by a sign depicting a specific line; i.e., Orange, Blue, Red, Green, etc., for the loading and unloading of passengers from or onto a trolley, which may or may not include a bench or shelter.

HG. Transit Vehicle – A “transit vehicle” shall mean buses and trolleys, or any other form of public conveyance utilized, owned, or controlled by MTS, SDTI, or SDTC.

### Section 13.3: Fares

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

**(Section 13.3 amended 6/9/05)**

### Section 13.4: Prohibited Conduct Onboard Transit VehiclesBuses and Trolleys

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

A. Consume any food or beverage while on any trolley, except that passengers may consume beverages while onboard a trolley if the beverages are contained in a spill-proof or screw-top container or bottle. Examples of such spill-proof or screw-top containers or bottles include, but are not limited to, water bottles and soda bottles with screw tops, personal beverage containers with snap-on or screw-on lids, and coffee cups or mugs with snap-on or screw-on lids.

B. Smoke or carry a lighted or smoldering pipe, cigar, cigarette, or tobacco in any form.

C. Operate any radio, phonograph, tape player, or other such instrument that is audible to any other person on ~~the~~ a transit vehicle.

D. Expectorate.

E. Discard litter.

F. Extend his/her head, hand, arm, foot, leg, or other portion of the body through any window.

G. Interfere in any manner whatsoever with the operator or operation of any the ~~the~~ bus or trolley.

- H. Possess an open alcoholic beverage container, irrespective of whether the container is spill-proof or screw-top.
- I. Ride any bike, skateboard, or scooter.
- J. No person shall put his foot on any seat provided for any passengers on a bus or trolley, or place any article on such seat which would leave grease, oil, paint, dirt, or any other substance on such seat.
- K. No person shall activate without justification, mutilate, deface or misuse in any manner, any safety device or intercom located onboard a bus or trolley.
- L. No person shall ride upon the outside or roof of any bus or trolley.

**(Section 13.4 amended 12/14/066/9/05)**

**Section 13.5: Prohibited Actions on or About thea Transit Facility**

- A. No person (except MTDBMTS/SDTI/SDTC employees, agents, or authorized visitors) shall enter upon the roadbed, tracks, structures, right-of-way, or other parts of thea transit facility, which are not open to passengers or to the public.
- B. No person shall drink any alcoholic beverage or possess an open alcoholic beverage container on or in thea transit facility except on premises licensed therefor.
- C. No person shall sit, lie, or stand with any portion of his/her body extending within 8 feet 6 inches of the centerline of the outside rail on straight track of within 9 feet 6 inches of the centerline of the outside rail on curved track except while entering or alighting from a trolley stopped at that station.
- DE. No person shall injure, deface, destroy, loosen, remove, or tamper with the transit facility.
- EF. No person shall injure, mutilate, deface, alter, change, displace, remove, or destroy any sign, notice, signal, or advertisement on the transit facility.
- EG. No person shall interfere with any lamp, electric light, electric fixture, or density on the transit facility.
- GH. No person shall write, paint, or draw any inscription or figure on or deface any transit facility.
- HI. No person shall disobey or disregard the notices, prohibitions, instructions, or directions on any sign posted on the transit facility.
- IJ. No person shall interfere with, encumber, obstruct, or render dangerous any transit facility.
- JK. No person shall throw or project a stone or other missile at any trolley, bus or at any person or thing on or in the transit facility.
- KL. No person shall throw or project a stone or other missile from any transit facility or transit vehicle.

LM. No person shall fail or refuse to comply with any lawful order or direction of any MTS inspector, security officer, whether an employee or designated agent of MTS, or any peace officer.

MN. No person shall do, aid, abet, or assist in doing any act which may be dangerous, harmful, or injurious to any person or property within the transit facility, said act being not specifically prohibited herein.

NO. No person shall put his foot on any seat provided for any passengers of the transit facility or place any article on such seat which would leave grease, oil, paint, dirt, or any other substance on such seat.

OP. No person shall urinate or defecate in or upon unauthorized locations on the transit facility.

PQ. No person shall post, distribute, or display commercial signs, advertisements, circulars, handbills, or written material of a commercial nature on or within the transit facility, nor shall any person engage in any verbal solicitations of a commercial nature on or within said transit facility.

QR. No person shall climb upon or jump the trolley couplers.

RS. No person shall discard litter in any transit facility or transit vehicle.

ST. No person shall loiter in the immediate vicinity of any posted property.  
**(Section 13.5 amended 12/14/066/9/05)**

#### Section 13.6: Animals

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

#### Section 13.7: Meetings

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

#### Section 13.8: Selling, Peddling, Leasing, Etc.

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

Section 13.9: Bicycles

Bicycles are permitted on transit vehiclestrolleys under the following conditions:

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

**(Section 13.9 amended 12/14/066/9/05)**

Section 13.10: No Smoking at any Transit Facility or Bus Stop

No person shall smoke any materials, whether tobacco, or any other product, using any device, cigarette, cigar, pipe, or any other apparatus, or utilize any smoking device, cigarette, cigar, pipe, or other apparatus, at the following locations owned, operated, or controlled by MTS, SDTI and/or SDTC:

- A. Within 25 feet from any bus stop;
- B. Within 25 feet of any trolley station; and
- C. Within 25 feet of any transit facility.

DEC.14-06.7.ATTA.ORDINANCE13.TLOREN

Amended: 12/14/06

Amended: 06/09/05

Amended: 05/26/0506/09/05

Amended: 10/28/04

Adopted: 8/9/01



8:59

AGENDA ITEM NO.

7

**REQUEST TO SPEAK FORM**

ORDER REQUEST RECEIVED



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

**1. INSTRUCTIONS**

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

Date 12-14-06Name (PLEASE PRINT) KRISTIN HARMSAddress 4641 CAMPUS AVE. #6 SAN DIEGO 92111Telephone 619-297-1216Organization Represented (if any) TOBACCO-FREE COMMUNITIESSubject of your remarks: SUPPORT SMOKE-FREE TRANSIT STOPS  
COALITIONAgenda Item Number on which you request to speak 7

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.\*\***







8:59

AGENDA ITEM NO.

7

**REQUEST TO SPEAK FORM**

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\*\***

**1. INSTRUCTIONS**

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Date 12-14-06Name (PLEASE PRINT) DEBRA KELLEYAddress 2750 FOURTH AVENUETelephone 619-297-3901Organization Represented (if any) AMERICAN LUNG ASSOCIATIONSubject of your remarks: SUPPORT SMOKE FREE TRANSIT STOPSAgenda Item Number on which you request to speak 7

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.\*\***



9:11



AGENDA ITEM NO.

7

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

3

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

### 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 12/14/06  
Name (PLEASE PRINT) ALEX SACHS  
Address 4154 Vermont St  
SD CA 92103  
Telephone \_\_\_\_\_  
Organization Represented (if any) Self

Subject of your remarks: FAVOR Smoking BAN AT  
BUS STOPS / Trolley stops

Agenda Item Number on which you request to speak SEVEN

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.\*\***



9:16



AGENDA ITEM NO.

7

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

4

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

### 1. INSTRUCTIONS

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

Date 2006-12-14

Name (PLEASE PRINT) Clive Richard

Address 5153 La Dorna St

San Diego, CA 92115

Telephone 615.582.4036

Organization Represented (if any) \_\_\_\_\_

Subject of your remarks: Strong support for no smoking within 25 feet

Agenda Item Number on which you request to speak \_\_\_\_\_

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

### 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

### 3. DISCUSSION OF AGENDA ITEMS

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

### 4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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





9:18

AGENDA ITEM NO.

7

## REQUEST TO SPEAK FORM

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\*\***

### 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 12/14/06  
Name (PLEASE PRINT) Terri Pindell  
Address 3933 Mason St  
SP Ca 92110  
Telephone 619 683-2084  
Organization Represented (if any) \_\_\_\_\_  
Long AS a Volunteer  
Subject of your remarks: \_\_\_\_\_

Agenda Item Number on which you request to speak \_\_\_\_\_

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

### 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

### 3. DISCUSSION OF AGENDA ITEMS

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

### 4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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





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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.

FIN 330.3 (PC 50451)

December 14, 2006

### SUBJECT:

MTS: THE TICKET FACTORY - CONTRACT AMENDMENT

### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to exercise a fourth and final option year with The Ticket Factory to print 13,845,750 Universal Daily-Dated Transfer Slips at a cost not to exceed \$68,813.38, including tax and delivery (in substantially the same form as Attachment A). This price represents a cost of \$4.97 per 1,000 slips, which is a 2% increase per unit over the previous year as determined by the current contract.

#### Budget Impact

The cost of this amendment would be \$68,813.38. The cost of these transfer slips would be paid for through the FY 07 San Diego Association of Governments (SANDAG) Fare Media Budget line item (11-100-6085-0000).

### DISCUSSION:

In FY 03 MTS conducted a competitive procurement process that resulted in a contract with The Ticket Factory for Daily-Dated Universal Transfer Slips. The contract contains 4 one-year renewal options. This action would exercise the fourth and final option.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Devin Braun, 619.595.4916, [devin.braun@sdmts.com](mailto:devin.braun@sdmts.com)

DEC14-06.8.TICKETFACTORY.DBRAUN

Attachment: A. Draft Amendment





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Att. A, AI 8, 12/14/06, FIN 330.3

December 14, 2006

MTS Doc. No. T0449.5-03  
FIN 330.3 (PC 50451)

DRAFT

Ms. Barbara Lee  
The Ticket Factory  
310 Easy Street, B  
Simi Valley, CA 93065

Dear Ms. Lee:

Subject: AMENDMENT NO. 5 TO MTS DOC. NO. T0449.0-03; FY 07/08 DAILY-DATED  
UNIVERSAL TRANSFER SLIPS

This letter serves as Amendment No. 5 to the original contract (MTS Doc. No. T0449.0-03) for professional services, as further described below. This amendment exercises the fourth and final option year.

#### SCOPE OF WORK

Produce and deliver 13,845,750 Daily-Dated Universal Transfer Slips. The Daily-Dated Universal Transfer Slips shall be produced in accordance with the Special Provisions of the original contract.

#### SCHEDULE

The Daily-Dated Universal Transfer Slips shall be delivered in accordance with the attached "Year 5 Production and Shipping Details." The delivery addresses are subject to change and will be periodically updated to reflect new contractors operating MTS's bus services.

#### PAYMENT

All conditions of the original contract remain in full force and effect. The rate per 1,000 transfers has been increased by 2.0% to \$4.97. The total cost of this amendment will be \$68,813.38 (including all applicable sales tax and freight). This brings the total contract amount to \$525,062.26.

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

Sincerely,

Accepted:

Paul C. Jablonski  
Chief Executive Officer

\_\_\_\_\_  
Barbara Lee  
The Ticket Factory

DEC14-06.8.AttA.TICKETFACORY.DBRAUN

Date: \_\_\_\_\_

Attachment: Year 5 Production and Shipping Details

A-1

**MTS DAILY-DATED TRANSFER CONTRACT : YEAR 5 PRODUCTION AND SHIPPING DETAILS**

			Receipt		San Diego Transit		National		Chula Vista		Veolia		Laidlaw		Coach USA		Laidlaw		Veolia		Southland		Total		Total	
Transfer Dates		Days	Deadline*		Colors**	IAD	City Transit	Transit	East County	Paratransit	MTS Express	Poway	South Bay	Transit	Total Daily	Days	Order	\$/1000								(incl. tax, S/H)
3/1/2007	5/7/2007	48	2/19/07	Weekday	Br, Bl, O	1,500	2,250	5,250	5,500	750	750	375	25,000	1,250	42,625	48	2,046,000	\$	4.97				\$10,168.62			
3/3/2007	4/22/2007	16	2/19/07	Weekend	O, G	1,500	2,000	2,750	3,125	500	0	250	15,000	625	25,750	16	412,000	\$	4.97				\$2,047.64			
4/28/2007	6/17/2007	16	4/11/07	Weekend	P, Bl	1,500	2,000	2,750	3,125	500	0	250	15,000	625	25,750	16	412,000	\$	4.97				\$2,047.64			
5/8/2007	7/12/2007	48	4/25/07	Weekday	O, G, Br	1,500	2,250	5,250	5,500	750	750	375	25,000	1,250	42,625	48	2,046,000	\$	4.97				\$10,168.62			
6/23/2007	8/12/2007	16	6/13/07	Weekend	Br, P	1,500	2,000	2,750	3,125	500	0	250	15,000	625	25,750	16	412,000	\$	4.97				\$2,047.64			
7/13/2007	9/18/2007	48	6/27/07	Weekday	Bl, G, Br	1,500	2,250	5,250	5,500	750	750	375	25,000	1,250	42,625	48	2,046,000	\$	4.97				\$10,168.62			
8/18/2007	10/7/2007	16	8/8/07	Weekend	G, O	1,500	2,000	2,750	3,125	500	0	250	15,000	625	25,750	16	412,000	\$	4.97				\$2,047.64			
9/19/2007	11/23/2007	48	9/5/07	Weekday	Br, P, O	1,500	2,250	5,250	5,500	750	750	375	25,000	1,250	42,625	48	2,046,000	\$	4.97				\$10,168.62			
10/13/2007	12/2/2007	16	10/3/07	Weekend	Bl, P	1,500	2,000	2,750	3,125	500	0	250	15,000	625	25,750	16	412,000	\$	4.97				\$2,047.64			
11/26/2007	2/29/2008	70	11/14/07	Weekday	G, Bl, Br	1,500	2,250	5,250	5,500	750	750	375	25,000	1,250	42,625	70	2,983,750	\$	4.97				\$14,829.24			
12/8/2007	2/24/2008	24	11/28/07	Weekend	O, P	1,500	2,000	2,750	3,125	500	0	250	15,000	625	25,750	24	618,000	\$	4.97				\$3,071.46			

\*Shipments must be **received** by all recipients, as shown below, no later than the deadline listed. Late shipments subject to penalties as shown in Note 3.

\*\*Colors may change during year.

<b>COLORS**</b>	P=Pantone Rhodamine Red U
	G=Pantone 382 U 2X
	O=Pantone Orange 021 U
	Bl=Pantone 293 U
	Br=Pantone 138U

<b>TOTAL YEAR 5 CONTRACT:</b>	13,845,750	<b>\$68,813.38</b>
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Recipient:	San Diego Transit - Imperial Ave. Division	National City Transit	Chula Vista Transit	Veolia East County	Laidlaw Paratransit	Coach USA MTS Express	Laidlaw Poway	Veolia South Bay	Southland Transit
<b>Transfer Serial #s:</b>	Wkdy Start 3 40001 Wkdy End 3 41500 Wknd Start 3 40001 Wknd End 3 41500	4 0001 4 2250 4 0001 4 2000	7 0001 7 5250 7 0001 7 2750	5 00001 5 05500 5 00001 5 03125	5 20001 5 20750 5 20001 5 20500	5 30001 5 30750 N/A N/A	5 40001 5 40375 5 40001 5 40250	2 00001 2 25000 2 00001 2 15000	2 30001 2 31250 2 30001 2 30625
<b>Transfers Stapled per Book:</b>	50	50	50	25	25	25	25	50	25
<b>Weekday Books per Day:</b>	30	45	105	220	30	30	15	500	50
<b>Weekend Books per Day:</b>	30	40	55	125	20	0	10	300	25
<b>Days Allowed per Box:</b>	1 Week	1 Day	1 Day	1 Day	1 Day	2 Weeks	2 Weeks	1 Day	1 Week
<b>Delivery Address:</b>	Division Number Street City Zip	IAD 522 W. 8th St. National City 91950	ECBMF 1800 Maxwell Rd. Chula Vista 91911	ECBMF 1213 N. Johnson St. El Cajon 92020	800 Fesler St. El Cajon 92020	3888 Beech St. San Diego 92105	12343 Oak Knoll Rd. Poway 92064	SBMF 3650A Main St. Chula Vista 91911	8480 Miralani Dr. San Diego 92126
<b>Contact:</b>	First Name Last Name Phone Ext. Fax	Mike Fitzgerald 619.238.0100 x 498 619.232.8351	Marva Williams 619.474.7505 x 498 619.474.2058	Jeff Codling 619.397.6059 x 498 619.397.6259	Bill Murtha 619.726.5837 x 205 619.442.8416	Mary Kalin 619.401.1215 x 205 619.588.9709	Darlene Cochran 619.266.7365 x 112 619.748.8164	Lisa Prince 619.427.5680 x 12 619.427.6437	Simon Herrera 858.527.1157 x 12 619.427.6437

- NOTES: 1) Shipments must be **received** by all recipients no later than the deadline listed.  
2) **All information on this sheet is subject to change between each shipment.**  
3) Contractor shall pay to MTS the sum of \$300 per day for each and every **calendar** day's delay in delivering the printed daily-dated universal transfer slips, and \$300 an occurrence for mispacked transfer slips per day.



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619.231.1466, FAX: 619.234.3407

## Agenda

Item No. 9

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

LEG 492 (PC 50121)

December 14, 2006

### SUBJECT:

MTS: AUDIT REPORT ON THE TRANSIT STORE

### RECOMMENDATION:

That the Board of Directors receive the internal audit report on The Transit Store.

#### Budget Impact

None.

### DISCUSSION:

During October 2006, the MTS Internal Auditor performed a review of The Transit Store's procedures. The objective of the review was to assess the adequacy of internal controls over sales of fare media, cash-handling, physical security, lost and found, and other Store procedures. As a result of the review, four recommendations were made for management's consideration. Management has accepted the recommendations and is taking action to address the issues noted.

Paul G. Jablonski  
Chief Executive Officer

Key Staff Contact: Mark Abbey, 619.557.4573, [mark.abbey@sdmts.com](mailto:mark.abbey@sdmts.com)

Attachment: A. The Transit Store Audit Report (**Board Only**)



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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## Agenda

Item No. 10

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

FIN 300 (PC 50601)

December 14, 2006

### SUBJECT:

MTS: INVESTMENT REPORT

### RECOMMENDATION:

Receive a report for information.

### DISCUSSION:

The attached schedule (Attachment A) is a report of MTS investments as of October 31, 2006. The report is broken into two columns; the first column relates to investments restricted either for capital support or for debt service, and the second column is the unrestricted portion. As the schedule shows, the overwhelming bulk of investments are restricted primarily for debt service. These are set to serve the payments on the 1989/1990 and 1995 lease and leaseback transactions. The second column (unrestricted assets) provides the working capital for MTS operations for payments to employees for payroll and to vendors for goods and services.

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

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Tom Lynch, 619.557.4538, [tom.lynch@sdmts.com](mailto:tom.lynch@sdmts.com)

DEC14-06.10.INVESTMT RPT.LMUSENGO

Attachment: A. Investment Report



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.

**San Diego Metropolitan Transit System  
Investment Report  
October 31, 2006**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Avg. Rate of Return</u>
<b><u>Cash and Cash Equivalents</u></b>			
Metropolitan Transit System	\$ -	\$ 928,647	N/A
San Diego Transit Corporation	-	1,925,545	N/A
San Diego Trolley, Inc.	-	1,406,908	N/A
Total Cash and Cash Equivalents	-	4,261,100	
<b><u>Investments - Working Capital</u></b>			
Metropolitan Transit System	-	928,172	4.89%
San Diego Transit Corporation	-	65,493	4.93%
San Diego Trolley, Inc.	-	-	N/A
Total Investments - Working Capital	-	993,665	
<b><u>Cash - Restricted for Capital Support</u></b>			
Metropolitan Transit System	6,276,398	-	N/A
Total Cash - Restricted for Capital Support	6,276,398	-	
<b><u>Investments - Restricted for Debt Service</u></b>			
Metropolitan Transit System	144,897,208	-	4.63%
Total Investments - Restricted for Debt Service	144,897,208	-	
<b>Total Cash and Investments</b>	<b>\$ 151,173,606</b>	<b>\$ 5,254,765</b>	

Controller: \_\_\_\_\_

Date: \_\_\_\_\_



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FAX 619/234-3407

## Agenda

Item No. 11

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

LEG 491 (PC 50633)

December 14, 2006

### SUBJECT:

MTS: INSURANCE BROKERAGE AND CONSULTATION SERVICES

### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to award a contract to John Burnham Insurance Services (in substantially the same format as Attachment A) contingent upon successful negotiations. In the event that the CEO is unable to reach an agreement with John Burnham Insurance Services, the CEO would be authorized to begin negotiations with the next-ranked proposer(s) and award a contract contingent upon successful negotiations.

#### Budget Impact

The adequacy of budgeted insurance services funds for the remainder of fiscal year 2007 is anticipated to be very tight. A midyear budget adjustment may be required dependent upon outstanding billing within the expiring contract. If additional funds are required, the amount is estimated to be approximately \$8,000. These funds would be shifted from other line item areas.

ESTIMATED ANNUAL BUDGET IMPACT					
AGENCY	MTS	SD&AE	SDTC	SDTI	TOTAL
YEAR 1	\$60,588	\$1,836	\$15,606	\$13,770	\$91,800
YEAR 2	\$62,406	\$1,891	\$16,074	\$14,183	\$94,555
YEAR 3	\$64,277	\$1,948	\$16,556	\$14,609	\$97,390
TOTAL BASE CONTRACT					\$283,745
SPLIT	66%	2%	17%	15%	



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## DISCUSSION:

A Request for Proposals (RFP) to provide Insurance Brokerage and Consultation Services was issued on October 11, 2006. The four firms who responded were:

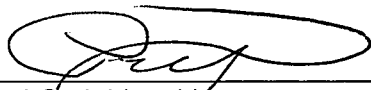
1. Alliant Insurance Services, Inc.
2. John Burnham Insurance Services
3. Lockton Insurance Brokers
4. Willis Risk and Insurance Services

A committee consisting of representatives from MTS and North County Transit District (NCTD) rated all proposals received. Utilizing careful consideration, the committee conducted oral interviews and performed a final rating on all vendors who submitted a proposal.

The evaluation criteria were scored on four equally weighed components. Those components were:

- |    |   |     |
|----|---|-----|
| 1. | Project Experience                        | 25% |
| 2. | Proposed Methodology and Approach to Work | 25% |
| 3. | Staff Qualifications                      | 25% |
| 4. | Cost and Price                            | 25% |

After evaluating the proposals and conducting interviews, the selection committee proposed that John Burnham Insurance Services provide the insurance brokerage and consultation services for MTS as outlined in the RFP Scope of Work. Services are recommended to commence on January 1, 2007. The contract would be awarded for three years with two 1-year renewal options to be exercised solely by MTS.



---

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Jim Dow, 619.557.4562, [jim.dow@sdmts.com](mailto:jim.dow@sdmts.com)

DEC14-06.11.INSUR BROKERAGE CONSULT SVCS.JDOW

Attachments: A. Draft Contract  
B. Memo dated 11/21/06 **(Board Only)**



Metropolitan Transit System

Att. A, AI 11, 12/14/06, LEG 491

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

DRAFT

G1035.0-07  
CONTRACT NUMBER  
LEG 491 (PC 50633)  
FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2006, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: John Burnham Insurance Services Address: 750 B Street, Suite 2400

Form of Business: Corporation San Diego, CA 92101  
(Corporation, partnership, sole proprietor, etc.)

Telephone: (619) 231-1010

Authorized person to sign contracts: John C. Starich Senior Vice President  
Name Title

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

Provide insurance brokerage and consultation services as specified in MTS's Request for Proposals (RFP) MTS Doc. No. G1035.0-07, including Addendum A, MTS's Responses to Questions/Clarifications, and in accordance with the Standard Services Agreement, including the Standard Conditions Services and John Burnham Insurance Services proposal dated November 6, 2006, in response to the RFP. If there are inconsistencies between the RFP, the Addendum, the Standard Services Agreement, or the Standard Conditions Services, the following order of precedence will govern the interpretation of this contract:

1. MTS's RFP (MTS Doc. No. G1035.0-07), Addendum A, & MTS's Responses to Questions/Clarifications;
2. Standard Services Agreement, Standard Conditions Services; and
3. John Burnham Insurance Services proposal dated 11/6/06 in response to MTS's RFP (MTS Doc. No. G1035.0-07).

This contract shall remain in effect for 3 years with 2 one-year options exercisable at MTS's sole discretion. Total expenditures under this contract shall not exceed \$283,745; total expenditures for each of the one-year options shall not exceed \$100,315 (first option year) and \$103,325 (second option year).

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer	Firm: _____
Approved as to form:	By: _____
By: _____ Office of General Counsel	Signature
	Title: _____

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$283,745	50633 (Risk/Liability Claims)	07

By: \_\_\_\_\_ Chief Financial Officer Date \_\_\_\_\_



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## 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 10426.6

December 14, 2006

### SUBJECT:

MTS: MISSION VALLEY EAST (MVE) LANDSCAPE MAINTENANCE PROJECT  
CONTRACT AWARD

### RECOMMENDATION:

That the Board of Directors:

1. authorize the Chief Executive Officer (CEO) to execute a contract (MTS Document No. M6651.0-07) with Aztec Landscaping, Inc. (Aztec), to perform the MVE Landscape Maintenance Project (LRT-10426), in substantially the same form as shown in Attachment A, in an amount not to exceed \$579,980; and
2. approve a 10 percent contingency totaling \$57,998.

### Budget Impact

A total of \$637,978 would come from the MVE San Diego State University Construction line item (WBS #10426-1010), leaving a balance of \$133,599.

### DISCUSSION:

The MVE Landscape Maintenance Project consists, in general, of initial site work and routine landscape maintenance. The initial site work will consist of corrective actions based on an initial site observation and may include watering plants, damage repair, graffiti removal, control of litter and weeds, planting, irrigation, and backflow testing. The routine landscape maintenance work will consist of inspection, checking, adjusting,



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and repairing or replacing damaged or malfunctioning irrigation facilities and testing backflow preventers; inspecting, watering, pruning, and replacing plants, repairing plant basins, removing litter, controlling weeds, rodents, and other pests, and furnishing and applying mulches, pesticides, and fertilizer, and incidental related work; and procuring all materials and performing all other work necessary to complete the work in accordance with the Project LRT-10426 plans and Special Provisions. In addition, the additive alternate work at 70th Street Station would be awarded. The scope of additive alternate work includes, in general, the same as that described above for the initial site work and routine maintenance work. The Engineer's Estimate for this project is \$700,000.

This project was advertised on October 2, 2006, and the Invitation for Bids was directly mailed to 60 contractors, including 25 disadvantaged business enterprise (DBE) contractors. A prebid conference was held on October 11, 2006, at which time the bid requirements were discussed. There is no DBE advisory goal for this project due to it being a single discipline in scope of work.

On October 25, 2006, one bid was received as summarized in Attachment B, "Bid Summary" and Attachment C "Bid Comparison." The bid was evaluated per MTS Policies and Procedures No. 52. Aztec submitted the apparent low bid and is responsive and responsible as shown in Attachment C "Bid Evaluation." A Statement of Experience and Financial Condition, submitted by Aztec, was also evaluated and found to meet the criteria set forth in MTS Policies and Procedures No. 52.

Therefore, after fully reviewing the bid prices compared to the Engineer's Estimate, it is recommended that the contract be awarded to Aztec for the bid amount of \$579,980. In addition, it is recommended that MTS establish a 10 percent contingency in the amount of \$57,998 for change orders required to complete the project.



---

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Bill Prey, 619.699.1941, [bpr@sandag.org](mailto:bpr@sandag.org)

DEC14-06.12.MVE LANDSCAPE AWARD.MBRITTEN

Attachments: A. MTS Doc. No. M6651.0-07 (w/o attachments)  
B. Bid Summary  
C. Bid Evaluation



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## STANDARD CONSTRUCTION AGREEMENT

**DRAFT**

M6651.0-07  
CONTRACT NUMBER  
CIP 10426.6  
FILE NUMBER(S)

THIS AGREEMENT is entered into this 14th day of December, 2006, in the state of California by and between Metropolitan Transit System (MTS), and the following contractor, hereinafter referred to as "Contractor":

Name: Aztec Landscaping, Inc. Address: 7980 Lemon Grove Way

Form of Business: Corporation Lemon Grove, CA 91945  
(Corporation, partnership, sole proprietor, etc.)

Telephone: 619-464-3303

Authorized person to sign contracts: Genaro Garcia President  
Name Title

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

Work includes, but is not limited to, initial site work and routine landscape maintenance. In general, the initial site work will consist of corrective actions based on an initial site observation, and may include watering of plants, damage repair, control litter and weeds, planting, irrigation, and backflow testing. In general, the routine landscape maintenance work will consist of inspection, checking, adjusting, and repairing or replacing damaged or malfunctioning irrigation facilities, testing backflow preventers, inspecting, watering, pruning and replacing plants, repairing plant basins, removing litter, controlling weeds, rodents and other pests, and furnishing and applying mulches, pesticides, and fertilizer, and performing all the work necessary to complete the work in accordance with the Project LRT-10426 plans and Special Provisions, and Addendum No. 1 issued on October 20, 2006.

**THE TOTAL CONTRACT VALUE SHALL NOT EXCEED \$579,980.00.**

METROPOLITAN TRANSIT SYSTEM	CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer	Firm: _____
Approved as to form:	By: _____ Signature
By: _____ Office of General Counsel	Title: _____

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
<u>\$579,980.00</u>	<u>CIP 10426-1000</u>	<u>2007</u>

By: \_\_\_\_\_ Date \_\_\_\_\_  
Director of Finance

LTorio/10426-M6651-0-07-MVE-LANDSCAPE.MBRITT - 11/27/06

(11 total pages, each bearing contract number)



## BID SUMMARY

### MISSION VALLEY EAST LANDSCAPE MAINTENANCE PROJECT REBID LRT-10426.6

Bids Due to MTS: October 25, 2006, at 2:30 p.m.

Total

Aztec Landscaping, Inc.  
7980 Lemon Grove Way  
Lemon Grove, CA 91945

Schedule A	\$40,000.00
Schedule B	\$508,250.00
Schedule C	<u>\$31,730.00</u>
Total	\$579,980.00

Engineer's estimate: \$700,000

\*Low bid (only bid, again)

  
\_\_\_\_\_  
Matt Britten  
Construction Project Engineer  
\_\_\_\_\_  
Louise Torio  
Contracts & Procurement Specialist

LTorio  
BS-10426-6-MVEMaint-REBID.MBRITT  
10/26/06

cc: Jack Boda, Jim Linthicum, \*John Haggerty, \*Bill Prey, \*Eric Adams, \*Matt Britten, \*Brad Helgason,  
+Elaine Richardson, Renee Wasmund, Cathy Stansfield, Louise Torio  
MTS: \*Tiffany Lorenzen, \*Tim Allison  
SDTI: Russ Desai, Vance Williams

BID EVALUATION:  
MVE LANDSCAPE MAINTENANCE PROJECT

Att. C, AI 12, 12/14/06, CIP 10426

BID OPENING DATE OCTOBER 25, 2006

	<b>AZTEC LANDSCAPING, INC</b>		
Business Address	7980 Lemon Grove Way Lemon Grove, CA 91945		
Telephone	619-464-3303		
Type of Bid Guarantee	Bidders' Bond		
Principals	GENARO GARCIA PRESIDENT		
Legal Name	EBERHARD BENTON ROOFING		
Signature and Title Date Executed	Rafael Aguilar Jr. 10/23/2006		
Cost Proposal Base Bid Amount Alternate C	\$548,250.00 \$31,730.00		
Designation of Subs	NO		
% Retained by Prime 50% Minimum Irregularities	100.00%		
DBE Participation (% Goal) Irregularities	0.00%		
Subs. Not Considered in Bid Price Form	Signed		
EEO Certification Irregularities	YES		
Addenda Acknowledged	YES		
Contractor License	C27		
Min Insurance Required	YES		
Public Contract Code	Not Disqualified		
Contractor Eligibility	Not Debarred		
Subcontractor Eligibility	NA		
Buy America	Alternative A		
Bidders Bond Executed Bond Rating Company Rating	10/23/2006 Fidelity and Deposit Company of Maryland A		
Noncollusion Affidavit	YES		
Certification of Restrictions on Lobbying	YES		
Staff Recommendation			
Notice of Intent to Award			
End of Protest Period			



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

## Agenda

Item No. 13

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

FIN 340.3 (PC 50601)

December 14, 2006

### SUBJECT:

MTS: TRANSPORTATION DEVELOPMENT ACT CLAIM REVISION

### RECOMMENDATION:

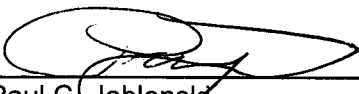
That the MTS Board of Directors adopt Resolution No. 06-14 (Attachment A) revising a Transportation Development Act (TDA) claim of the County of San Diego.

#### Budget Impact

\$2,633,467 would be added and included within the fiscal year 2008 Capital Improvement Program (CIP).

### DISCUSSION:

Divestiture of the County Transit System (CTS) to MTS was effective on June 28, 2002. All CTS services and facilities were divested to MTS with the exception of the Oceanside and Escondido Transit Centers. In accordance with the Divestiture Agreement, MTS is authorized to claim TDA funding on behalf of the County. The attached resolution authorizes the claim of the available TDA funding.

  
\_\_\_\_\_  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Anicia Gottwig, 619.557.4517, [anicia.gottwig@sdmts.com](mailto:anicia.gottwig@sdmts.com)

DEC14-06.13.TDA REVISION.AGOTTWIG

Attachment: A. Res. No. 06-14



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.

## SAN DIEGO METROPOLITAN TRANSIT SYSTEM

## RESOLUTION NO. 06-14

Resolution Revising Transportation Development Act Claim

WHEREAS, effective August 10, 2000, the MTS-area consolidated Transportation Development Act (TDA) claim process provides that MTS will be responsible for submitting a single claim for each article of the TDA for all MTS operators; and

WHEREAS, consistent with the intent of consolidating all transit funding for MTS-area operators, the San Diego Association of Governments (SANDAG) and MTS Boards must approve any alternate use of said balances differing from that for which they were originally claimed;

WHEREAS, MTS and SANDAG staffs have analyzed the allocations and has found that all open but inactive claims be closed and returned to the Local Transportation Fund to be allocated to MTS-area operators to be used in its FY 2008 CIP; and

WHEREAS, MTS and SANDAG staffs have concluded that revisions are warranted; NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED:

1. That the Board of Directors does hereby approve revisions to the claims as shown below:

<u>ARTICLE</u>	<u>YEAR</u>	<u>CLAIM</u>	<u>CLAIMANT</u>	<u>ORIGINAL ALLOCATION</u>	<u>FUNDS TO BE RETURNED TO LTF</u>
4	FY 1995	194	County of San Diego	\$2,641,947	(\$119,258)
8	FY 1988	243	County of San Diego	\$996,110	(\$512,790)
8	FY 1988	245	County of San Diego	\$470,000	(\$355,611)
8	FY 1990	255	County of San Diego	\$100,000	(\$1,905)
8	FY 1990	254	County of San Diego	\$260,000	(\$114,820)
8	FY 1991	259	County of San Diego	\$1,225,000	(\$59,881)
8	FY 1991	262	County of San Diego	\$800,000	(\$61)
8	FY 1991	263	County of San Diego	\$750,000	(\$750,000)
8	FY 1994	273	County of San Diego	\$40,000	(\$27,800)
8	FY 1995	278	County of San Diego	\$37,700	(\$37,074)
8	FY 2000	290	County of San Diego	\$702,353	(\$453,353)
8	FY 2001	294	County of San Diego	\$672,846	(\$137,250)
8	FY 2002	298	County of San Diego	\$577,374	(\$63,664)
TOTAL					<u>(\$2,633,467)</u>

2. That the returned funds will be used toward the MTS FY 2008 CIP.

PASSED AND ADOPTED by the Board of Directors this \_\_\_\_\_ day of December 2006,  
by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

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Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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Clerk of the Board  
San Diego Metropolitan Transit System

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Office of the General Counsel  
San Diego Metropolitan Transit System

DEC14-06.13.AttA.TDA REVISE.AGOTTWIG



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

## Agenda

## Item No. 14

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

CIP 11417

December 14, 2006

### SUBJECT:

MTS: CREATIVE BUS SALES CONTRACT - AIRPORT SHUTTLES

### RECOMMENDATION:

That the MTS Board of Directors authorize the Chief Executive Officer (CEO) to exercise options available and award a contract amendment to Creative Bus Sales (in substantially the same format as Attachment A—MTS Doc. No. B0389.4-03) to purchase seven midsize compressed natural gas (CNG)-powered airport shuttle transit buses.

#### Budget Impact

Encumber \$2,330,000 to CIP 11417-1300 (MCS Purchase Midsize CNG Buses). This project would be funded with \$855,500 in Section 5307 federal funds from Federal Grant No. CA-90-Y474 (35.6% federal share) and \$1,544,500 from various local funding sources (64.4% local share).

### DISCUSSION:

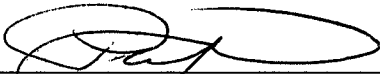
In 1997, through a bus operations contract, MTS purchased seven mid-size buses that have been continually used on MTS Route 992 (Airport Flyer). These existing buses have reached their useful lives and are in need of replacement. In 2003, MTS awarded a contract to Creative Bus Sales for midsize CNG buses for Chula Vista Transit (from bus procurement Invitation for Bids (IFB) No. 930066). Those buses were delivered to Chula Vista in 2005. The IFB gave MTS the option to purchase additional buses for up to a five year period. Funding has been secured as part of MTS's Capital Improvement Program (CIP) for the procurement of new buses. MTS has had discussions with Creative Bus Sales, finalized technical issues, and is ready to purchase seven new midsize CNG buses.



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.

These buses are powered with CNG engines and are 32 feet in length, which is ideal for the logistics of traversing the airport terminal areas. Following award of a contract amendment, it is expected that the buses would be delivered within 12 months or approximately late fall 2007.

In accordance with federal regulations, the MTS Procurement Department arranged for a preaward audit that was completed by McLean Consulting & Associates on August 2, 2006. This audit confirms that El Dorado National, the manufacturer of the buses, meets all Buy America compliance and Federal Motor Vehicle Safety Standard compliance requirements.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Susan Hafner, 619.595.3084, [susan.hafner@sdmts.com](mailto:susan.hafner@sdmts.com)

DEC14-06.14.CREATIVEBUSSALES.EHURWITZ

Attachment: A. Draft MTS Doc. No. B0389.4-03



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

Att. A, AI 14, 12/14/06, CIP 11417

December 14, 2006

MTS Doc. No. B0389.4-03  
CIP 11417

**DRAFT**

Mr. Michael L. Dirnberger  
Creative Bus Sales  
13501 Benson Avenue  
Chino, CA 91710

Dear Mr. Dirnberger:

Subject: AMENDMENT NO. 4 TO MTS DOC. NO. B0389.0-03 FOR SEVEN MIDSIZE TRANSIT BUSES

In accordance with Article 2, "Changes," of our original agreement (MTS Doc. No. B0389.0-03), MTS amends the agreement to exercise its right to purchase seven additional midsize transit buses.

The amendment shall consist of the following:

- Provide seven low-floor compressed natural gas (CNG)-powered transit buses as specified in San Diego Transit Corporation's Invitation for Bids (IFB) No. 930066 (including Addenda A through F of the same), and all Requests for Approved Equals issued in conjunction with this IFB, in accordance with the Federal Requirements and forms and as priced in the Creative Bus Sales pricing sheet. This amendment is for seven buses.

The total cost of this amendment shall not exceed \$2,330,000, which includes sales tax, training, and delivery.

All other conditions remain unchanged. If you agree with the above, please sign below and return the document marked "original" to Traci Bergthold, Contracts Specialist at MTS. The other copy is for your records.

Sincerely,

Agreed:

Paul C. Jablonski  
Chief Executive Officer

\_\_\_\_\_  
Michael L. Dirnberger  
Creative Bus Sales

Date: \_\_\_\_\_

DEC14-06.14.AttA.CREATIVESALES.EHURWITZ

**A-1**





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

## Agenda

## Item No. 25

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

SRTP 805.1 (PC 50451)

December 14, 2006

### SUBJECT:

MTS: PUBLIC HEARING ON THE PROPOSED REPLACEMENT OF ROUTE 31  
SERVICE ON WEEKENDS WITH ROUTE 921 SERVICE

### RECOMMENDATION:

That the Board of Directors: (1) conduct a public hearing on the proposed changes to Routes 31 and 921 bus service; and (2) approve the proposed changes for implementation on January 28, 2007.

#### Budget Impact

This service change would not result in additional operating costs.

### DISCUSSION:

In September 2006, Route 31 was changed in Mira Mesa due to the Service Development Plan of the Comprehensive Operational Analysis (COA) as approved by the MTS Board earlier this year. Instead of operating on Camino Ruiz between Miramar Road and Mira Mesa Boulevard, the route was changed to operate on Black Mountain Road between these two streets. On weekdays, Route 964 operates on most of Camino Ruiz where Route 31 used to provide service. However, on weekends, passengers who live on or near Camino Ruiz and Gold Coast Drive do not have any service within a walkable distance.



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MTS planners have received many comments regarding the elimination of service on Camino Ruiz on weekends (see Attachment A). As part of the COA, MTS promised to take a second look at the changes that were made and make adjustments to the Service Development Plan if a better routing or service level is possible. In this case, Route 31 ridership on the new routing is struggling on weekends with an average of only six passengers boarding on each trip. It is unlikely that Route 31 will experience future ridership gains since it is a route that has served these areas for many years under several different route numbers.

To better serve residents of Mira Mesa, it is proposed that MTS replace Route 31 service on weekends with Route 921 service on a slightly altered routing. Route 31 currently runs every 30 minutes while the proposed Route 921 would operate every 60 minutes. As shown in the public hearing announcement (Attachment B), the new routing would serve the heart of residential Mira Mesa, including Camino Ruiz and Gold Coast Drive and provide connections to shopping at University Town Center Mall and Mira Mesa Market Center as well as a multitude of transit connections in these areas. Passengers would no longer require a lengthy walk to reach a bus on weekends. This new routing would satisfy most of the passengers who expressed their concern about a lack of transit service in Mira Mesa on weekends and holidays.

Passengers negatively affected by this change would include those who travel to/from Miramar Road on weekends. Route 20 would provide some connectivity to MCAS Miramar via a connection with Route 921 in Mira Mesa. Route 20 would also continue to provide service along Black Mountain Road where it currently overlaps Route 31. However, most of the current Route 31 riders travel from points along the proposed Route 921 to the UTC area. If approved, the changes would go into effect on January 28, 2007.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Devin Braun, 619.595.4916, [Devin.Braun@sdmts.com](mailto:Devin.Braun@sdmts.com)

DEC14-06.25.PUBLIC HRG RTS 31 921.DBRAUN

Attachments: A. Mira Mesa Weekend Service Comments  
B. Mira Mesa Public Hearing Notice

## COMMENTS REGARDING BUS SERVICE IN MIRA MESA

NAME	ADDRESS	COMMENT
Jennifer Lopez	10163 Camino Ruiz	Why? Are you taking away the bus services! You did not even think about the customer who rides the bus every day! So now what do we do? Pay extra for taxicab?
Ruth Morris	10201 Camino Ruiz	We need bus service to get to the stores and work.
Maria Hernandez	10201 Camino Ruiz	We are so disappointed how the bus services will stop services on Camino Ruiz. Who is the idiot of a designer who came up with such a stupid plan! What am I to do with my 5 children to get around with?
Joseph Cepeda	10203 Camino Ruiz #173	Bus service needed on weekends for seniors to go to work
Alicia Simons	10201 Camino Ruiz	I need service for residents at this 634-apt community at the Esplanade on Camino Ruiz.
Ruth Napier	202 Island Ave #447	I live downtown, but I work in Mira Mesa on Camino Ruiz. I'm a senior & cannot walk 3 miles from Black Mountain to Camino Ruiz and back to go home. Can we have back our bus service? Thank you.
Rolando Flores	8316 Flanders Dr.	There is no bus service and we will like to have bus service for those who need it to get to work and stores.
Marilon Thille	PO BOX 712233 SD, CA 92072	We need bus on Camino Ruiz on weekend and weekdays.
Samantha McLemore	10220 Camino Ruiz #133	Need bus service on the weekends for people who work and use bus for travel to parks and shopping
Wendi Dillard	8316 Flanders Dr.	Need service on weekends. People have to work.
Fritzie Ongjao	8304 Flanders Dr. #95	Need bus service in Mira Mesa/Camino Ruiz on weekend. People have to work.
Amalia I. Phillips	8316 Flanders Dr. #133	No service on weekends. We need service. Long walk to get to anywhere.
Maria Santana	10163 Camino Ruiz	Please do not do this to us. We already are having a difficult time getting to school and work.
Ruth Napier	202 Island Ave. #447	We need a bus to service Camino Ruiz in Mira Mesa on the weekend. 3 ½ miles from Black Mountain to Camino Ruiz. We have seniors that need bus services. I'll have to walk from Black Mountain to Camino Ruiz to get to work.
Holly Boyle	8316 Flanders Dr. #133	Need service on Camino Ruiz for 700 residents of Esplanade and our employees.
Vickie Kraft	10203 Camino Ruiz	Service back on this street. My mother has a walker and cannot walk that far.
Ray Lynch	10203 Camino Ruiz	No bus service on Camino Ruiz @ all.
Lawanda Fisher	10203 Camino Ruiz	We need service put back on Camino Ruiz. I need to go to the Sharp Clinic on Activity Rd. Too far to walk. Thank you.
Jonelle Cepeda	10203 Camino Ruiz #173	Need bus service on Camino Ruiz for elderly that work on the weekend.
Ms. Holly	Via telephone	Ms. Holly (called again) she lives in Mira Mesa and she takes the bus from Park Dale to Black Mtn. Road, she has to walk really far to take the bus. Also she would like weekend service, please call her back.
Anie Wong	Via telephone	Rider regrets the lack of service on weekends in Mira Mesa. She requests that Route 921 run on weekends.
Anonymous	Via telephone	She rides RT 921 from Mira Mesa to UTC and she needs weekend service, please call her back.
Anonymous	Via telephone	Upset about the elimination of 31, there is no weekend service of seniors now. Please call back.
Laura Jones	Via telephone	She is not happy about no weekend service. Also she now has to walk a very far distance to catch RT 20
Pamela	Via telephone	She wants to know why there is no weekend service. She does not have a car and is highly disappointed that there is no weekend service. She is a taxpayer and she wants us to come up with another plan.



Att. B, AI 25, 12/14/06, SRTP 805.1

## PUBLIC HEARING: MIRA MESA BUS SERVICE

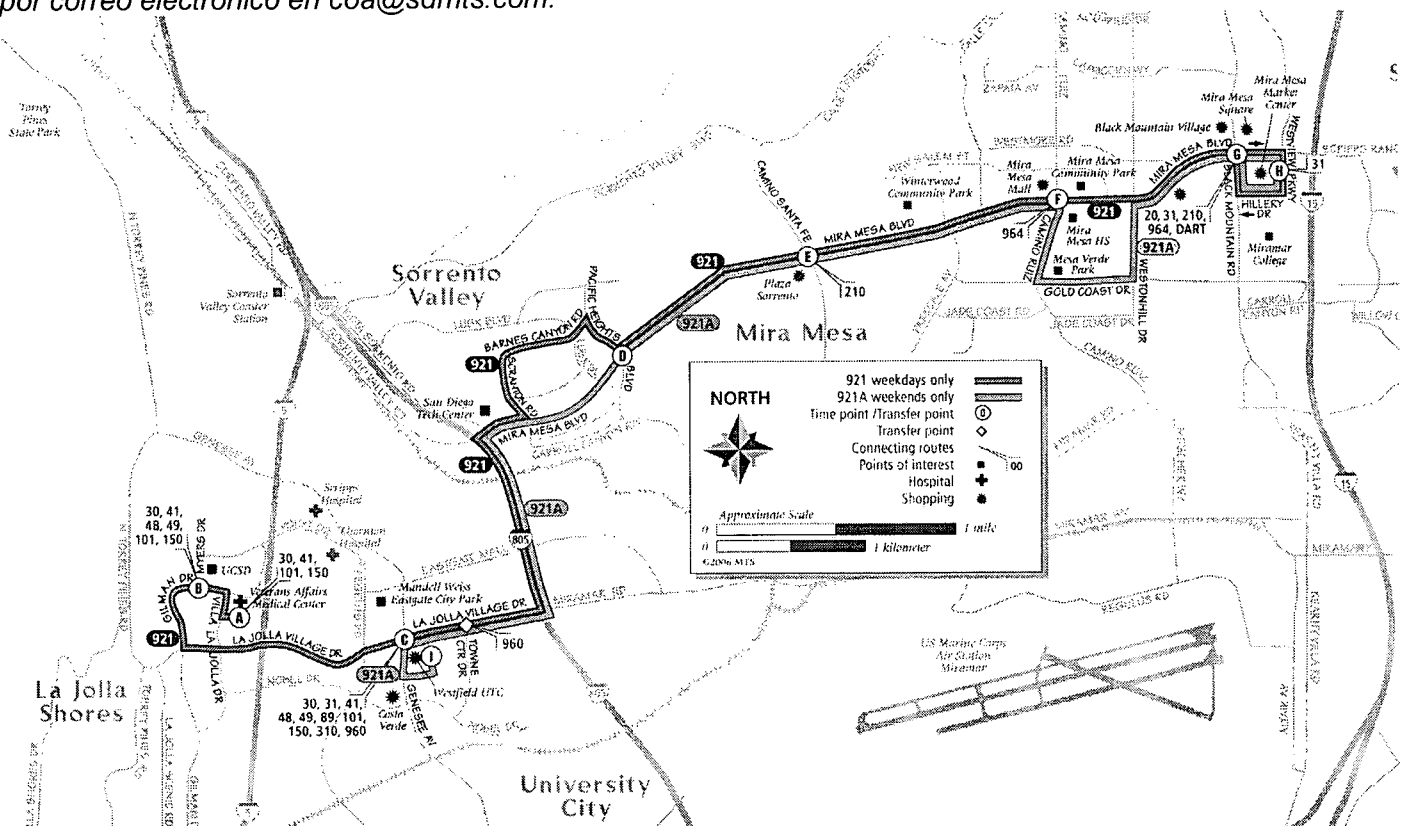
MTS is proposing to replace Route 31 service on weekends/holidays with Route 921 service beginning January 28, 2007. Route 921 weekend/holiday service would be added between UTC Mall and Mira Mesa approximately every 60 minutes (on a slightly different route than the current Route 921 routing). See map below.

There will be a public hearing regarding this change on Thurs., **December 14, 2006**, at 9:00 a.m. at 1255 Imperial Ave. (10th floor), San Diego, CA 92101. If you cannot attend the hearing, you may leave your comments at (619) 595-4912, or write to: "MTS Board: Route 31 Comments" at the above address or via e-mail at [coa@sdmts.com](mailto:coa@sdmts.com).

## AUDIENCIA PUBLICA: SERVICIO DE AUTOBUSES EN MIRA MESA

MTS está proponiendo reemplazar la ruta 31 con la ruta 921 durante los fines de semana y días festivos a partir del 28 de enero del 2007. La ruta 921 operaría en estos días entre UTC y Mira Mesa aproximadamente cada 60 minutos (en una ruta un poco diferente a la ruta actual). Consulte el mapa a continuación.

La junta directiva de MTS realizará la audiencia pública sobre el cambio, el jueves **14 de diciembre del 2006**, en 1255 Imperial Ave. (piso 10), San Diego, CA, 92101. Aquellos que no puedan acudir a la Audiencia Pública pueden enviar sus comentarios llamando a MTS al (619) 595-4912, o escribiendo a MTS en la dirección arriba, o por correo electrónico en [coa@sdmts.com](mailto:coa@sdmts.com).



For more information: *Para más información:*  
[www.sdcommute.com](http://www.sdcommute.com)  
619-233-3004

B-1



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

## **\*\*\*Continued from the 11/16/06 Board Meeting\*\*\***

### **Agenda**

**Item No. 30**

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

OPS 930

December 14, 2006

#### **SUBJECT:**

MTS: REPORT ON DISCUSSIONS WITH CITY OF NATIONAL CITY REGARDING  
TRANSFERRING OPERATIONAL RESPONSIBILITY FOR NATIONAL CITY TRANSIT  
SERVICE

#### **RECOMMENDATION:**

That the Board of Directors receive a report on the discussions with City of National City representatives and provide direction to staff.

#### **Budget Impact**

None.

#### **DISCUSSION:**

On November 16, 2006, the Board of Directors continued Agenda Item No. 30, "Transferring Operational Responsibility for National City Transit Service" to the December meeting. The Board directed staff and a task force of members of the Board to meet with City of National City representatives, representatives of the union, and



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

representatives of McDonald Transit to discuss concerns expressed at the November Board meeting. Those discussions have been ongoing, and staff will provide an oral report during the meeting.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Paul Jablonski, 619.557.4583. [paul.jablonski@sdmts.com](mailto:paul.jablonski@sdmts.com)

DEC14-06.30.NATIONALCITY.SCOONEY

Attachment: A. Agenda Item No. 30 from the MTS Board Meeting on 11/16/06



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.

FIN 340.2 (PC 50601)

November 16, 2006

### SUBJECT:

MTS: TRANSFERRING OPERATIONAL RESPONSIBILITY FOR NATIONAL CITY TRANSIT SERVICE

### RECOMMENDATION:

That the Board of Directors:

1. receive a report from staff;
2. approve the transfer of operational responsibility for National City Transit services to MTS and discontinue payment to National City for those services on January 28, 2007; and
3. appoint a transition team to work with National City to assist with the transfer of transit services and resolution of any contractual termination costs.

#### Budget Impact

Potential \$565,200 reduction in FY 2007 budgeted costs would pay for investment in additional National City bus service proposed by the Comprehensive Operational Analysis (COA).

### EXECUTIVE SUMMARY:

National City Transit's budget is paid for by MTS each year. Upon examination of transit operations in National City, MTS staff has concluded that from a business perspective, the continued operation of a separate 14-bus system in National City is an inefficient use



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of taxpayer funds. Significant efficiencies and cost savings can be achieved if MTS assumes operations currently managed by McDonald Transit Associates on behalf of National City. The benefits to be achieved by transfer of operational responsibility include:

- An annual operating cost savings of at least \$565,200, to include savings from the elimination of separate management fees and rental payments totaling \$424,746.
- The ability to afford a 41% increase in service to National City as recommended by the COA.
- Continued employment and guaranteed rates of pay at or above current levels for all National City Transit employees.
- Elimination of the need to build a separate, costly compressed natural gas (CNG) infrastructure at 522 West 8th Street in order to accommodate CNG for a 14-bus operation.
- The ability to more quickly introduce CNG technology into National City.
- The ability to integrate routes serving National City with the broader transit network.
- The freeing up of the property at 522 West 8th Street for a better use by National City, including the potential investment by MTS in the construction of a major transit center and rail station.

#### DISCUSSION:

National City Transit operates 9 MTS buses (and maintains 5 spares) on 3 bus routes (Nos. 601, 602, and 603) in the City of National City (City). The City, through a number of actions, has contracted with Texas-based McDonald Transit Associates, Inc. (McDonald) to provide transit services under the National City Transit umbrella since 1979. In 1997, the City added California-based Bayshore Transit Management, Inc. (Bayshore) to the contract. Bayshore was incorporated locally by McDonald to act as the employer of the City-based transit employees while McDonald continues to employ the resident general manager.

The 1997 "Contract to Establish and Operate Transit Service" established the guidelines for the operating agreement that is in force today. Under this contract between the City and McDonald, the cost of operating the system and compensation paid to McDonald are controlled through a City-approved budget. According to the contract, the service was to be funded entirely through state Transportation Development Act (TDA) funding and fare revenue. The City had been the direct recipient of TDA funds when this contract was approved; MTS is now the direct recipient. Therefore, the budget for National City Transit is approved and funded by the MTS Board of Directors each fiscal year.



The initial term of the contract between McDonald and the City was five years. Incorporated into the contract was the authorization granted to McDonald to unilaterally exercise options to extend the contract for successive five-year terms. McDonald submitted a letter of Election to Extend in 2002 effectively continuing the contract for five more years. The contract is terminable upon 30 days' notice if funding is eliminated or reduced and for convenience upon one year's notice. It was emphasized during conversations held with City officials that action regarding the transfer of responsibility had to be accomplished expeditiously because of the approaching expiration of the existing contract with McDonald. Notification of McDonald that funding will be discontinued is an essential element to avoid an unwarranted contract extension, which could lead to greater liquidation costs for the City.

In 1997, the City and McDonald also entered into the "Maintenance and Operating Agreement," which set out the respective rights and responsibilities of the parties in the use of the newly acquired, City-owned facility at 522 West 8th Street. The 2.4-acre property was purchased by the City in 1995 as a maintenance facility for the 14-bus fleet. National City Transit submitted a \$1 million TDA claim for the purchase in July 1995 and two more claims in 1996 and 1997 for modification of the existing facilities for use in bus operations. The City's contractor, McDonald, agreed to pay the City \$84,000 in its first year for the use of the facility with escalators based on the greater of 5% or the Consumer Price Index. While the property was paid for with TDA revenue, TDA revenue also currently pays the rent. As with all other aspects of the National City Transit budget, the rent payment is paid for by MTS.

National City is a strong transit market, and the COA has identified various service enhancements that could increase the success of transit in the City. The level of bus service is expected to improve by 41% if changes approved by the Board are implemented in January (Attachment A). As envisioned in the COA, all service in the City is to connect to routes outside of the City to achieve a more integrated service network for MTS riders and those routes are currently serviced by service providers under contract to MTS. The COA changes could be implemented and all service in the City provided under existing contracted services with other private operators.

In evaluating transit operations in the National City Transit service area, MTS determined that significant efficiencies and cost-savings could be achieved by operating this service under MTS as part of MTS's existing Contract Services. Table 1 provides a comparison of the 2006 cost to operate the existing bus routes under McDonald and the estimated cost savings that could be achieved by consolidating operations through MTS Contract Services. The Fiscal Year 2006 budget for National City Transit was \$3,021,000. If operations were consolidated with MTS's current contract services, it is estimated that operating expenses could be cut to \$2,455,800. An analysis of the two scenarios for operation of the system as it exists today demonstrates that an annual savings of \$565,200 could be achieved through consolidation.

There are three factors that drive up the price of National City Transit services:

1. The City's contract with McDonald requires the City to pay a management fee to McDonald, a fee that is passed to MTS through its budget. \$157,916 was included in the Fiscal Year 2007 budget for National City Transit.
2. National City Transit, and therefore MTS, pays a rental fee for the 8th Street property--\$136,830 in Fiscal Year 2007. Because of the small number of buses

operated by National City Transit, MTS can readily maintain them in existing MTS facilities thereby eliminating the need to continue operating the National City Facility. This would free up the property for a higher and better use to benefit the City, including potential investment by MTS to convert it to a major transit center. In addition, the future need to phase out the current diesel-powered buses by converting to CNG requires access to CNG facilities. A CNG installation in the National City facility for such a small number of buses is not cost effective.

3. The City of National City began charging MTS an overhead charge in Fiscal Year 2006. In Fiscal Year 2007, that charge is \$130,000 and is expected to rise to \$150,000 next year. At the same time, the Federal Transit Administration recently recommended that MTS increase its own oversight of National City Transit operations, which could increase MTS-related overhead costs.

These three line items in the National City Transit Fiscal Year 2007 budget total \$424,746 (Table 2).

**Table 1**  
**San Diego Metropolitan Transit System versus National City Transit**  
**(Based on FY 2006 levels of service)**

	McDonald Transit Cost for Service	MTS/Contract Services	Cost Savings with MTS
<b>Operating Expenses</b>			
Personnel/Outside Services/Materials & Supplies	2,131,000 <sup>1</sup>	80,000	
Contracted Transportation	0	2,020,800 <sup>2</sup>	
Energy	339,000	339,000	
Risk Management/General and Administrative/Rent	551,000	16,000	
<b>Total Operating Expenses</b>	<b>3,021,000</b>	<b>2,455,800</b>	<b>565,200</b>

<sup>1</sup> From National City Transit FY 2007 Operating Budget

<sup>2</sup> Cost to perform service under MTS contract with Veolia based on 480,000 revenue miles at \$4.21/mile.

**Table 2**  
**FY 2007 Overhead Associated with National City Transit Operations**

<b>Overhead Categories</b>	<b>Cost</b>
McDonald Management Fee	\$157,916
City Property Rent	\$136,830
City Overhead Charge	\$130,000
<b>Total Cost to MTS</b>	<b>\$424,746</b>

## History of Discussions with National City Regarding the Future of National City Transit

In the spring of 2005, the COA project team suggested that transfer of National City Transit routes to MTS Contract Services could result in substantial cost savings for the agency. For the first time, National City Transit also submitted \$120,000 in City administrative overhead charges as part of its Fiscal Year 2006 budget. In April 2005, the MTS Budget Committee asked the CEO to examine National City Transit costs and operations. Informal discussions with the City's MTS Board member were held in late spring of 2005 to discuss inefficiencies in the McDonald arrangement and the potential cost savings that could be achieved if MTS operated the services. An understanding was expressed by both sides that the savings could result in substantial reinvestment in bus service in the City.

Dialogue between the City and MTS continued through 2005 and culminated in the preparation of a detailed analysis (Attachment B), which was formally submitted to the City under cover of a letter to the City's former MTS Board member in early March 2006. In April 2006, a meeting to discuss the potential transfer of operations to MTS Contract Services was held between MTS staff, the MTS Chairman, and representatives from City staff and Council. At that meeting, the reinvestment of the cost savings was again discussed. A full detailing of communications and events in 2005 and 2006 is attached (Attachment C).

In early July 2006, MTS and City representatives met again to discuss the consolidation of National City Transit with MTS operations. The City representatives indicated that they needed to show the City Council that the City was benefiting from the change. They dismissed the increased service proposed by the COA as inadequate incentive for the consolidation since they saw this as something that the City was already going to receive because of the COA. The City Council representatives proposed that MTS purchase the property at 522 West 8th Street to allow movement of the transit center to that location. The rationale expressed was that the money that the City would receive for the property, along with the enhanced transit center on the new site, would be incentive for the City Council to approve the consolidation of National City Transit and the cancellation of the contractual relationship with McDonald. All parties agreed to analyze the feasibility of MTS's purchase of the property. The City's representatives asked MTS to return with an offer while, at the same time, the City would seek an appraisal for the property. MTS representatives indicated that they would have to return to the Executive Committee and Board prior to making any response to the City's request.

MTS staff researched the value of the property at 522 West 8th Street, the history of the original purchase by the City, and the potential benefits to transit service that could be derived from acquisition. As discussed in the July 2006 meeting with the City representatives, MTS staff met with the Executive Committee and Board in August. The Chairman and CEO met with City representatives on August 22, 2006, and reiterated the Board's direction in a letter dated September 7 (Attachment D). MTS emphasized its commitment to service to the City, its desire to implement the service improvements recommended by the COA, and its hope that representatives of the City would assist in completing an orderly transfer so as not to disrupt service for residents in the community. In addition, it was made clear that the Board considered the purchase and improvement of 522 West 8th Street as a separate issue from the transfer of operations of bus service in the City; however, MTS expressed its willingness to discuss potential development of the site for a new rail station and transit center. During these

discussions, and in separate meetings held at the request of union officials, assurances were made that as a result of the transfer, National City Transit employees would have comparable employment with MTS or its contractor.

### Conclusion

While National City Transit may be justly proud of the efficiency of its operation in terms of its impressive farebox recovery ratio, there are unnecessary expenses in its operating budget that cannot be ignored. Transfer of operations to MTS Contract Services would permit MTS to deliver more service to the community at a lower cost to the taxpaying public. The expeditious transfer of operational responsibility to MTS would advance the Board's overall goal of creating a sustainable transit system for the region.



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Paul C. Jablonski  
Chief Executive Officer

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- Attachments:
- A. National City Transit Service Area Summary
  - B. Whitepaper: *"Proposed Consolidation of National City Transit with MTS Contract Services"* prepared February 2006
  - C. Chronology of Events Concerning National City Transit
  - D. Letter to National City Mayor Nick Inzunza

## SERVICE AREA SUMMARY

### SERVICE AREA

#### NATIONAL CITY

### JURISDICTIONS/AREAS SERVED

- City of National City

### ROUTES SERVING AREA

- 13 (Kaiser Hospital/Mission Valley – 24<sup>th</sup> St. Trolley Station via Grantville Trolley, Fairmont Ave., Euclid Trolley & 18<sup>th</sup> St.)
- 929 (Downtown – San Ysidro via Main, Highland and 3<sup>rd</sup> Aves)
- 932 (8<sup>th</sup> St Trolley – San Ysidro via Broadway & Beyer Blvd.)
- 955 (8<sup>th</sup> St Trolley - SDSU via 54<sup>th</sup> St.)
- 961 (24<sup>th</sup> St. Trolley – 62<sup>nd</sup>/Encanto Trolley Station via Plaza Bonita, Woodman, & E. 30<sup>th</sup> St.)
- 962 (8<sup>th</sup> St. Trolley – Spring Valley via Plaza Blvd, Alleghany St., Paradise Valley Road)
- 963 (8<sup>th</sup> St Trolley – Plaza Bonita via Plaza Blvd, Euclid Ave.)
- 967 (24<sup>th</sup> St Trolley – Munda Rd/Oriskany Rd via D Ave, 4<sup>th</sup> St.)
- 968 (24<sup>th</sup> St Trolley – Division St/Ava St via D Ave, Division St.)

### SUMMARY OF CHANGES

- Increases span of service in National City at nights and on weekends
  - Weekdays: 13 (5:14a-11:48p), 961 (5:19a-9:10p), 962 (5:23a-10:24p), 963 (5:23a-9:54p), 967 (5:36a-8:53p), 968 (5:10a-8:25p)
  - Weekends: 13 (5:46a-11:18p), 961 (7:07a-7:09p), 962 (6:20a-7:05p), 963 (No Service), 967 (7:14a-7:00p), 968 (7:43a-7:25p)
- Provides high-frequency service along major corridors with direct connections to/from major regional transfer hubs to/from National City – direct service to Mission Valley, SDSU, Downtown SD, and San Ysidro Port of Entry.
- Provides high-frequency, streamlined service on major north/south/east/west corridors connecting Blue, Orange, and Green Line trolleys, 24<sup>th</sup> St Trolley, 8<sup>th</sup> St Trolley, Euclid Trolley, Plaza Bonita, 62<sup>nd</sup>/Encanto Trolley, and Spring Valley. (Routes 013, 929, 932, 955, 961a – all 15-minute frequencies.)
- Extends regional east/west service to Spring Valley Shopping Center. New local service to 8<sup>th</sup> Street Trolley Station. All proposed routes provide bidirectional service vs. current one-directional looping services.
- Minor service coverage lost with minimal ridership impacts
  - J St and L St (602)
  - Euclid Ave between 20<sup>th</sup> and 24<sup>th</sup> (603)
  - 16<sup>th</sup> Street (962)

## **Whitepaper**

# **PROPOSED CONSOLIDATION OF NATIONAL CITY TRANSIT WITH THE METROPOLITAN TRANSIT SYSTEM CONTRACT SERVICES**

**February, 2006**

### **Summary**

In its effort to create a sustainable transit system for the region, the Metropolitan Transit System (MTS) is evaluating all possible ways to make the system run more efficiently. We examined the operations of transit in National City as part of this system-wide analysis. The conclusion is that the City of National City and MTS will achieve significant efficiencies and cost savings if MTS assumes operations currently managed by McDonald Transit Associates/Bayshore Transit Management (National City Transit). MTS would realize an annual savings of \$446,000- \$489,000. This cost savings will free up capital which would allow MTS to provide enhanced service to the City's transit customers. MTS should work with the City of National City immediately to initiate the consolidation.

### **Background**

National City Transit operates 14 buses on three bus routes (#601, 602 and 603) in the City of National City. The City, through a number of actions, has contracted with Texas-based McDonald Transit Associates, Inc. (McDT) to provide transit services under the National City Transit umbrella since 1979. In 1997, the City added California-based Bayshore Transit Management, Inc. (BTM) to the contract. BTM was incorporated locally by McDT to act as the employer of National City-based transit employees, while McDT continues to employ the Resident Manager.

The 1997 "Contract to Establish and Operate Transit Service" established the guidelines for the operating agreement that is in force today. Under this contract, the cost of operating the system, and compensation paid to McDT for operating the system, were controlled through a City-approved budget. The service was to be funded entirely through state Transportation Development Act (TDA) funding and fare revenue. As part of the agreement, McDT furnishes fidelity and surety bonds for its employees, and BTM indemnifies and provides insurance coverage for liability to the City arising from the performance of the contract by McDT or BTM. In that contract, the City agreed to

furnish, either in kind or through cost reimbursement, all offices, office furniture, equipment, materials, supplies, revenue vehicles, supervisory vehicles, bus maintenance and storage facilities, and equipment needed to operate the system. The City had been the direct recipient of TDA funds when this contract was approved; MTS is now the direct recipient.

The budget for National City Transit is approved by the MTS Board of Directors each fiscal year. Fare and other revenue is used to offset the cost of operating the system, with TDA funds subsidizing the difference. The City, through National City Transit, added an additional overhead charge for the first time in Fiscal Year 2006. \$90,000 has been budgeted in the "Professional Services" line in the National City Transit budget for payment to the City. Next year, that cost is expected to rise to \$120,000, and \$150,000 in the third year. This cost covers such activities as legal counsel and administration, functions the City has indicated that it performs on behalf of National City Transit. The City proposed the increase in payments because it is not fully recovering the cost of administrative services to National City Transit. This overhead charge is in addition to other budgetary lines for administrative functions such as auditing.

The initial term of the contract was five years. Incorporated into the contract was the authorization granted to McDT, the contractor, to unilaterally exercise options to extend the contract for successive five-year terms. McDT submitted a letter of Election to Extend in 2002, effectively continuing the contract for five more years. The City may terminate the contract at any time if TDA funding is eliminated or reduced, and for convenience upon one year's notice.

In 1997, the City and McDT/BTM also entered into the "Maintenance and Operating Agreement", which set out the respective rights and responsibilities of the parties in the use of the City-owned facility at 522 West 8<sup>th</sup> Street. The facility was purchased and improved with TDA funds, and there is no requirement that the City must use the facility for transit purposes. This "Maintenance and Operating Agreement" is linked to the "Contract to Establish and Operate Transit Service" and will terminate immediately if that contract is terminated. McDT agreed to pay the City \$84,000 in its first year for the use of the facility, with escalators based on the greater of 5% or the Consumer Price Index. In Fiscal Year 2006, the National City Transit Budget included an annual General and Administrative rent cost of \$130,311. As with all other aspects of the National City Transit Budget, this lease payment is paid for by MTS from TDA funds.

#### **Proposal: Consolidation of National City Transit With MTS Contract Services**

In evaluating transit operations in the National City Transit service area, MTS has determined that significant efficiencies and cost-savings could be achieved by operating this service under MTS, as part of our Contract Services. Table 1 provides a comparison of the current cost to operate the existing bus routes, and the estimated costs that would be achieved by consolidating operations through MTS Contract Services. The Fiscal Year 2006 budget for National City Transit is \$3,021,000. The net operating subsidy is

projected to be \$1,720,000. If operations were consolidated with MTS' current contract services, it is estimated that operating expenses could be cut to \$2,532,000, with a subsidy reduction to \$1,231,000. An analysis of the two scenarios for operation of the system as it exists today demonstrates that an annual savings of \$446,000- \$489,000 could be achieved through consolidation. Much of this savings would be realized by eliminating redundancies in overhead and administrative costs. Support services such as legal counsel, auditing and risk management are already being handled at MTS for its other service areas, and the additional responsibilities for the three National City bus routes could easily be absorbed at a cost savings.

**Table 1**  
**San Diego Metropolitan Transit System versus National City Transit**  
**Operating Comparison Summary**

	National City Current Budget	Consolidating Operations/ Contracted Operations <b>High</b>	Consolidating Operations/ Contracted Operations <b>Low</b>	Favorable/ (Unfavorable) Variances <b>High</b>	Favorable/ (Unfavorable) Variances <b>Low</b>
<b>Operating Revenue</b>	1,301,000	1,301,000	1,301,000	--	--
<b>Operating Expenses</b>					
Personnel/Outside Services/Materials & Supplies	2,131,000	80,000	89,000	2,051,000	2,042,000
Purchased Transportation	0	2,097,000	2,129,000	(2,097,000)	(2,129,000)
Energy	339,000	339,000	339,000	0	0
Risk Management/ G&A	551,000	16,000	18,000	535,000	533,000
<b>Total Operating Expenses</b>	3,021,000	2,532,000	2,575,000	489,000	446,000
<b>Net Operating Subsidy</b>	(1,720,000)	(1,231,000)	(1,274,000)	489,000	446,000

As part of this consolidation, MTS would guarantee all operating personnel in good standing currently employed by BTM employment with MTS or its contractor. While it would be preferable to implement the consolidation immediately, McDT/BTM could be provided a year's notice for termination of the existing agreement. The intention of this consolidation is to create system efficiencies that will result in cost savings, and to do so without jeopardizing the current good will amongst employees, the contractor, and the City.



This proposed consolidation would relieve MTS from the administrative fees that it is currently paying to the City of National City for various administrative services being provided to McDT/BTM. In Fiscal year 2006, that fee was \$90,000, a figure that will jump to \$120,000 next year, and \$150,000 in the third year. The City requested that MTS pay this fee because it provides legal counsel and other administrative services to McDT/BTM. With the proposed consolidation, MTS could easily absorb the additional administrative and legal functions, and relieve the City of its responsibilities. Thus, redundancies would be eliminated, and the cost savings could be used for providing better service to the City's customers.

### **Route Changes and Service Enhancements: A Positive Byproduct of Consolidation**

A primary benefit to the City of National City with consolidation of transit services under MTS would be the ability to use the cost-savings to implement various service enhancements. MTS is currently working on a system-wide analysis of transit operations, called the Comprehensive Operational Analysis (COA). The COA is intended to achieve a number of desirable impacts. First, it will help the entire system to achieve financial sustainability, through the optimization of bus and trolley operations, the reduction or elimination of unproductive and duplicative services, and an increase in ridership associated with making the system more attractive and effective. Second, the COA will reconnect our markets with the services provided. The COA will provide a detailed analysis of what is working, and what is not, will identify markets that can and should be served, will make the system responsive to the current mobility needs of our markets, and will provide the types and levels of service that our markets want and need.

The COA was precipitated by a systemic and significant decline in ridership beginning in Fiscal Year 2001, despite increases in service hours. What MTS found was that its services were misaligned with changes in travel demand and market characteristics. Existing service is focused on serving established employment and residential areas, yet transit customers are increasingly varying their areas of employment. Employment in the MTS service area is changing in terms of geography and industry. In addition, the residential population is increasingly suburban. It has become difficult for transit to compete as other modes of transportation become more attractive and transit is misaligned with market needs and wants. The COA proposes to realign the system with rider needs and wants, while focusing resources on the most productive routes and markets.

The City of National City is one of the strongest markets in the MTS service area, and the COA as currently envisioned has identified various service enhancements that could increase the success of transit in the City. With a minimal loss of bus stop coverage, the COA could increase the span of service in National City, provide weekend service, increase the frequency on most routes from 30 minutes to every 15 minutes, and increase the connection to trolley and bus routes in adjacent cities. Attachment 1 shows the increase in the number of hours and miles of service that National City could achieve

under the COA's proposed route changes. Existing service to National City, both within and outside of the City, provides 2,820,267 miles of service annually. Under the COA, that would increase to 3,965,260 miles, almost a 41% increase in service miles.

In the City of National City, the COA would establish a frequent grid network with 15 minute or better base frequencies. It would expand service at night and on weekends within the City. It would provide high frequency and direct connections from National City to major regional transfer hubs, with direct service to Mission Valley, San Diego State University, and Downtown San Diego. It would provide high frequency service on major north/south corridors connecting Blue, Orange and Green Line trolleys along Euclid Avenue, Fairmont Avenue, and 54<sup>th</sup> Street. All of these corridors, which are served by Routes 013, 929, 932 and 955 under the draft proposal, would experience 15 minute frequencies. Bus routing would be streamlined and duplicative service would be rerouted, in order to provide more direct, and therefore quicker, service to destinations and transportation hubs. Regional east/west service would be provided to Spring Valley Shopping Center. Few riders would be impacted by the minor service coverage that would be lost, in comparison to the many riders who would benefit from faster, more frequent service. In addition, riders would be able to access areas outside of National City more easily, especially significant employment centers. (See Attachment 2 for full Summary of COA proposed changes.)

Service enhancements such as those envisioned for National City as part of the COA come at a price. The cost-savings that the MTS system could achieve through consolidating National City Transit under MTS would go a long way toward offsetting that cost. If the COA is implemented as proposed, the new streamlined routes with greater connectivity outside of National City would make it even more difficult to justify the existence of a separate National City Transit agency.

### **Conclusion: Next Steps**

A separate operator for transit service in National City is inefficient and runs counter to the MTS Board of Directors' desire to achieve a more efficient and sustainable transit system. Consolidating routes in National City under MTS would result in nearly a half million dollar annual savings. The money saved could be reinvested into the system, to be used for enhancements such as those envisioned by the Comprehensive Operational Analysis. In addition to better service for National City customers, this action would provide other benefits to the City itself, such as relief from handling administrative responsibilities.

Under one scenario, the MTS Board of Directors could act unilaterally to cease funding National City Transit. MTS funds the National City Transit budget from TDA funds, and the MTS Board has the final authority to decide whether or not to fund that budget. Under the City's agreement with McDT/BTM, the contract may be cancelled at any time if TDA funds are reduced or eliminated. If the MTS Board determined that it would reduce or eliminate funding to maintain National City Transit service, then the decision to

*PROPOSAL: NATIONAL CITY TRANSIT*

terminate the agreement with McDT/BTM would rest with the City. The City could terminate its contract immediately. The City could then request that MTS contract services provide service within its limits, a decision that would rest with the MTS Board.

Under a second scenario, the City could choose to provide a year's notice of cancellation to McDT/BTM, as a first step toward consolidating National City services under MTS contract services. Under this scenario, MTS, with Board approval, could work with McDT/BTM to transition National City bus services.

MTS should contact policymakers in the City of National City to present the proposed consolidation of transit services, and to gather feedback.

## Chronology of Events Concerning National City Transit

### 2005

- Spring Comprehensive Operational Analysis (COA) project team identifies consolidation of National City Transit (NCT) as a potential cost savings measure. NCT includes \$120,000 in City administrative overhead charges as part of its FY 2006 budget submission. MTS Budget Committee asks CEO to investigate NCT costs and operations. Staff begins evaluation of folding National City operations into South Bay contract operations and estimates \$500,000 annual savings.
- Late Spring CEO meets with National City Board member and discusses potential savings and opportunity to reinvest in service.
- September McDonald Transit General Manager submits a CIP item to relocate NCT operations from current site to a proposed new joint public works site so that National City can develop the current NCT site for private development.
- October 13 MTS staff meets with National City Board member to discuss service improvements to National City as part of the COA plan and potential transfer of operations to MTS.
- November 6 Staff begins drafting "white paper" with detailed analysis of NCT costs, budget, and management contract terms. Detailed cost savings confirmed.

### 2006

- January 12 A new National City Board appointee is identified.
- January 13 Outgoing Board member indicates that MTS should continue to work with him on this issue and that he would brief the new Board member.
- February 7 New MTS Board member appointed by National City.
- March 3 MTS prepares letter, attaches "white paper," and hand delivers to outgoing National City Board member.
- March MTS Board holds public hearings and adopts COA plan. Analysis shows that National City could receive estimated 40% increase in service.
- March MTS CEO and General Counsel receive telephone calls regarding the proposal from a National City management representative who expresses concern, claims MTS's actions are an "act of war," and indicates legal action will be forthcoming.
- April 5 MTS Budget Committee briefed on National City Transit expenses as part of FY 2007 budget process.
- April 19 MTS Chairman of the Board, CEO, and staff meet with previous and present National City MTS Board members and National City staff to discuss the transfer. National City representatives are open to the idea of the transfer so long as they see positives for the City, such as the improved service. City staff expresses concern that the revenue from MTS is already budgeted, and its loss could pose a problem if the City's sales tax does not pass. MTS staff explains that the administrative assistance would cease thereby

**2006 Continued**

removing the need for the revenue. National City representatives ask MTS to wait until after June to move ahead.

July 1 MTS Chairman of the Board, CEO, and staff meet with previous and present National City MTS Board members and National City staff to discuss the transfer of service. The National City group identifies itself as the designated committee to negotiate on this issue. After dismissing enhanced service as enough to convince the Council to accept transfer of service operations to MTS, City representatives ask MTS to make an offer to obtain ownership of the property for use as an expanded and enhanced transit center for city residents. City staff offers to assist in finding a fair market appraisal of the property. MTS agrees to study and discuss an offer with the Executive Committee in August.

July, August Staff researches the site with the assistance of National City staff, and finds that it was purchased and improved from 1995-1997. TDA claims and audits filed at the San Diego Association of Governments (SANDAG) indicate that state Transportation Development Act was the source of funding. Former owner of site confirms approximate purchase price.

August 3 Closed session with Executive Committee.

August 10 Closed session with Board of Directors.

August 22 MTS CEO and Chairman meet with National City representatives. Chairman explains that transfer to MTS Contract Services and implementation of the COA recommendations for expanded service in National City will occur in January 2006. He also explains that, while MTS is not willing to pay National City for the land that was purchased with TDA funds, MTS will consider investing in the requested transit facility at the site. National City representatives expressed anger at the prospect of MTS eliminating funding to National City. MTS staff proposes the creation of a Transition Group to ensure that the transfer does not result in service disruptions. The Transition Group could also handle other related issues, such as transition costs.

September 7 MTS Chairman signs letter to National City detailing offer to National City.

September FY 2006 Triennial Review by the Federal Transit Administration (FTA). Recommended that MTS develop and implement procedures to ensure that the City of National City complies with applicable requirements. Additional oversight of National City Transit operations will be required to comply.

October 26 MTS receives letter from National City alleging Brown Act violations.

October 27 National City's MTS Board Member reads letter into the record at SANDAG Board of Directors meeting asking that SANDAG hold a hearing to begin considering SANDAG takeover of operations from the transit agencies.



Metropolitan Transit System

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September 7, 2006

ADM 110.1, OPS 930

Honorable Nick Inzunza  
Mayor  
City of National City  
1243 National City Blvd.  
National City, CA 91950

Re: National City Transit and the Facility at 522 West 8<sup>th</sup> Street

Dear Mayor Inzunza:

The City of National City has been a valued partner in providing transit service to the community for decades. As MTS has grown and changed, your City has supported efforts to create a sustainable transit system despite constrained funding. National City is one of the best transit markets in the region, and as such, deserves to benefit from any improvements that MTS can supply. With these things in mind, I have been authorized to bring the City Council the following outline of MTS plans for transit in National City.

#### 522 West 8<sup>th</sup> Street

At the request of Councilmembers Zarate and Morrison, the MTS Board of Directors has considered the potential transfer of the National City Transit Bus Maintenance Facility at 522 West 8<sup>th</sup> Street to MTS for use as a transit center. While MTS's current transit center location is adequate for current demand and for proposed increases in service under the Comprehensive Operational Analysis (COA), the 2.4-acre site on 8<sup>th</sup> Street is at the heart of the City's redevelopment area, and therefore could become a site for potential growth in transit services in the future. While a new transit facility is not included in the approved Capital Improvement Program or MTS's 10-year funding projections, this does not preclude the potential for use of the site in the more distant future. Therefore, MTS is prepared to discuss the future of the site with the City. As the property was purchased with Transportation Development Act (TDA) funds designated for transit projects, the Board supports the continued use of the property for transit purposes. We are ready to discuss transferring the property from National City Transit to MTS and to invest the capital required to develop a high quality rail station and transit center facility. We will work with the City to come to a mutually satisfactory agreement.

#### National City Transit and Service in the City

As I have discussed with Councilmembers Zarate and Morrison, MTS has reviewed transit service to National City, and has concluded that considerable efficiencies and better service for National City customers would result from consolidation of National City Transit routes under MTS Contract Services. This recommendation is consistent with changes in other cities made as a result of the COA. Therefore, the Board of Directors has authorized me to notify the City Council that in order to realize these efficiencies and service improvements, the agency plans to discontinue funding for National City Transit-provided services effective January 28, 2007. New service under the COA implementation will be operated by MTS Contract Services within the City.

This change will benefit National City in several ways. With consolidation, the City will be relieved of administrative responsibilities that it has fulfilled since it first contracted with McDonald Transit to operate the 12-bus system. Last year, the City included in its budget request a substantial overhead fee to cover its administrative costs, and indicated that that fee would need to be raised each year to eventually pay for what the City was actually spending. With consolidation, this drain on the City's General Fund will be eliminated.

In addition, by moving operations under MTS Contracted Services and realizing at least a \$450,000 annual operating savings, MTS will be able to implement the 41% increase in service to National City that was envisioned in the COA. With implementation of the COA, all service in National City will connect to routes outside the City to achieve a more integrated service network to get National City residents where they want to go faster. Annual route miles connecting to National City will increase from the current 2.8 million miles to nearly 4 million miles. The COA plan will establish a frequent grid network with 15 minute or better base frequencies, and will expand service at night and on weekends within the City. It will provide high frequency and direct connections from National City to major regional transfer hubs, with direct service to Mission Valley, San Diego State University, and Downtown San Diego. It will also provide high frequency service on major north/south corridors connecting Blue, Orange and Green Line trolleys along Euclid Avenue, Fairmont Avenue, and 54<sup>th</sup> Street. All of these corridors, which are served by Routes 013, 929, 932 and 955 under the draft proposal, will experience 15 minute frequencies. Bus routing will be streamlined and duplicative service will be rerouted, in order to provide more direct, and therefore quicker, service to destinations and transportation hubs. Regional east/west service will be provided to Spring Valley Shopping Center. Under the new service routing, the City's contract with National City Transit will no longer be needed, since the routes will join to those currently serviced by other MTS contracts.

MTS is seeking the City's support and assistance in completing the transition without disruption to customer service in National City. This collaboration will likely have associated costs, and MTS will work with the City to help meet these financial responsibilities. MTS is also committed to finding employment for all National City Transit personnel, with the exception of those employed by McDonald Transit. We realize that some costs will be incurred for a short time following the transfer of service operations from National City Transit to MTS. MTS will cover, as we do currently, all costs associated with the shutdown of the facility.

I would like to suggest that the City and MTS convene a transition team with staffs from the respective agencies as soon as possible. The transition team will coordinate the transfer of the MTS-owned vehicles from National City Transit, the amendment to the MTS budget to reflect the transfer, and necessary personnel-related actions.

The creation of a more sustainable transit operation will have greater long-term benefits for National City residents and businesses, and will surely enhance your Council's plans for National City's bright future. We look forward to working with you to enhance public transportation in your city.

Sincerely,



Harry Mathis  
Chairman

c: National City City Council  
MTS Board of Directors



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.

OPS 930

December 14, 2006

### SUBJECT:

MTS: REPORT ON DISCUSSIONS WITH CITY OF NATIONAL CITY REGARDING  
TRANSFERRING OPERATIONAL RESPONSIBILITY FOR NATIONAL CITY TRANSIT  
SERVICE

### RECOMMENDATION:

That the Board of Directors receive a report on the discussions with City of National City representatives and provide direction to staff.

#### Budget Impact

None.

### DISCUSSION:

On November 16, 2006, the Board of Directors continued Agenda Item No. 30, "Transferring Operational Responsibility for National City Transit Service" to the December meeting. The Board directed staff and a task force of members of the Board to meet with City of National City representatives, representatives of the union, and representatives of McDonald Transit to discuss concerns expressed at the November Board meeting. Those discussions have been ongoing, and staff will provide an oral report during the meeting.

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

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Paul Jablonski, 619.557.4583. [paul.jablonski@sdmts.com](mailto:paul.jablonski@sdmts.com)

DEC14-06.30.NATIONALCITY.SCOONEY



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.



# Public Hearing on the Proposed Replacement of Route 31 Service on Weekends with Route 921 Service

Board of Directors

December 14, 2006



# Routes 31 & 921

As part of the COA, MTS promised to take a second look at changes that were made and to make adjustments to the service development plan as needed.

Change needed due to Route 31's very low ridership on weekends (about 6 passengers per trip).

Route 31's ridership would be difficult to improve as this route has been around by itself, or as part of other routes, for years.

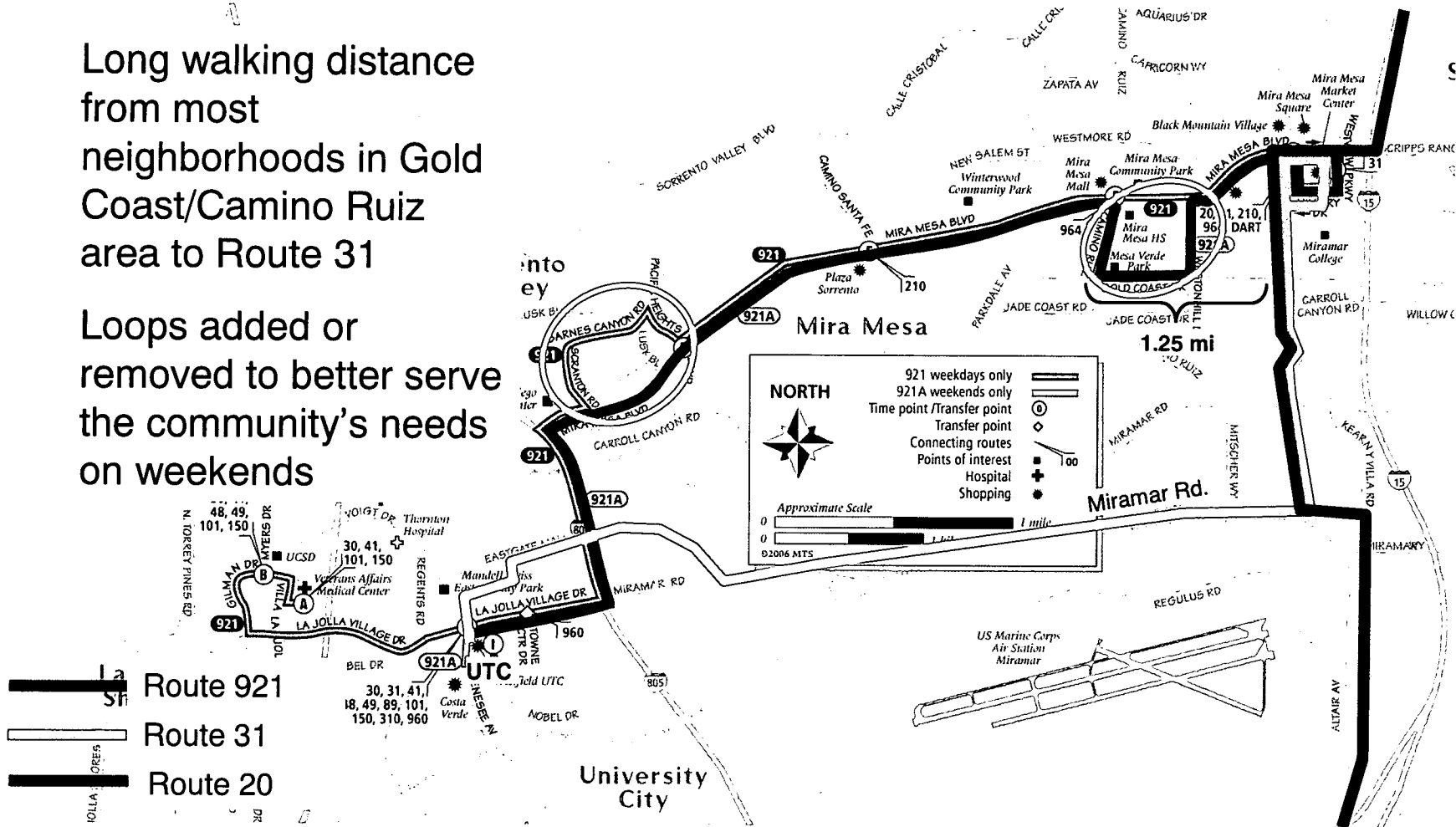
Passengers in the Mira Mesa area have commented about the reestablishment of weekend service in the Camino Ruiz/Gold Coast area since September 2006. See updated Attachment A.



# Route 31/921 Weekend Service

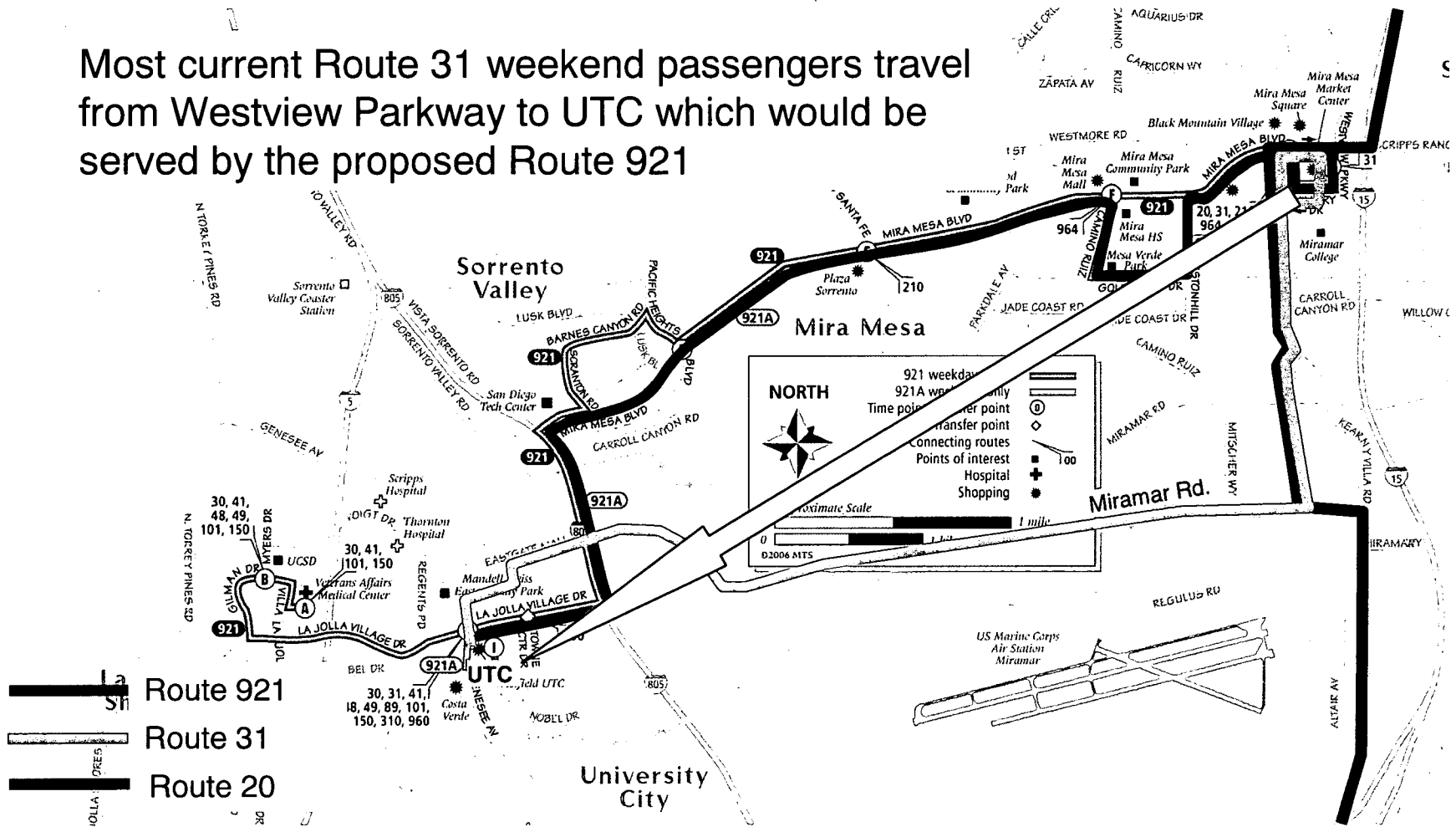
Long walking distance  
from most  
neighborhoods in Gold  
Coast/Camino Ruiz  
area to Route 31

Loops added or removed to better serve the community's needs on weekends



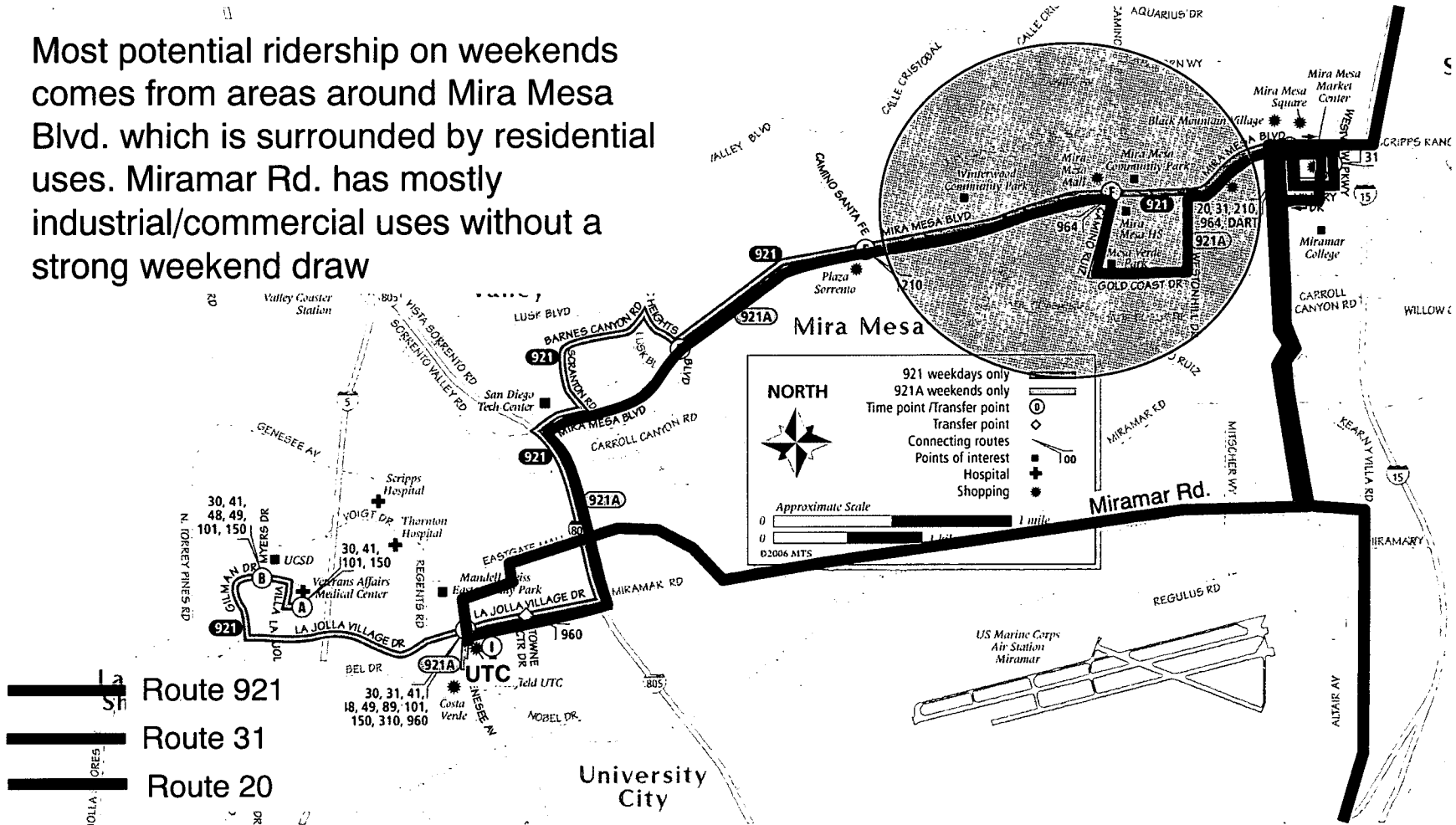
# Route 31/921 Weekend Service

Most current Route 31 weekend passengers travel from Westview Parkway to UTC which would be served by the proposed Route 921



# Route 31/921 Weekend Service

Most potential ridership on weekends comes from areas around Mira Mesa Blvd. which is surrounded by residential uses. Miramar Rd. has mostly industrial/commercial uses without a strong weekend draw



# Routes 31 & 921

## Recommendation:

That the board of directors:

1. Conduct a public hearing on the proposed changes to Routes 31 and 921 bus service
2. Approve the changes for implementation on January 28, 2007.



### Comments Received After Board Mailout

Anonymous	Via telephone	Why are we messing up service in Mira Mesa by removing Route 31? People can't get to their jobs.
Hamid Sakhi	Via email	<p>On the bus stops, I noticed that the MTS has been planning to change its normal schedule with regards to route # 31. Especially weekends, when most students work. This changes may cause many problems for the public who have been using it ever since. The changes would effect most people to even lose their jobs since the gap in between buses would be an hour. I would appreciate if you the MTS management, would reconsider the situation for the sake of public benefits.</p> <p>Thanks for your service.</p>
Tracey	Via telephone	She needs RT 31 for work, she cannot be late and the bus affects her getting to her job on time and if she cannot get to work on time she could lose her job.
June Hokensen	Via telephone	She is over 80 years old and now she has to walk to Scripps Clinic because we took the bus away. She needs to get to 8901 Activity Road from Mira Mar
Erma Padgett	Via telephone, email, and letter 5059 Ensign St.	My son, Steve Padgett, rides the bus for the last 30 years, and cannot drive and is handicapped. Now, working at Miramar Commissary (night stocker) and needs Route 31 for the weekend on Miramar Rd. He takes Route 41 and transfers to Route 31. It would be very inconvenient without Route 31 on weekends. Please reconsider
Steven Padgett	Via telephone and letter 5059 Ensign St.	I have been riding the bus for 30 years and cannot drive because I am handicapped. I work at Miramar NAS Commissary. I take the 41 and transfer to the 31. It would be very inconvenient for me if Route 31 weekend service was cancelled. Please reconsider.



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## \*\*\*Continued from the 11/16/06 Board Meeting\*\*\*

### Agenda

Item No. 30

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

OPS 930

December 14, 2006

#### SUBJECT:

MTS: REPORT ON DISCUSSIONS WITH CITY OF NATIONAL CITY REGARDING  
TRANSFERRING OPERATIONAL RESPONSIBILITY FOR NATIONAL CITY TRANSIT  
SERVICE

#### RECOMMENDATION:

That the Board of Directors receive a report on the discussions with City of National City representatives and provide direction to staff.

#### Budget Impact

None.

#### DISCUSSION:

On November 16, 2006, the Board of Directors continued Agenda Item No. 30, "Transferring Operational Responsibility for National City Transit Service" to the December meeting. The Board directed staff and a task force of members of the Board to meet with City of National City representatives, representatives of the union, and



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.



representatives of McDonald Transit to discuss concerns expressed at the November Board meeting. Those discussions have been ongoing, and staff will provide an oral report during the meeting.



---

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Paul Jablonski, 619.557.4583. [paul.jablonski@sdmts.com](mailto:paul.jablonski@sdmts.com)

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Attachment: A. Agenda Item No. 30 from the MTS Board Meeting on 11/16/06



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## Agenda

Item No. 30

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

FIN 340.2 (PC 50601)

November 16, 2006

### SUBJECT:

MTS: TRANSFERRING OPERATIONAL RESPONSIBILITY FOR NATIONAL CITY TRANSIT  
SERVICE

### RECOMMENDATION:

That the Board of Directors:

1. receive a report from staff;
2. approve the transfer of operational responsibility for National City Transit services to MTS and discontinue payment to National City for those services on January 28, 2007; and
3. appoint a transition team to work with National City to assist with the transfer of transit services and resolution of any contractual termination costs.

#### Budget Impact

Potential \$565,200 reduction in FY 2007 budgeted costs would pay for investment in additional National City bus service proposed by the Comprehensive Operational Analysis (COA).

### EXECUTIVE SUMMARY:

National City Transit's budget is paid for by MTS each year. Upon examination of transit operations in National City, MTS staff has concluded that from a business perspective, the continued operation of a separate 14-bus system in National City is an inefficient use



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of taxpayer funds. Significant efficiencies and cost savings can be achieved if MTS assumes operations currently managed by McDonald Transit Associates on behalf of National City. The benefits to be achieved by transfer of operational responsibility include:

- An annual operating cost savings of at least \$565,200, to include savings from the elimination of separate management fees and rental payments totaling \$424,746.
- The ability to afford a 41% increase in service to National City as recommended by the COA.
- Continued employment and guaranteed rates of pay at or above current levels for all National City Transit employees.
- Elimination of the need to build a separate, costly compressed natural gas (CNG) infrastructure at 522 West 8th Street in order to accommodate CNG for a 14-bus operation.
- The ability to more quickly introduce CNG technology into National City.
- The ability to integrate routes serving National City with the broader transit network.
- The freeing up of the property at 522 West 8th Street for a better use by National City, including the potential investment by MTS in the construction of a major transit center and rail station.

#### DISCUSSION:

National City Transit operates 9 MTS buses (and maintains 5 spares) on 3 bus routes (Nos. 601, 602, and 603) in the City of National City (City). The City, through a number of actions, has contracted with Texas-based McDonald Transit Associates, Inc. (McDonald) to provide transit services under the National City Transit umbrella since 1979. In 1997, the City added California-based Bayshore Transit Management, Inc. (Bayshore) to the contract. Bayshore was incorporated locally by McDonald to act as the employer of the City-based transit employees while McDonald continues to employ the resident general manager.

The 1997 "Contract to Establish and Operate Transit Service" established the guidelines for the operating agreement that is in force today. Under this contract between the City and McDonald, the cost of operating the system and compensation paid to McDonald are controlled through a City-approved budget. According to the contract, the service was to be funded entirely through state Transportation Development Act (TDA) funding and fare revenue. The City had been the direct recipient of TDA funds when this contract was approved; MTS is now the direct recipient. Therefore, the budget for National City Transit is approved and funded by the MTS Board of Directors each fiscal year.

The initial term of the contract between McDonald and the City was five years. Incorporated into the contract was the authorization granted to McDonald to unilaterally exercise options to extend the contract for successive five-year terms. McDonald submitted a letter of Election to Extend in 2002 effectively continuing the contract for five more years. The contract is terminable upon 30 days' notice if funding is eliminated or reduced and for convenience upon one year's notice. It was emphasized during conversations held with City officials that action regarding the transfer of responsibility had to be accomplished expeditiously because of the approaching expiration of the existing contract with McDonald. Notification of McDonald that funding will be discontinued is an essential element to avoid an unwarranted contract extension, which could lead to greater liquidation costs for the City.

In 1997, the City and McDonald also entered into the "Maintenance and Operating Agreement," which set out the respective rights and responsibilities of the parties in the use of the newly acquired, City-owned facility at 522 West 8th Street. The 2.4-acre property was purchased by the City in 1995 as a maintenance facility for the 14-bus fleet. National City Transit submitted a \$1 million TDA claim for the purchase in July 1995 and two more claims in 1996 and 1997 for modification of the existing facilities for use in bus operations. The City's contractor, McDonald, agreed to pay the City \$84,000 in its first year for the use of the facility with escalators based on the greater of 5% or the Consumer Price Index. While the property was paid for with TDA revenue, TDA revenue also currently pays the rent. As with all other aspects of the National City Transit budget, the rent payment is paid for by MTS.

National City is a strong transit market, and the COA has identified various service enhancements that could increase the success of transit in the City. The level of bus service is expected to improve by 41% if changes approved by the Board are implemented in January (Attachment A). As envisioned in the COA, all service in the City is to connect to routes outside of the City to achieve a more integrated service network for MTS riders and those routes are currently serviced by service providers under contract to MTS. The COA changes could be implemented and all service in the City provided under existing contracted services with other private operators.

In evaluating transit operations in the National City Transit service area, MTS determined that significant efficiencies and cost-savings could be achieved by operating this service under MTS as part of MTS's existing Contract Services. Table 1 provides a comparison of the 2006 cost to operate the existing bus routes under McDonald and the estimated cost savings that could be achieved by consolidating operations through MTS Contract Services. The Fiscal Year 2006 budget for National City Transit was \$3,021,000. If operations were consolidated with MTS's current contract services, it is estimated that operating expenses could be cut to \$2,455,800. An analysis of the two scenarios for operation of the system as it exists today demonstrates that an annual savings of \$565,200 could be achieved through consolidation.

There are three factors that drive up the price of National City Transit services:

1. The City's contract with McDonald requires the City to pay a management fee to McDonald, a fee that is passed to MTS through its budget. \$157,916 was included in the Fiscal Year 2007 budget for National City Transit.
2. National City Transit, and therefore MTS, pays a rental fee for the 8th Street property--\$136,830 in Fiscal Year 2007. Because of the small number of buses

operated by National City Transit, MTS can readily maintain them in existing MTS facilities thereby eliminating the need to continue operating the National City Facility. This would free up the property for a higher and better use to benefit the City, including potential investment by MTS to convert it to a major transit center. In addition, the future need to phase out the current diesel-powered buses by converting to CNG requires access to CNG facilities. A CNG installation in the National City facility for such a small number of buses is not cost effective.

3. The City of National City began charging MTS an overhead charge in Fiscal Year 2006. In Fiscal Year 2007, that charge is \$130,000 and is expected to rise to \$150,000 next year. At the same time, the Federal Transit Administration recently recommended that MTS increase its own oversight of National City Transit operations, which could increase MTS-related overhead costs.

These three line items in the National City Transit Fiscal Year 2007 budget total \$424,746 (Table 2).

**Table 1**  
**San Diego Metropolitan Transit System versus National City Transit**  
**(Based on FY 2006 levels of service)**

	McDonald Transit Cost for Service	MTS/Contract Services	Cost Savings with MTS
<b>Operating Expenses</b>			
Personnel/Outside Services/Materials & Supplies	2,131,000 <sup>1</sup>	80,000	
Contracted Transportation	0	2,020,800 <sup>2</sup>	
Energy	339,000	339,000	
Risk Management/ General and Administrative/Rent	551,000	16,000	
<b>Total Operating Expenses</b>	<b>3,021,000</b>	<b>2,455,800</b>	<b>565,200</b>

<sup>1</sup> From National City Transit FY 2007 Operating Budget

<sup>2</sup> Cost to perform service under MTS contract with Veolia based on 480,000 revenue miles at \$4.21/mile.

**Table 2**  
**FY 2007 Overhead Associated with National City Transit Operations**

<b>Overhead Categories</b>	<b>Cost</b>
McDonald Management Fee	\$157,916
City Property Rent	\$136,830
City Overhead Charge	\$130,000
<b>Total Cost to MTS</b>	<b>\$424,746</b>

## History of Discussions with National City Regarding the Future of National City Transit

In the spring of 2005, the COA project team suggested that transfer of National City Transit routes to MTS Contract Services could result in substantial cost savings for the agency. For the first time, National City Transit also submitted \$120,000 in City administrative overhead charges as part of its Fiscal Year 2006 budget. In April 2005, the MTS Budget Committee asked the CEO to examine National City Transit costs and operations. Informal discussions with the City's MTS Board member were held in late spring of 2005 to discuss inefficiencies in the McDonald arrangement and the potential cost savings that could be achieved if MTS operated the services. An understanding was expressed by both sides that the savings could result in substantial reinvestment in bus service in the City.

Dialogue between the City and MTS continued through 2005 and culminated in the preparation of a detailed analysis (Attachment B), which was formally submitted to the City under cover of a letter to the City's former MTS Board member in early March 2006. In April 2006, a meeting to discuss the potential transfer of operations to MTS Contract Services was held between MTS staff, the MTS Chairman, and representatives from City staff and Council. At that meeting, the reinvestment of the cost savings was again discussed. A full detailing of communications and events in 2005 and 2006 is attached (Attachment C).

In early July 2006, MTS and City representatives met again to discuss the consolidation of National City Transit with MTS operations. The City representatives indicated that they needed to show the City Council that the City was benefiting from the change. They dismissed the increased service proposed by the COA as inadequate incentive for the consolidation since they saw this as something that the City was already going to receive because of the COA. The City Council representatives proposed that MTS purchase the property at 522 West 8th Street to allow movement of the transit center to that location. The rationale expressed was that the money that the City would receive for the property, along with the enhanced transit center on the new site, would be incentive for the City Council to approve the consolidation of National City Transit and the cancellation of the contractual relationship with McDonald. All parties agreed to analyze the feasibility of MTS's purchase of the property. The City's representatives asked MTS to return with an offer while, at the same time, the City would seek an appraisal for the property. MTS representatives indicated that they would have to return to the Executive Committee and Board prior to making any response to the City's request.

MTS staff researched the value of the property at 522 West 8th Street, the history of the original purchase by the City, and the potential benefits to transit service that could be derived from acquisition. As discussed in the July 2006 meeting with the City representatives, MTS staff met with the Executive Committee and Board in August. The Chairman and CEO met with City representatives on August 22, 2006, and reiterated the Board's direction in a letter dated September 7 (Attachment D). MTS emphasized its commitment to service to the City, its desire to implement the service improvements recommended by the COA, and its hope that representatives of the City would assist in completing an orderly transfer so as not to disrupt service for residents in the community. In addition, it was made clear that the Board considered the purchase and improvement of 522 West 8th Street as a separate issue from the transfer of operations of bus service in the City; however, MTS expressed its willingness to discuss potential development of the site for a new rail station and transit center. During these

discussions, and in separate meetings held at the request of union officials, assurances were made that as a result of the transfer, National City Transit employees would have comparable employment with MTS or its contractor.

#### Conclusion

While National City Transit may be justly proud of the efficiency of its operation in terms of its impressive farebox recovery ratio, there are unnecessary expenses in its operating budget that cannot be ignored. Transfer of operations to MTS Contract Services would permit MTS to deliver more service to the community at a lower cost to the taxpaying public. The expeditious transfer of operational responsibility to MTS would advance the Board's overall goal of creating a sustainable transit system for the region.



Paul C. Jablonski  
Chief Executive Officer

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- Attachments:
- A. National City Transit Service Area Summary
  - B. Whitepaper: *"Proposed Consolidation of National City Transit with MTS Contract Services"* prepared February 2006
  - C. Chronology of Events Concerning National City Transit
  - D. Letter to National City Mayor Nick Inzunza

## SERVICE AREA SUMMARY

### SERVICE AREA

#### NATIONAL CITY

### JURISDICTIONS/AREAS SERVED

- City of National City

### ROUTES SERVING AREA

- 13 (Kaiser Hospital/Mission Valley – 24<sup>th</sup> St. Trolley Station via Grantville Trolley, Fairmont Ave., Euclid Trolley & 18<sup>th</sup> St.)
- 929 (Downtown – San Ysidro via Main, Highland and 3<sup>rd</sup> Aves)
- 932 (8<sup>th</sup> St Trolley – San Ysidro via Broadway & Beyer Blvd.)
- 955 (8<sup>th</sup> St Trolley – SDSU via 54<sup>th</sup> St.)
- 961 (24<sup>th</sup> St. Trolley – 62<sup>nd</sup>/Encanto Trolley Station via Plaza Bonita, Woodman, & E. 30<sup>th</sup> St.)
- 962 (8<sup>th</sup> St. Trolley – Spring Valley via Plaza Blvd, Alleghany St., Paradise Valley Road)
- 963 (8<sup>th</sup> St Trolley – Plaza Bonita via Plaza Blvd, Euclid Ave.)
- 967 (24<sup>th</sup> St Trolley – Munda Rd/Oriskany Rd via D Ave, 4<sup>th</sup> St.)
- 968 (24<sup>th</sup> St Trolley – Division St/Ava St via D Ave, Division St.)

### SUMMARY OF CHANGES

- Increases span of service in National City at nights and on weekends
  - Weekdays: 13 (5:14a-11:48p), 961 (5:19a-9:10p), 962 (5:23a-10:24p), 963 (5:23a-9:54p), 967 (5:36a-8:53p), 968 (5:10a-8:25p)
  - Weekends: 13 (5:46a-11:18p), 961 (7:07a-7:09p), 962 (6:20a-7:05p), 963 (No Service), 967 (7:14a-7:00p), 968 (7:43a-7:25p)
- Provides high-frequency service along major corridors with direct connections to/from major regional transfer hubs to/from National City – direct service to Mission Valley, SDSU, Downtown SD, and San Ysidro Port of Entry.
- Provides high-frequency, streamlined service on major north/south/east/west corridors connecting Blue, Orange, and Green Line trolleys, 24<sup>th</sup> St Trolley, 8<sup>th</sup> St Trolley, Euclid Trolley, Plaza Bonita, 62<sup>nd</sup>/Encanto Trolley, and Spring Valley. (Routes 013, 929, 932, 955, 961a – all 15-minute frequencies.)
- Extends regional east/west service to Spring Valley Shopping Center. New local service to 8<sup>th</sup> Street Trolley Station. All proposed routes provide bidirectional service vs. current one-directional looping services.
- Minor service coverage lost with minimal ridership impacts
  - J St and L St (602)
  - Euclid Ave between 20<sup>th</sup> and 24<sup>th</sup> (603)
  - 16<sup>th</sup> Street (962)



## **Whitepaper**

# **PROPOSED CONSOLIDATION OF NATIONAL CITY TRANSIT WITH THE METROPOLITAN TRANSIT SYSTEM CONTRACT SERVICES**

**February, 2006**

### **Summary**

In its effort to create a sustainable transit system for the region, the Metropolitan Transit System (MTS) is evaluating all possible ways to make the system run more efficiently. We examined the operations of transit in National City as part of this system-wide analysis. The conclusion is that the City of National City and MTS will achieve significant efficiencies and cost savings if MTS assumes operations currently managed by McDonald Transit Associates/Bayshore Transit Management (National City Transit). MTS would realize an annual savings of \$446,000- \$489,000. This cost savings will free up capital which would allow MTS to provide enhanced service to the City's transit customers. MTS should work with the City of National City immediately to initiate the consolidation.

### **Background**

National City Transit operates 14 buses on three bus routes (#601, 602 and 603) in the City of National City. The City, through a number of actions, has contracted with Texas-based McDonald Transit Associates, Inc. (McDT) to provide transit services under the National City Transit umbrella since 1979. In 1997, the City added California-based Bayshore Transit Management, Inc. (BTM) to the contract. BTM was incorporated locally by McDT to act as the employer of National City-based transit employees, while McDT continues to employ the Resident Manager.

The 1997 "Contract to Establish and Operate Transit Service" established the guidelines for the operating agreement that is in force today. Under this contract, the cost of operating the system, and compensation paid to McDT for operating the system, were controlled through a City-approved budget. The service was to be funded entirely through state Transportation Development Act (TDA) funding and fare revenue. As part of the agreement, McDT furnishes fidelity and surety bonds for its employees, and BTM indemnifies and provides insurance coverage for liability to the City arising from the performance of the contract by McDT or BTM. In that contract, the City agreed to

furnish, either in kind or through cost reimbursement, all offices, office furniture, equipment, materials, supplies, revenue vehicles, supervisory vehicles, bus maintenance and storage facilities, and equipment needed to operate the system. The City had been the direct recipient of TDA funds when this contract was approved; MTS is now the direct recipient.

The budget for National City Transit is approved by the MTS Board of Directors each fiscal year. Fare and other revenue is used to offset the cost of operating the system, with TDA funds subsidizing the difference. The City, through National City Transit, added an additional overhead charge for the first time in Fiscal Year 2006. \$90,000 has been budgeted in the "Professional Services" line in the National City Transit budget for payment to the City. Next year, that cost is expected to rise to \$120,000, and \$150,000 in the third year. This cost covers such activities as legal counsel and administration, functions the City has indicated that it performs on behalf of National City Transit. The City proposed the increase in payments because it is not fully recovering the cost of administrative services to National City Transit. This overhead charge is in addition to other budgetary lines for administrative functions such as auditing.

The initial term of the contract was five years. Incorporated into the contract was the authorization granted to McDT, the contractor, to unilaterally exercise options to extend the contract for successive five-year terms. McDT submitted a letter of Election to Extend in 2002, effectively continuing the contract for five more years. The City may terminate the contract at any time if TDA funding is eliminated or reduced, and for convenience upon one year's notice.

In 1997, the City and McDT/BTM also entered into the "Maintenance and Operating Agreement", which set out the respective rights and responsibilities of the parties in the use of the City-owned facility at 522 West 8<sup>th</sup> Street. The facility was purchased and improved with TDA funds, and there is no requirement that the City must use the facility for transit purposes. This "Maintenance and Operating Agreement" is linked to the "Contract to Establish and Operate Transit Service" and will terminate immediately if that contract is terminated. McDT agreed to pay the City \$84,000 in its first year for the use of the facility, with escalators based on the greater of 5% or the Consumer Price Index. In Fiscal Year 2006, the National City Transit Budget included an annual General and Administrative rent cost of \$130,311. As with all other aspects of the National City Transit Budget, this lease payment is paid for by MTS from TDA funds.

#### **Proposal: Consolidation of National City Transit With MTS Contract Services**

In evaluating transit operations in the National City Transit service area, MTS has determined that significant efficiencies and cost-savings could be achieved by operating this service under MTS, as part of our Contract Services. Table 1 provides a comparison of the current cost to operate the existing bus routes, and the estimated costs that would be achieved by consolidating operations through MTS Contract Services. The Fiscal Year 2006 budget for National City Transit is \$3,021,000. The net operating subsidy is

projected to be \$1,720,000. If operations were consolidated with MTS' current contract services, it is estimated that operating expenses could be cut to \$2,532,000, with a subsidy reduction to \$1,231,000. An analysis of the two scenarios for operation of the system as it exists today demonstrates that an annual savings of \$446,000- \$489,000 could be achieved through consolidation. Much of this savings would be realized by eliminating redundancies in overhead and administrative costs. Support services such as legal counsel, auditing and risk management are already being handled at MTS for its other service areas, and the additional responsibilities for the three National City bus routes could easily be absorbed at a cost savings.

**Table 1**  
**San Diego Metropolitan Transit System versus National City Transit**  
**Operating Comparison Summary**

	National City Current Budget	Consolidating Operations/ Contracted Operations High	Consolidating Operations/ Contracted Operations Low	Favorable/ (Unfavorable) Variances High	Favorable/ (Unfavorable) Variances Low
<b>Operating Revenue</b>	1,301,000	1,301,000	1,301,000	--	--
<b>Operating Expenses</b>					
Personnel/Outside Services/Materials & Supplies	2,131,000	80,000	89,000	2,051,000	2,042,000
Purchased Transportation	0	2,097,000	2,129,000	(2,097,000)	(2,129,000)
Energy	339,000	339,000	339,000	0	0
Risk Management/ G&A	551,000	16,000	18,000	535,000	533,000
<b>Total Operating Expenses</b>	3,021,000	2,532,000	2,575,000	489,000	446,000
<b>Net Operating Subsidy</b>	(1,720,000)	(1,231,000)	(1,274,000)	489,000	446,000

As part of this consolidation, MTS would guarantee all operating personnel in good standing currently employed by BTM employment with MTS or its contractor. While it would be preferable to implement the consolidation immediately, McDT/BTM could be provided a year's notice for termination of the existing agreement. The intention of this consolidation is to create system efficiencies that will result in cost savings, and to do so without jeopardizing the current good will amongst employees, the contractor, and the City.

This proposed consolidation would relieve MTS from the administrative fees that it is currently paying to the City of National City for various administrative services being provided to McDT/BTM. In Fiscal year 2006, that fee was \$90,000, a figure that will jump to \$120,000 next year, and \$150,000 in the third year. The City requested that MTS pay this fee because it provides legal counsel and other administrative services to McDT/BTM. With the proposed consolidation, MTS could easily absorb the additional administrative and legal functions, and relieve the City of its responsibilities. Thus, redundancies would be eliminated, and the cost savings could be used for providing better service to the City's customers.

### **Route Changes and Service Enhancements: A Positive Byproduct of Consolidation**

A primary benefit to the City of National City with consolidation of transit services under MTS would be the ability to use the cost-savings to implement various service enhancements. MTS is currently working on a system-wide analysis of transit operations, called the Comprehensive Operational Analysis (COA). The COA is intended to achieve a number of desirable impacts. First, it will help the entire system to achieve financial sustainability, through the optimization of bus and trolley operations, the reduction or elimination of unproductive and duplicative services, and an increase in ridership associated with making the system more attractive and effective. Second, the COA will reconnect our markets with the services provided. The COA will provide a detailed analysis of what is working, and what is not, will identify markets that can and should be served, will make the system responsive to the current mobility needs of our markets, and will provide the types and levels of service that our markets want and need.

The COA was precipitated by a systemic and significant decline in ridership beginning in Fiscal Year 2001, despite increases in service hours. What MTS found was that its services were misaligned with changes in travel demand and market characteristics. Existing service is focused on serving established employment and residential areas, yet transit customers are increasingly varying their areas of employment. Employment in the MTS service area is changing in terms of geography and industry. In addition, the residential population is increasingly suburban. It has become difficult for transit to compete as other modes of transportation become more attractive and transit is misaligned with market needs and wants. The COA proposes to realign the system with rider needs and wants, while focusing resources on the most productive routes and markets.

The City of National City is one of the strongest markets in the MTS service area, and the COA as currently envisioned has identified various service enhancements that could increase the success of transit in the City. With a minimal loss of bus stop coverage, the COA could increase the span of service in National City, provide weekend service, increase the frequency on most routes from 30 minutes to every 15 minutes, and increase the connection to trolley and bus routes in adjacent cities. Attachment 1 shows the increase in the number of hours and miles of service that National City could achieve

under the COA's proposed route changes. Existing service to National City, both within and outside of the City, provides 2,820,267 miles of service annually. Under the COA, that would increase to 3,965,260 miles, almost a 41% increase in service miles.

In the City of National City, the COA would establish a frequent grid network with 15 minute or better base frequencies. It would expand service at night and on weekends within the City. It would provide high frequency and direct connections from National City to major regional transfer hubs, with direct service to Mission Valley, San Diego State University, and Downtown San Diego. It would provide high frequency service on major north/south corridors connecting Blue, Orange and Green Line trolleys along Euclid Avenue, Fairmont Avenue, and 54<sup>th</sup> Street. All of these corridors, which are served by Routes 013, 929, 932 and 955 under the draft proposal, would experience 15 minute frequencies. Bus routing would be streamlined and duplicative service would be rerouted, in order to provide more direct, and therefore quicker, service to destinations and transportation hubs. Regional east/west service would be provided to Spring Valley Shopping Center. Few riders would be impacted by the minor service coverage that would be lost, in comparison to the many riders who would benefit from faster, more frequent service. In addition, riders would be able to access areas outside of National City more easily, especially significant employment centers. (See Attachment 2 for full Summary of COA proposed changes.)

Service enhancements such as those envisioned for National City as part of the COA come at a price. The cost-savings that the MTS system could achieve through consolidating National City Transit under MTS would go a long way toward offsetting that cost. If the COA is implemented as proposed, the new streamlined routes with greater connectivity outside of National City would make it even more difficult to justify the existence of a separate National City Transit agency.

### **Conclusion: Next Steps**

A separate operator for transit service in National City is inefficient and runs counter to the MTS Board of Directors' desire to achieve a more efficient and sustainable transit system. Consolidating routes in National City under MTS would result in nearly a half million dollar annual savings. The money saved could be reinvested into the system, to be used for enhancements such as those envisioned by the Comprehensive Operational Analysis. In addition to better service for National City customers, this action would provide other benefits to the City itself, such as relief from handling administrative responsibilities.

Under one scenario, the MTS Board of Directors could act unilaterally to cease funding National City Transit. MTS funds the National City Transit budget from TDA funds, and the MTS Board has the final authority to decide whether or not to fund that budget. Under the City's agreement with McDT/BTM, the contract may be cancelled at any time if TDA funds are reduced or eliminated. If the MTS Board determined that it would reduce or eliminate funding to maintain National City Transit service, then the decision to

*PROPOSAL: NATIONAL CITY TRANSIT*

terminate the agreement with McDT/BTM would rest with the City. The City could terminate its contract immediately. The City could then request that MTS contract services provide service within its limits, a decision that would rest with the MTS Board.

Under a second scenario, the City could choose to provide a year's notice of cancellation to McDT/BTM, as a first step toward consolidating National City services under MTS contract services. Under this scenario, MTS, with Board approval, could work with McDT/BTM to transition National City bus services.

MTS should contact policymakers in the City of National City to present the proposed consolidation of transit services, and to gather feedback.

## Chronology of Events Concerning National City Transit

### 2005

- Spring Comprehensive Operational Analysis (COA) project team identifies consolidation of National City Transit (NCT) as a potential cost savings measure. NCT includes \$120,000 in City administrative overhead charges as part of its FY 2006 budget submission. MTS Budget Committee asks CEO to investigate NCT costs and operations. Staff begins evaluation of folding National City operations into South Bay contract operations and estimates \$500,000 annual savings.
- Late Spring CEO meets with National City Board member and discusses potential savings and opportunity to reinvest in service.
- September McDonald Transit General Manager submits a CIP item to relocate NCT operations from current site to a proposed new joint public works site so that National City can develop the current NCT site for private development.
- October 13 MTS staff meets with National City Board member to discuss service improvements to National City as part of the COA plan and potential transfer of operations to MTS.
- November 6 Staff begins drafting "white paper" with detailed analysis of NCT costs, budget, and management contract terms. Detailed cost savings confirmed.

### 2006

- January 12 A new National City Board appointee is identified.
- January 13 Outgoing Board member indicates that MTS should continue to work with him on this issue and that he would brief the new Board member.
- February 7 New MTS Board member appointed by National City.
- March 3 MTS prepares letter, attaches "white paper," and hand delivers to outgoing National City Board member.
- March MTS Board holds public hearings and adopts COA plan. Analysis shows that National City could receive estimated 40% increase in service.
- March MTS CEO and General Counsel receive telephone calls regarding the proposal from a National City management representative who expresses concern, claims MTS's actions are an "act of war," and indicates legal action will be forthcoming.
- April 5 MTS Budget Committee briefed on National City Transit expenses as part of FY 2007 budget process.
- April 19 MTS Chairman of the Board, CEO, and staff meet with previous and present National City MTS Board members and National City staff to discuss the transfer. National City representatives are open to the idea of the transfer so long as they see positives for the City, such as the improved service. City staff expresses concern that the revenue from MTS is already budgeted, and its loss could pose a problem if the City's sales tax does not pass. MTS staff explains that the administrative assistance would cease thereby

## 2006 Continued

removing the need for the revenue. National City representatives ask MTS to wait until after June to move ahead.

- July 11 MTS Chairman of the Board, CEO, and staff meet with previous and present National City MTS Board members and National City staff to discuss the transfer of service. The National City group identifies itself as the designated committee to negotiate on this issue. After dismissing enhanced service as enough to convince the Council to accept transfer of service operations to MTS, City representatives ask MTS to make an offer to obtain ownership of the property for use as an expanded and enhanced transit center for city residents. City staff offers to assist in finding a fair market appraisal of the property. MTS agrees to study and discuss an offer with the Executive Committee in August.
- July, August Staff researches the site with the assistance of National City staff, and finds that it was purchased and improved from 1995-1997. TDA claims and audits filed at the San Diego Association of Governments (SANDAG) indicate that state Transportation Development Act was the source of funding. Former owner of site confirms approximate purchase price.
- August 3 Closed session with Executive Committee.
- August 10 Closed session with Board of Directors.
- August 22 MTS CEO and Chairman meet with National City representatives. Chairman explains that transfer to MTS Contract Services and implementation of the COA recommendations for expanded service in National City will occur in January 2006. He also explains that, while MTS is not willing to pay National City for the land that was purchased with TDA funds, MTS will consider investing in the requested transit facility at the site. National City representatives expressed anger at the prospect of MTS eliminating funding to National City. MTS staff proposes the creation of a Transition Group to ensure that the transfer does not result in service disruptions. The Transition Group could also handle other related issues, such as transition costs.
- September 7 MTS Chairman signs letter to National City detailing offer to National City.
- September FY 2006 Triennial Review by the Federal Transit Administration (FTA). Recommended that MTS develop and implement procedures to ensure that the City of National City complies with applicable requirements. Additional oversight of National City Transit operations will be required to comply.
- October 26 MTS receives letter from National City alleging Brown Act violations.
- October 27 National City's MTS Board Member reads letter into the record at SANDAG Board of Directors meeting asking that SANDAG hold a hearing to begin considering SANDAG takeover of operations from the transit agencies.





Metropolitan Transit System

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

September 7, 2006

ADM 110.1, OPS 930

Honorable Nick Inzunza  
Mayor  
City of National City  
1243 National City Blvd.  
National City, CA 91950

Re: National City Transit and the Facility at 522 West 8<sup>th</sup> Street

Dear Mayor Inzunza:

The City of National City has been a valued partner in providing transit service to the community for decades. As MTS has grown and changed, your City has supported efforts to create a sustainable transit system despite constrained funding. National City is one of the best transit markets in the region, and as such, deserves to benefit from any improvements that MTS can supply. With these things in mind, I have been authorized to bring the City Council the following outline of MTS plans for transit in National City.

#### 522 West 8<sup>th</sup> Street

At the request of Councilmembers Zarate and Morrison, the MTS Board of Directors has considered the potential transfer of the National City Transit Bus Maintenance Facility at 522 West 8<sup>th</sup> Street to MTS for use as a transit center. While MTS's current transit center location is adequate for current demand and for proposed increases in service under the Comprehensive Operational Analysis (COA), the 2.4-acre site on 8<sup>th</sup> Street is at the heart of the City's redevelopment area, and therefore could become a site for potential growth in transit services in the future. While a new transit facility is not included in the approved Capital Improvement Program or MTS's 10-year funding projections, this does not preclude the potential for use of the site in the more distant future. Therefore, MTS is prepared to discuss the future of the site with the City. As the property was purchased with Transportation Development Act (TDA) funds designated for transit projects, the Board supports the continued use of the property for transit purposes. We are ready to discuss transferring the property from National City Transit to MTS and to invest the capital required to develop a high quality rail station and transit center facility. We will work with the City to come to a mutually satisfactory agreement.

#### National City Transit and Service in the City

As I have discussed with Councilmembers Zarate and Morrison, MTS has reviewed transit service to National City, and has concluded that considerable efficiencies and better service for National City customers would result from consolidation of National City Transit routes under MTS Contract Services. This recommendation is consistent with changes in other cities made as a result of the COA. Therefore, the Board of Directors has authorized me to notify the City Council that in order to realize these efficiencies and service improvements, the agency plans to discontinue funding for National City Transit-provided services effective January 28, 2007. New service under the COA implementation will be operated by MTS Contract Services within the City.

This change will benefit National City in several ways. With consolidation, the City will be relieved of administrative responsibilities that it has fulfilled since it first contracted with McDonald Transit to operate the 12-bus system. Last year, the City included in its budget request a substantial overhead fee to cover its administrative costs, and indicated that that fee would need to be raised each year to eventually pay for what the City was actually spending. With consolidation, this drain on the City's General Fund will be eliminated.

In addition, by moving operations under MTS Contracted Services and realizing at least a \$450,000 annual operating savings, MTS will be able to implement the 41% increase in service to National City that was envisioned in the COA. With implementation of the COA, all service in National City will connect to routes outside the City to achieve a more integrated service network to get National City residents where they want to go faster. Annual route miles connecting to National City will increase from the current 2.8 million miles to nearly 4 million miles. The COA plan will establish a frequent grid network with 15 minute or better base frequencies, and will expand service at night and on weekends within the City. It will provide high frequency and direct connections from National City to major regional transfer hubs, with direct service to Mission Valley, San Diego State University, and Downtown San Diego. It will also provide high frequency service on major north/south corridors connecting Blue, Orange and Green Line trolleys along Euclid Avenue, Fairmont Avenue, and 54<sup>th</sup> Street. All of these corridors, which are served by Routes 013, 929, 932 and 955 under the draft proposal, will experience 15 minute frequencies. Bus routing will be streamlined and duplicative service will be rerouted, in order to provide more direct, and therefore quicker, service to destinations and transportation hubs. Regional east/west service will be provided to Spring Valley Shopping Center. Under the new service routing, the City's contract with National City Transit will no longer be needed, since the routes will join to those currently serviced by other MTS contracts.

MTS is seeking the City's support and assistance in completing the transition without disruption to customer service in National City. This collaboration will likely have associated costs, and MTS will work with the City to help meet these financial responsibilities. MTS is also committed to finding employment for all National City Transit personnel, with the exception of those employed by McDonald Transit. We realize that some costs will be incurred for a short time following the transfer of service operations from National City Transit to MTS. MTS will cover, as we do currently, all costs associated with the shutdown of the facility.

I would like to suggest that the City and MTS convene a transition team with staffs from the respective agencies as soon as possible. The transition team will coordinate the transfer of the MTS-owned vehicles from National City Transit, the amendment to the MTS budget to reflect the transfer, and necessary personnel-related actions.

The creation of a more sustainable transit operation will have greater long-term benefits for National City residents and businesses, and will surely enhance your Council's plans for National City's bright future. We look forward to working with you to enhance public transportation in your city.

Sincerely,



Harry Mathis  
Chairman

c: National City City Council  
MTS Board of Directors

# Recommendations

- Approve the transfer of operational responsibility for National City transit services to MTS effective March 4, 2007 and discontinue payment to National City/McDonald Transit for that service
- Appoint a transition team to work with National City to assist with the transfer of the transit services





AGENDA ITEM NO.

30

**REQUEST TO SPEAK FORM**

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\*\***

**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

12/14/06

Name (PLEASE PRINT)

ROBERT T BABBITT

Address

4500 MERCANTILE PLAZA

Telephone

817-721-9554

Organization Represented (if any)

NCT

Subject of your remarks:

NCT

Agenda Item Number on which you request to speak

30

Your comments are presenting a position of: SUPPORT



OPPOSITION

**2. TESTIMONY AT NOTICED PUBLIC HEARINGS**

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

**3. DISCUSSION OF AGENDA ITEMS**

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

**4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA**

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

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



8:55



AGENDA ITEM NO.

30

## REQUEST TO SPEAK FORM

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\*\***

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Date 12-14-2006

Name (PLEASE PRINT) DON STILLWELL

Address 6308 Rancho Mesa Rd #173

SAN DIEGO CA 92108

Telephone (619) 282-7760

Organization Represented (if any) \_\_\_\_\_

Subject of your remarks: BUS SERVICE

Agenda Item Number on which you request to speak 30

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

### 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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AGENDA ITEM NO.

36

**REQUEST TO SPEAK FORM**

ORDER REQUEST RECEIVED

3

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

**1. INSTRUCTIONS**

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Date

12/14/06

Name (PLEASE PRINT)

Michelle Krug

Address

2423 Sea Breeze Dr

S.D. Cal 92139

Telephone

619/434-9343

Organization Represented (if any)

self

Subject of your remarks:

Anticipated end ending of evening service is too early.

Agenda Item Number on which you request to speak

30

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☒**2. TESTIMONY AT NOTICED PUBLIC HEARINGS**

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

**3. DISCUSSION OF AGENDA ITEMS**

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1255 Imperial Avenue, Suite 1000  
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## Agenda

Item No. 31

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

LEG 410 (PC 50121)

December 14, 2006

### SUBJECT:

MTS: LEGISLATIVE UPDATE AND PROPOSED FEDERAL AND STATE  
LEGISLATIVE GOALS

### RECOMMENDATION:

That the Board of Directors to:

1. receive a report on 2006 legislative and intergovernmental activities;
2. accept the proposed MTS 2007 Federal Legislative Program;
3. accept the proposed MTS 2007 State Legislative Program; and
4. authorize the Chief Executive Officer (CEO) to direct MTS's Sacramento and Washington representatives to advocate the state and federal legislative programs.

### Budget Impact

None.

### Executive Committee Recommendation

At its meeting on December 7, 2006, the Executive Committee recommended forwarding this item to the Board for approval.



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

## DISCUSSION:

### 2006 Federal Year in Review

2006 marked the first year of the consolidated federal lobbyist contract with Blank Rome Government Relations. Some of the highlights of the year include:

- The Federal Transit Administration (FTA) was kept busy creating regulations to implement the Surface Transportation Act reauthorization, Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). MTS provided comments on several Notices of Proposed Rulemaking, including proposals related to Americans with Disabilities Act (ADA) implementation and conveyance of oversized mobility devices. MTS hosted FTA's Deputy Administrator, Sandy Bushue, for a tour of rail and bus operations.
- The Department of Homeland Security (DHS) changed the way it implemented the Transit Security Grant Program (TSGP) in 2006, and MTS was successful in gaining \$1,245,000 for rail and bus transit security projects. MTS was also successful in gaining a \$402,500 grant for a surveillance system at the San Ysidro Transit Center that was derived from reallocated federal program funds and administered through the State Office of Homeland Security (OHS). A site visit from DHS Director of Grants and Training Tracy Henke and her staff was an opportunity to highlight some of the agency's security needs.
- MTS successfully competed for two grants from the FTA section 5311 (f), Intercity Bus Program. These grants, totaling \$400,000, will be used to fund the operational and capital needs of MTS's rural bus service.
- FTA section 5316, Jobs Access and Reverse Commute (JARC) Program, was changed this year to a formula-based program to be administered competitively by the San Diego Association of Governments (SANDAG). MTS has pending applications totaling \$1 million. The total amount available for the region is \$1.26 million.
- As of the date of this writing, Congress had not passed most of the Fiscal 2007 appropriations bills. Two earmarks for MTS-related projects, \$450,000 for Regional Bus Replacements and \$1.5 million for the East County Bus Maintenance Facility, are included in pending legislation. These earmarks are consistent with the Board's funding prioritization under the 2006 Legislative Program. With the Democrats in control, Congress may put a renewed effort on boosting funding for rail and mass transit security next year. DHS and the Transportation Security Administration (TSA) have spent only one cent per rail or mass transit passenger since September 11, 2001, compared with \$9 per commercial flight passenger.



## 2006 State Year in Review

The past year held several legislative victories for public transit in the State of California. The following are highlights from the year:

- MTS successfully sponsored a change to its enabling statute (Chapter 574, Statutes of 2006), which authorizes a city council or board of supervisors to appoint a second alternate to serve on the MTS Board of Directors.
- The FY 2007 State Budget demonstrated strong bipartisan support for transportation in general and public transit in particular. With full funding for Proposition 42 for the second year in a row, prepayment of more than \$1.4 billion in Proposition 42 loans, and full funding of the increment of new revenues to the Public Transportation Account spillover, the budget is in contrast to recent budgets that have favored other General Fund categories over mass transit. The changes proposed after the Governor's May Revise resulted in a State Transit Assistance (STA) allocation to MTS of \$28,633,136.
- On November 7, California voters approved a package of ballot propositions that will have a positive impact on MTS revenue. Proposition 1A permanently dedicates the State's share of the sales tax on gasoline to transportation, and 20 percent of that revenue will fund public transit. Proposition 1B authorizes the sale of bonds to fund transportation, port security, and air quality projects in the state. This initiative includes \$19.925 billion in new funds for transportation projects over ten years.
- MTS participated in discussions with the California Air Resources Board (CARB) staff regarding proposed amendments to the Zero Emission Bus Regulations and provided comments to the Board. The CARB-approved amendments that would postpone implementation of the regulations until 2012 for Alternative Fuel Path agencies, and which would base future implementation on cost, durability, and reliability thresholds.
- SB 1726 (Chapter 881, Statutes of 2006) authorizes transit operators to display any color from a forward-facing bus head sign as long as the emitted light does not solely display the color red. This legislation gives transit agencies greater flexibility in marketing and informing the public by way of illuminated head signs.
- AB 372 (Chapter 262, Statutes of 2006) extends the sunset date on design-build authority for transit operators to January 1, 2011. The bill also lowers the threshold for project cost, which will make it easier to use this method of project delivery for transit projects.

## 2007 Legislative Program

The draft state and federal legislative programs are attached (Attachments A and B). The federal legislative program includes recommended capital project appropriation requests. Upon recommendation of the Executive Committee and approval by the MTS Board, these programs will be used to define our legislative advocacy efforts in Calendar Year 2007, and MTS will forward its capital project appropriation requests to SANDAG to meet the region's December 18 deadline for submission.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [sharon.cooney@sdmts.com](mailto:sharon.cooney@sdmts.com)

DEC14-06.31.LEG UPDATE.SCOONEY

Attachments: A. 2007 Federal Legislative Program  
B. 2007 State Legislative Program

SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)  
2007 STATE LEGISLATIVE PROGRAM

I. Transit Funding

1. Seek legislation to expedite the allocation of state infrastructure bond funding designated for transit operators/projects.
2. Oppose legislation that would reduce direct funding to transit agencies or transportation funding in general; support legislation that would generate new revenue for transit projects and operating costs.
3. Support legislation that would help offset the impact on transit budgets caused by increases in fuel costs.
4. Support legislation to bring funding to railroad corridors and for railroad bridge and infrastructure rehabilitation.
5. Support actions that would protect against the transfer of Transportation Development Act (TDA), Public Transportation Account (PTA), Traffic Congestion Relief Program (TCRP), and other transit funds to state and local agencies for other purposes.
6. In partnership with interested cities, seek funding dedicated to grade-separation projects.

II. Transit-Oriented Development

1. Seek legislation to expedite the allocation of state infrastructure bond funding for transit-oriented development.
2. Support legislation that provides funding incentives for mixed-use projects and transit-oriented development.
3. Support legislation that aids transit operators' efforts to create transit-oriented development.

III. Transit Security

1. Seek favorable legislation that would create a program for use of the \$1 billion in bond funding designated for transit security projects.
2. Oppose legislation or regulations that would have an adverse impact on transit agencies' ability to provide safe transportation to their customers.
3. Support legislation that assists transit operators to carry out their responsibilities as first responders to emergency situations.
4. Support efforts to enhance penalties for crimes against transit staff or related to transit property.
5. Sponsor legislation that would protect the records of transit code compliance officers to the same degree as sworn officers.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)  
2007 FEDERAL LEGISLATIVE PROGRAM

I. Transit Funding

1. Oppose legislation that would reduce direct funding to transit agencies or transportation funding in general.
2. Support appropriation of transit earmarks in the multiyear transportation bill, SAFETEA-LU.
3. Support legislation that would help offset the impact on transit budgets caused by increases in fuel costs.
4. Support legislation that would generate new revenue for transit projects and operating costs.
5. Support legislation to bring funding to railroad corridors.
6. Seek funding for railroad bridge and infrastructure rehabilitation.
7. In partnership with interested cities, seek funding dedicated to grade-separation projects.

II. Transit-Oriented Development

1. Support legislation that provides funding incentives for mixed-use projects and transit-oriented development.
2. Support clarification of existing regulations to continue to permit transit agencies to reinvest income from development on federally funded transit real property.

III. Transit Security and Emergency Response

1. Support legislation that increases funding for transit security projects and personnel.
2. Seek legislation that provides reimbursement to transit operators for lost employee work hours due to emergency preparedness and antiterrorism training.
3. Oppose legislation or regulations that would have an adverse impact on transit agencies' ability to provide safe transportation to their customers.
4. Support legislation that assists transit operators to carry out their responsibilities as first responders to emergency situations.
5. Support efforts to enhance the transit agency's ability to coordinate with other local emergency personnel for disaster response and evacuation preparedness.

IV. Regulatory Matters

1. Support legislation that would facilitate the delivery of capital projects.
2. Oppose unfunded mandates that impact transit operators.
3. Support efforts to increase competition in the fuel market.
4. Support legislation that would require manufacturers of wheelchairs and scooters to notify customers prior to purchase of any vehicles that are larger than what the Americans with Disabilities Act (ADA) requires transit agencies to accommodate for boarding.
5. Oppose proposals that limit the use of eminent domain for public transportation projects.
6. Monitor and respond to legislation in the areas of finance, employment, and safety that could affect agency governance or operations including issues related to contractors.

V. Support for Other Agencies' or Organizations' Legislative Programs

1. Support the legislative programs of other agencies, such as the San Diego Association of Governments (SANDAG) and North County Transit District (NCTD), where consistent with the MTS legislative program.
2. Support provisions in the legislative programs of organizations, such as the California Transit Association and American Public Transportation Association, where consistent with the MTS legislative program.

VI. Capital Project Earmark Requests

Seek the following capital project earmarks in the Fiscal Year 2008 Appropriations Bill:

• MTS Bus Replacement Vehicles	\$4,480,000
• East County Bus Maintenance/Paratransit Facility	\$4,500,000
• Blue Line Station Improvements	\$2,250,000
• South Bay Maintenance Facility	\$4,500,000
• Command and Control Infrastructure	\$5,000,000

IV. Regulatory Matters

1. Support legislation that would facilitate the delivery of transit capital projects, especially through the availability of alternative procurement practices.
2. Oppose unfunded mandates that impact transit operators.
3. Support legislation that would require manufacturers of wheelchairs and scooters to notify customers prior to purchase of any vehicles that are larger than what the Americans with Disabilities Act (ADA) requires transit agencies to accommodate for boarding.
4. Monitor proposals that limit the use of eminent domain for public transportation projects.
5. Support legislation that would remedy Bonanno v. Central Contra Costa Transit Authority—a case that substantially broadened the liability exposure of transit agencies.
6. Support legislation that would clarify Public Utilities Commission rail oversight authority.
7. Monitor and respond to efforts to regulate MTS operations.

V. Labor Relations

1. Monitor and respond to legislation relating to personnel matters.
2. Support legislation that protects the integrity of collective bargaining agreements and oppose efforts to mandate benefits or working conditions.

VI. Support for Other Agencies' or Organizations' Legislative Programs

1. Support the legislative programs of other agencies, such as the San Diego Association of Governments (SANDAG) and North County Transit District (NCTD), where consistent with the MTS legislative program.
2. Support provisions in the legislative programs of organizations, such as the California Transit Association and American Public Transportation Association, where consistent with the MTS legislative program.

## Legislative Update and Proposed Federal and State Legislative Goals

Board of Directors

December 14, 2006



1

### Federal Year-in-Review

- Development of SAFETEA-LU implementing regulations
- New process for receiving Department of Homeland Security Transit Security Grant Program
  - \$1.6 million for MTS rail and bus
- First-time recipient for 5311 (f) Non-Urbanized Area funds
  - \$400,000 for capital and operations of rural bus service
- New 5316 Jobs Access and Reverse Commute process
  - Awarded \$785,000 for operation of Routes 905, 960 and 30



2

## State Year-in-Review

- Sponsored legislation: Authorization of second alternates to MTS Board
- Gains for transit in FY 2007 Budget
  - Full funding of Prop. 42
  - Prepayment of Prop. 42 loans
  - Full funding of PTA spillover
  - Result: \$17 million more in STA revenue than originally expected
- Successful ballot propositions
- Postponement of CARB Zero Emission Bus regulations
- Legislation of note
  - AB 372: Design-build authorization extended to 2011
  - SB 1726: Illuminated bus headsigns



3

## Legislative Priorities for 2007

### Federal

- Continue aggressive pursuit of funding
  - New 5311 formula funds for Rural Bus- \$220,000
  - Homeland Security
  - Changed earmarking environment
  - Democratic majority priorities
- Capital Project Earmark requests
  - MTS Bus Replacement Vehicles
  - East County Bus Maintenance Facility
  - Blue Line Station Improvements
  - South Bay Maintenance Facility
  - Command and Control Infrastructure



4



## Legislative Priorities for 2007

### State

- Expedite allocation of transit funds in Proposition 1B
  - \$1 billion statewide for transit security
  - \$164 million for MTS
- Protect funding to transit in FY 2008 Budget Cycle





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## Agenda

Item No. 32

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

CIP 11200

December 14, 2006

### SUBJECT:

MTS: TRANSNET EARLY ACTION PROGRAM AND BLUE AND ORANGE LINE  
TROLLEY IMPROVEMENTS

### RECOMMENDATION:

That the Board of Directors:

1. authorize the Chief Executive Officer (CEO) to gain San Diego Association of Governments (SANDAG) approval to include Blue Line and Orange Line trolley improvements in the TransNet Early Action Program at its December Board meeting; and
2. authorize the CEO to initiate a contract for consulting services for a study of Blue and Orange Line trolley rehabilitation.

#### Budget Impact

The cost for a consultant contract is expected to be less than \$100,000, which would be funded from Miscellaneous Capital.

#### Executive Committee Recommendation

At its meeting on December 7, 2006, the Executive Committee recommended forwarding this item to the Board for approval.



Metropolitan Transit System (MTS) is a California public agency and is comprised of San Diego Transit Corporation and San Diego Trolley, Inc. nonprofit public benefit corporations, in cooperation with Chula Vista Transit and National City Transit. MTS is the taxicab administrator for eight cities and the owner of the San Diego and Arizona Eastern Railway Company. MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

## DISCUSSION:

### TransNet Early Action Program

In order to maximize the benefit that can be derived from the revenue associated with the passage of Proposition 1B, MTS and SANDAG staffs have been reviewing the feasibility of including Blue and Orange Line trolley improvements in the TransNet Early Action Program (EAP). SANDAG staff has concluded that including the trolley improvements in the EAP is feasible since it would not impact the delivery of the remaining program, and it could be accomplished within the \$1.8 billion set aside for financing costs in the Ordinance.

Staff has estimated that \$340 million (escalated costs to year of expenditure) would be needed to complete TransNet-eligible, near-term capital improvements to the trolley system. Eligible projects include the acquisition of new low-floor vehicles, the rehabilitation of existing trolley vehicles, signal upgrades, and station upgrades on the Blue and Orange Lines to provide platform retrofits for low-floor vehicles and shelter modifications. A total of \$176 million in TransNet funds matched by an estimated \$164 million from MTS could be used to support these improvements. The match is made possible by the passage of Proposition 1B, which included an estimated \$164 million in new State Transit Assistance formula funds for MTS.

Staff is continuing to refine the cost estimates and cash-flow requirements for the trolley improvements. If there is concurrence on the cost estimates and the MTS Board approves this action by the December 15 SANDAG Board meeting, these projects would be considered for inclusion in the EAP at that time. Otherwise, these MTS projects would be considered as part of the comprehensive Plan of Finance update next spring along with all other TransNet-eligible projects.

### Study of the Blue and Orange Line Improvement Projects

While staff has prepared preliminary estimates for Blue and Orange Line improvements, more analysis would be required before a recommendation for an implementation plan could be brought to the MTS Board. Drawing on the expertise of a consultant would provide the agency with analysis of low-floor technology implementation, more precise project estimates, and a prioritization schedule for projects. Since Proposition 1B funding is designed for expenditure within 10 years, completion of this type of study in FY 2007 is recommended.



Paul C. Jablonski  
Chief Executive Officer

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DEC14-06.32.TRANSNET.SCOONEY

Attachment: A. Blue and Orange Line Estimated Funding Needs

# San Diego Metropolitan Transit System Infrastructure Funding Needs - Ten Year Projection

		TransNet II Eligible	Not TransNet II Eligible	Total Project Cost	
Rail Operations					
San Ysidro to Imperial Blue Line Rehabilitation					
Wayside Signal Equipment		13.4	-	13.4	
Overhead Catenary System		-	28.1	28.1	
Traction Power Substations		-	3.2	3.2	
Rail and Trackway Improvements		-	55.1	55.1	
Track Drainage		-	1.5	1.5	
Station Platform and Shelter Modifications		36.1	-	36.1	
Total San Ysidro to Imperial Blue Line Rehab		49.4	87.8	137.2	
Downtown Low Floor Station Platform Retrofit		18.9	-	18.9	
Old Town Bayside Low Floor Station Platform Retrofit		8.8	-	8.8	
Blue Line Vehicles					
	# of	Price			
Low Floor (S-70) Purchases	26	3.20	83.2	-	83.2
Rehabilitation of U2s	60	1.40	84.0	-	84.0
Total Blue Line Vehicles			167.2	-	167.2
Orange Line Rehabilitation (Initial Segment)					
Wayside Signal Equipment		8.8	-	8.8	
Overhead Catenary System		-	2.5	2.5	
Rail and Trackway Improvements		-	1.8	1.8	
Station Platform and Shelter Modifications		28.8	-	28.8	
Grand Total Orange Line Rehab (Initial Segment)		37.6	4.4	42.0	
Orange Line Vehicles					
	# of	Price			
Low Floor (S-70) Purchases	9	3.20	28.8	-	28.8
Total Orange Line Vehicles			28.8	-	28.8
Grand Total Rail Operations		310.7	92.2	402.9	
Contracted Bus Operations					
South Bay Maintenance Facility		-	36.3	36.3	
East County Maintenance Facility		-	59.5	59.5	
Vehicles		-	80.0	80.0	
Other		-	8.5	8.5	
Grand Total Contracted Bus Operations		-	184.2	184.2	
Bus Operations					
Vehicles		-	115.0	115.0	
Facilities		-	13.1	13.1	
Grand Total Bus Operations		-	128.1	128.1	
Security					
Fiber Optics		-	17.4	17.4	
Centralized Train Control		-	13.1	13.1	
Bus Video Cameras (incl. Paratransit)		-	6.0	6.0	
Other		-	6.7	6.7	
Grand Total Security		-	43.2	43.2	
Miscellaneous Administrative Capital Needs					
Administrative Capital Needs		-	20.0	20.0	
Grand Total Misc. Administrative Capital Needs		-	20.0	20.0	
MTS Ten Year Projection		310.7	467.6	778.3	

# San Diego Metropolitan Transit System Infrastructure Funding Needs - Ten Year Projection

## TRANSNET ELIGIBLE PROJECTS

	TransNet II Eligible		
Grand Total Rail: Signals/Stations/Vehicles (Blue)	77.1		
Grand Total Rail: Signals/Stations/Vehicles (Orange)	37.6		
Grand Total Vehicles (Blue)	167.2		
Grand Total Vehicles (Orange)	28.8		
GRAND TOTAL	<u>310.7</u>		
	Detail	Available	Difference
Grand Total Blue	244.3	268.0	23.7
Grand Total Orange	66.4	68.0	1.6
GRAND TOTAL	<u>310.7</u>	<u>336.0</u>	<u>25.3</u>

9-02



AGENDA ITEM NO.

32

## REQUEST TO SPEAK FORM

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\*\***

### 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 2006-12-14  
Name (PLEASE PRINT) Clive Richard  
Address 5153 La Poma St  
San Diego, CA 92115-1536  
Telephone 619.582.4036  
Organization Represented (if any) \_\_\_\_\_

Subject of your remarks: \_\_\_\_\_

Agenda Item Number on which you request to speak \_\_\_\_\_

Your comments are presenting a position of: SUPPORT



OPPOSITION



### 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

### 3. DISCUSSION OF AGENDA ITEMS

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

### 4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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





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## Agenda

Item No. 33

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

LEG 461 (PC 50791)

December 14, 2006

### SUBJECT:

MTS: POLICIES AND PROCEDURES NO. 18 (JOINT USE AND DEVELOPMENT OF  
PROPERTY)

### RECOMMENDATION:

That the Board of Directors approve changes to Policy No. 18 as recommended by the  
Executive Committee.

#### Budget Impact

None.

#### Executive Committee Recommendation

At its meeting on December 7, 2006, the Executive Committee recommended forwarding  
this item to the Board for approval.

### DISCUSSION:

MTS Board Policy and Procedure No. 18 (Joint Use and Development of Property)  
addresses the Board's intention to maximize the potential of its real estate assets  
consistent with transportation goals and community development objectives. The Board  
has adopted design criteria for joint development consisting of the following goals:

1. integration of transportation facilities into existing and proposed developments to  
meet community needs;
2. promotion and enhancement of the use of public transportation;



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.

3. maximization of the recovery of public capital costs and increase of the return on public investments; and
4. enhancement and protection of the transportation corridor and its environs.

The following criteria are currently considered in Policy No. 18:

1. Projects shall be considered that do not negatively impact present or future public transportation facilities.
2. Projects shall be consistent with regional and local community policies and plans.
3. Projects must demonstrate a fiscal benefit to MTS.
4. Projects will be selected based on demonstrated maximization of economic development potential to MTS and the community, increased accessibility to transportation, and responsiveness to community needs for housing, employment, services, or recreational facilities.
5. Projects are encouraged that incorporate public restrooms for patrons and the public.

On June 15, 2006, staff presented the inventory of potential joint development properties to the Executive Committee. Also discussed was the need to review the existing Policy No. 18 and return to the Executive Committee with any recommended modifications for its direction.

Attachment A shows the suggested changes to Policy No. 18. These changes are based on staff's recent experience in processing the Morena Vista Joint Development Project and the Grossmont Trolley Joint Development Project. The changes clarify the processing of development proposals from private entities or other agencies and the processing of development proposals solicited by MTS. The changes also give the Chief Executive Officer more flexibility to recommend the best process and/or proposal to maximize the agency's asset.

The Executive Committee also gave direction to staff regarding MTS's inventory of real property, developing a priority ranking for the development of these properties, and returning to the Executive Committee with the recommendation including the funding sources of the acquisitions. Staff is currently working on this effort and intends to return to the Executive Committee in January.



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Paul C. Jablonski  
Chief Executive Officer

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DEC14-06.33.POLICYNO18.TALLISON

Attachment: A. Draft Revised Policy No. 18



## Policies and Procedures

No. 18

**SUBJECT:**

**Board Approval:** 2/12/04 12/14/06

**JOINT USE AND DEVELOPMENT OF PROPERTY**

**PURPOSE:**

It is the intention of the MTS to extract the maximum benefits from and utilization of property owned and acquired by the Board consistent with transportation goals and community development objectives.

**BACKGROUND:**

Technical studies for the South Line and East Urban Corridor indicated that long-term demand was favorable for future joint development activity. The Board supported this conclusion by adopting design criteria that allows for joint development. Joint development of MTS property achieves four major goals:

1. Integration of transportation facilities into existing and proposed developments to meet community needs;
2. Promotion and enhancement of the use of public transportation;
3. Maximization of the recovery of public capital costs and increase of the return on public investment; and
4. Enhancement and protection of the transportation corridor and its environs.

**POLICY:**

Joint use and development on MTS rights-of-way will be carried out within the following criteria:

1. Projects shall be considered that do not negatively impact present or future public transportation facilities.
2. Projects shall be consistent with regional and local community policies and plans.



3. Projects must demonstrate a fiscal benefit to MTS.
4. Selection between projects will be based on those that can demonstrate:
  - a. The greatest economic development potential to MTS and the community.
  - b. Increased accessibility to public transportation.
  - c. Responsiveness to community needs for housing, employment, services, or recreational facilities.
5. Projects are encouraged that provide rest rooms that are available to transit patrons and the general public.

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The intent of these criteria is to foster competition and maximize the return to MTS to the fullest extent possible.

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#### DEFINITIONS:

Airspace ~~The area above any property within the right-of-way and/or ownership of the San Diego & Arizona Eastern (SD&AE) Railway Company or MTS that is capable of other uses without undue interference with the operation of the railway and trolley system.~~

Joint Development ~~The use of property for more than one purpose, including surface and/or airspace development at a transit station, on the right-of-way, or at any other property owned or under the control of the MTS Board. Development is carried out with the active participation of MTS. A joint development may be of any magnitude and may consist of any use that is compatible with public transportation.~~

Joint Use ~~The lease to another agency or individual of property rights owned or under the control of the MTS Board. Development is carried out with the active participation of MTS. A joint development may be of any magnitude and may consist of any use that is compatible with public transportation.~~

#### GUIDELINES AND PROCEDURES:

##### A. Project Proposal Evaluation

~~Projects may be initiated by a private entity, MTS, or other agencies.~~

Development of property ~~If initiated by MTS, shall use the standard Request for Proposals (RFP) procedure as set forth in the MTS Policy No. 4352 shall be used as a general guideline for determining the appropriate process for soliciting the development proposal. Specific procedures for solicitation of each development proposal shall be decided by the Chief Executive Officer based on the nature of the development proposal to be solicited. The Chief Executive Officer may also utilize the services of industry professionals to assist in the~~

solicitation process utilizing the procedures set forth in MTS Policy No. 52 to procure those services.

MTS may also receive unsolicited offers for development from private parties or other agencies. Anyone entity wishing wishing to propose a joint use or joint development project shall present the proposal to the Chief Executive Officer. The Chief Executive Officer and staff, in consultation with local jurisdictions, will analyze the proposal using the process summarized in Exhibit 1 (MTS Joint Development Evaluation and guidelines set forth below. Proposal evaluation procedures and guidelines are as follows:

1. Initial Evaluation of Project-Unsolicited Joint Development Proposals/Joint Development Evaluation Checklist
  - a. Proposals for joint development shall be submitted to the Chief Executive Officer along with sufficient information to allow MTS staff to adequately evaluate the proposal in terms of the joint development checklist (see Exhibit 2 attached) for further consideration. The proposal should demonstrate compatibility with the goals and development criteria set by the Board.
  - b. In addition to the checklist information, developer shall submit a recent (within the last 12 months) statement of financial assets or provide evidence of being bondable. the proposal shall include information on the entity proposing the development that demonstrates its mission and vision, financial strength, development capability, successful partnerships and projects, and specific experience with transit-oriented development.
  - c. Using the checklist, tThe Chief Executive Officer will review the proposed project with local agencies having jurisdiction in the project area (cities, County, Centre City Development Corporation [CCDC], Southeast Economic Development Corporation [SEDC], etc.) to determine jurisdictional and community acceptance and support.
  - d. The Chief Executive Officer shall have a minimum of 60 days in which to perform the initial evaluation and make a recommendation to the MTS Board of Directors to either enter into negotiations for an Exclusive Negotiation Agreement (ENA) with the developer, or to reject the proposal, or to propose that additional proposals be solicited for the property development. Additional time may be required to make the determination depending on the complexity of the development proposal. The proposing entity will be notified in writing if additional time is required. If the Chief Executive Officer recommends the MTS Board of Directors enter into negotiations for an ENA without soliciting additional proposals, justification shall be presented to the MTS Board demonstrating the reasons why competition is not in the best interest of MTS.

Board demonstrating the reasons why competition is not in the best interest of MTS.

2. Initial Evaluation of MTS-Solicited Development Proposals

The initial evaluation of MTS-solicited development proposals shall be pursuant to Policy No. 52 or by the procedure utilized by the Chief Executive Officer deemed appropriate based on the nature of the development proposal to be solicited. The evaluation criteria for proposals solicited by MTS shall include those used to evaluate unsolicited proposals. The criteria will be incorporated in the RFP process or other selection method utilized by the Chief Executive Officer.

23. Exclusive Negotiation Agreement

Upon authorization of the MTS Board, the Chief Executive Officer shall execute an ENA with the developer for a period of 180 days or such other term that is mutually acceptable to the parties.

a. Requirements of proposer/developer under the ENA:

- (1) Developer shall provide the Chief Executive Officer with a non-refundable "good-faith deposit," the amount of which shall be determined by the MTS Board by staff based on past experience with similar projects, the total estimated value of the project, the estimated costs of necessary consultants, and the estimated length of negotiations. The amount shall be sufficient to cover reasonable expenses incurred by the Chief Executive Officer in carrying out the analysis of the proposal including staff costs, consultant experts, legal fees, and other direct and indirect expenses incurred by MTS. Alternatively, staff may recommend a monthly rental fee, in lieu of a nonrefundable, good-faith deposit to compensate MTS for the use of its property during the negotiation period.
- (2) Developer shall have 120 days or such other mutually agreed-upon duration to provide the Chief Executive Officer with the following information:
  - (a) A preliminary site plan showing building layout and dimensions, parking, landscaping, and access.
  - (b) Environmental analysis documents acceptable to MTS and to any other governmental entity that would require the environmental evaluation to approve the project pursuant to the California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA).

(c) Cost estimates and project data for the proposal in sufficient detail to permit adequate financial analysis by the Chief Executive Officer. MTS will seek a return on its investment consistent with the market value of the property as determined by a professional appraiser approved by MTS. The Chief Executive Officer shall also have the latitude to recommend a higher or lower -rate of return depending on the input from industry experts and contingent on Board approval.

~~(d) Evidence of a firm commitment from key managerial members or tenants of the proposed projects.~~

(de) Evidence of a firm financial plan, including:

1. Evidence of construction financing capability.
2. Evidence of long-term financing capability.
3. Evidence of other financial sources necessary to carry out the project.
4. Financial evidence of similar projects completed within the last five years.

~~Evidence shall consist of a letter of commitment from a financial institution or any reasonably acceptable party providing development capital.~~

~~(fe)~~ Developer shall provide a written offer to MTS for purchase of land, purchase of lease rights, or other development rights as appropriate to the proposal.

~~(gf)~~ Developer shall provide a written commitment to meet MTS's goals for Disadvantaged and Women's Business Enterprise (DBE and WBE) participation in construction and operation of the project for a federally funded project consistent with current requirements of MTS and federal regulations.

b. Responsibilities of the MTS under the ENA

- (1) MTS shall entertain no other development proposals for the land in question during the period of the ENA. The ENA shall serve as proof of control of land for acquiring letters of financial commitment by the developer.

- (2) The Chief Executive Officer shall place the good-faith deposit in an interest-bearing account and shall have the right to draw down from the account payment for reasonable expenses incurred by MTS for such items as land and development rights appraisals, materials, data and other information costs, and other administrative costs expended in the evaluation of the proposal, including staff costs, consultant experts services, and legal fees.
- (3) MTS shall ~~provide the developer with~~ ensure that an appraisal for the fair market value of the fee interest or lease rights or other development rights appropriate to the project is performed by a professional appraiser approved by MTS at the sole cost to the developer.
- (4) After submittal of all pertinent information by the developer, as listed above, to the satisfaction of the Chief Executive Officer, the Chief Executive Officer shall have 60 days or such other agreed-upon term in which to make a recommendation to the MTS Board, either to terminate the ENA, to request more information, or to enter into negotiations for a Development Agreement with the developer.
- (5) If, at the conclusion of the ENA period, the proposal is terminated, the Chief Executive Officer shall return any remaining balance of the good-faith deposit, including any interest accrued thereon to the developer.
- (6) If, at the conclusion of the ENA, a Development Agreement is entered into, the remaining balance of the good-faith deposit, including interest accrued thereon, shall be ~~subtracted from the~~ credited to any additional deposits required as a condition of the Development Agreement, the -cost of land, lease, or other development rights conveyed to the developer by the MTS.

c. Extension of ENA

Either the developer or the Chief Executive Officer may request from the MTS Board an extension of the ~~180-day~~ exclusive negotiation period. The MTS Board will determine whether sufficient progress has been made toward fulfillment of the above requirements in its consideration of extension.

34. Conclusion of Joint Development Evaluation Process

The preceding evaluation process culminates in execution of a Development Agreement to expedite project implementation or in termination and elimination of the proposal.

B. Environmental Documents

MTS will be the lead agency in environmental matters as required by the CEQA of 1970, as amended local, state, and federal law. The local jurisdiction may be the lead agency upon approval from the MTS Board.

C. Development Agreements

Development agreements shall describe the rights and responsibilities of both parties and shall contain, but not be limited to, the following elements:

1. Identification of the parties to the agreement, including prohibition against change, transfer, or assignment of ownership, management, and/or control of developer.
2. Description of the site including a map. If the subject of the lease is an air space development, placement of supports shall be included on the map.
3. Requirement that the developer must secure all necessary permits and approvals from appropriate local agencies.
4. The terms and conditions of the lease including, but not limited to:
  - a. Lease price and payment schedule.
  - b. Conveyance and delivery for possession.
  - c. Payment of taxes and insurance requirement.
  - d. Condition of site at time of beginning and end of lease.
  - e. Financial statement of developer.
  - f. Hold harmless and indemnity clauses.
  - g. Limitations of use and terms of lease.
  - h. Schedule of the MTS approval of all plans and drawings.
5. If the development incorporates a sale of property, the conditions and terms of such sale including, but not limited to:
  - a. Sale or purchase price and payment schedule.
  - b. Escrow instructions.
  - c. Conditions, covenants, restrictions, and other limitations of use as terms of sale.

- d. Conveyance and delivery of possession.
  - e. Form of deed as approved by MTS counsel.
  - f. Condition of title and insurance of title.
  - g. Time and place for delivery of deed.
  - h. Taxes, assessments, and insurance requirements.
  - i. Condition of site at time of sales.
  - j. Financial statement of developer.
  - k. Prohibition of transfer without prior Board approval.
6. The scope of the development of the site including:
- a. Schedule for submission of concept, schematic, construction, grading and landscaping plans and drawings.
  - b. Schedule for local agency and the MTS review, and approval of plans and drawings. The staff review will include but not be limited to:
    - (1) Design of site and improvements.
    - (2) Relationship to the urban design of the community both form and scale.
    - (3) Architectural design and visual continuity.
    - (4) Effects on railway and transit operations.
    - (5) Type and quality of building materials.
    - (6) Energy considerations.
    - (7) Structure location, height, and lot coverage.
    - (8) Parking requirements and design.
    - (9) Streetscape and landscaping.
    - (10) Vehicular entrance and exit.
  - c. Schedule of performance.
  - d. Insurance requirements.



- e. Adherence to antidiscrimination, environmental and all other applicable local, state, and federal laws.
- 7. Failure of either party to perform, including defaults, remedies, and termination by either party.
- 8. Ownership of improvements constructed on leased land upon the expiration or termination of lease term.
- 9. Requirements to restore leased property to original condition upon expiration or termination of lease term.
- 10. Possible performance bond requirements.
- 11. Any other general or special provisions deemed necessary by the Board.

D. Inventory of Property

MTS shall identify right-of-way property and facilities and keep such inventory current. All property so inventoried shall be analyzed for its availability for joint use or development by either sale or lease. This inventory shall be reviewed by the MTS Board annually. Included in this inventory will be a listing of all agreements and their current status.

Upon direction from the Board, the inventory shall be assessed and prioritized for potential development opportunities. The ranking should consider potential for investment return, strong developer interest, local agency interest, land use compatibility, and complexity of required land use modifications.

E. Use of Revenue

Revenue obtained from joint use and development of property, including concessions and advertising, will be returned to the MTS General Fund for inclusion in the budget for maintenance, and upkeep operations, and capital improvement of MTS-owned facilities from which the revenue is generated, with any additional revenue being applied by San Diego Trolley, Inc., for the maintenance of the station and/or line segment from which the revenue is generated. Revenue generated from development of property purchased with federal funds will be used by MTS based on approved processes from the federal funding source.

DDarro/JGarde  
POLICY.18.JOINT USE & DEV OF PROPERTY  
7/12/06

Attachments: Exhibit 1  
Exhibit 2

Original Policy approved on 3/8/82.  
Policy revised on 12/20/84.

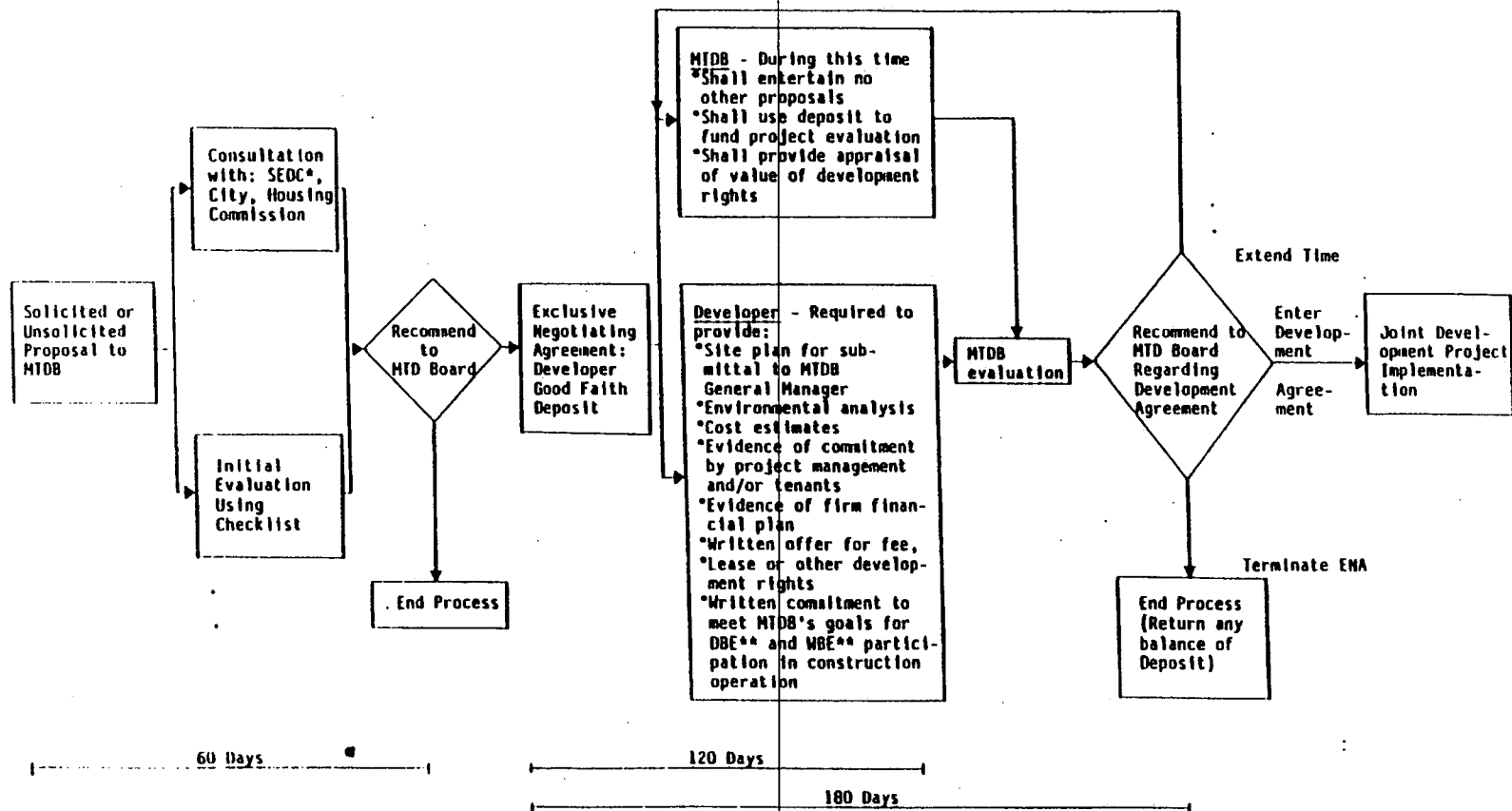
Policy revised on 2/8/96.

Policy revised on 6/26/97.

Policy revised/renumbered on 2/12/04.

Policy revised on 12/14/06.

**EXHIBIT 1**  
**MTDB JOINT DEVELOPMENT PROPOSAL EVALUATION AND IMPLEMENTATION PROCESS**



\*SEDC: Southeast Economic Development Corporation  
 \*\*DBE: Disadvantaged Business Enterprise  
 WBE: Women's Business Enterprise

MISC1 HIBK: gk/ss 11/28/84



EXHIBIT 2

## JOINT DEVELOPMENT EVALUATION CHECKLIST

## Proposer Data

Name of Firm: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Address: \_\_\_\_\_

Principal: \_\_\_\_\_

MBE/DBE/WBE: \_\_\_\_\_

Other Participants (Names and Addresses): \_\_\_\_\_

## Project Data

Project Site: \_\_\_\_\_

**Brief Project Description:** Include information on type of Joint Development (lease of ground or airspace, accessibility enhancement, etc.), proposer role (anticipated costs/benefits), and MTDB role (anticipated costs/benefits). (Attach Sketch Plans):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Ground Space Area (Square Feet): \_\_\_\_\_ Total Structure Area (Square Feet): \_\_\_\_\_

Time to Construct: \_\_\_\_\_ Proposed Completion Date: \_\_\_\_\_

Additional Land/Parking Requirements: \_\_\_\_\_

Proposed Financing: \_\_\_\_\_

Number of Jobs Created: \_\_\_\_\_

Adjacent Land Uses: \_\_\_\_\_

Brief Project Justification: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

## 1. TROLLEY COMPATIBILITY AND ENHANCEMENT

- Will the project increase transit ridership?
- Will the project enhance Trolley or freight operation, including rider access?

RATING						
-	1	2	3	4	5	+
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2. JURISDICTIONAL (CITY/COUNTY) ACCEPTANCE AND SUPPORT

- Is the project consistent with approved City/County policies and plans?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

## 3. PARKING AND TRAFFIC CIRCULATION

- Will the project include adequate parking for project patrons based on local parking requirements for the proposed uses?
- Will the project provide adequate parking for its patrons as well as Trolley users?
- Will the traffic impacts caused by the project be mitigated by the proposer?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 4. ENVIRONMENTAL IMPACT

- Will the proposer mitigate any and all significant adverse air, noise or other environmental impacts?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

## 5. AESTHETIC COMPATIBILITY

- Will the project have a positive aesthetic impact on the Trolley station and on the surrounding neighborhood?
- Will the project enhance existing landscaping or street furniture?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 6. COMMUNITY ACCEPTANCE AND SUPPORT

- Is the project likely to be supported by the community?
- Will the project meet community needs by providing needed housing, jobs, services, facilities, etc.?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 7. FINANCIAL VIABILITY

- Does a preliminary financial analysis show that project implementation can be successfully financed?
- Does the project include a budget and program for project and Trolley promotion?
- Does the proposer have a commitment from one or more financial institutions to back the project?
- Will the project financially benefit MTDB?
- Will the project financially benefit the community (e.g., jobs, redevelopment, taxes)?
- Can the facility be easily kept productive if the original proposer goes bankrupt or otherwise quits the project?

RATING

- 1 2 3 4 5 +

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 8. CONSTRUCTION COORDINATION AND TIMING

- Is project construction coordinated with construction and operation of Trolley facilities?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

## 9. SECURITY

- Does the project proposal include a plan for providing adequate security for project and Trolley patrons and facilities?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

## 10. APPLICANT QUALIFICATIONS

- Does the proposer exhibit the skill and capability required to successfully carry out the proposed project?
- Is the proposer a Minority Business Enterprise (MBE), a Disadvantaged Business Enterprise (DBE) or a Women Business Enterprise (WBE)?

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## OVERALL RATING

Evaluation Completed by: \_\_\_\_\_ Date: \_\_\_\_\_

## ***Policies and Procedures No. 18 Joint Use and Development of Property***

December 14, 2006



1

### ***Executive Committee Direction:***

- ***On June 15, 2006, the EC directed staff to review and recommend any changes to Policy 18 based on recent experience with the Morena Vista Development and the Grossmont Trolley Apartment Project***
- ***On December 7, 2006, Staff presented its report to the EC which provided input and recommended forwarding the revisions to the Board for approval***



2

## ***Nature of Proposed Changes:***

- ***Clarifies the processing of unsolicited development proposals from private entities and other local agencies***
- ***Clarifies the processing of MTS solicited development proposals***
- ***Provides the CEO with more flexibility to maximize the agency's assets***



3

## ***Goals Changes:***

- ***Joint Development Goals unchanged***
  - ***Integrating transportation facilities into developments to meet community needs***
  - ***Promoting the use of public transportation***
  - ***Maximizing the recovery of public capital costs and increasing the return on public investment***
  - ***Enhancing and protecting the transportation corridor***



4

## ***Criteria Changes:***

- ***Joint Development Criteria Unchanged***
  - *Projects not impact present and future transportation facilities*
  - *Projects consistent with regional and local community policies and plans*
  - *Projects to fiscally benefit MTS*
  - *Projects to maximize the economic development potential, increase accessibility, and responsive to community needs*
  - *Projects are encouraged to provide public restrooms*



5

## ***Initial Evaluation Changes:***

- ***Clarifies the initial submittal requirements for proposals (solicited and unsolicited):***
  - *project proposals that are compatible with the goals and criteria of the Board*
  - *developer vision, financial strength, development capacity, and project history including experience with TOD*



6

### ***Initial Evaluation Changes (cont.):***

- ***Gives the CEO the flexibility for unsolicited proposals to recommend to the Board:***
  - ***That additional proposals be solicited***
  - ***Reject the proposal***
  - ***Enter into an ENA. Requires justification demonstrating why competition is not in the best interest of MTS***



7

### ***ENA Changes:***

- ***Clarifies developer to pay for MTS costs including MTS staff, consultants, legal fees, etc. based on a good faith deposit of estimated reasonable costs to MTS; or alternatively require a deposit based on compensation for loss of potential income for holding the property during the negotiations***
- ***Clarifies the project financials will be verified by a developer funded appraisal and the submittal requirements for developer financing***
- ***Provides the CEO with flexibility to recommend a rate of return to the agency dependent on market analysis (higher or lower than the appraised value)***



8



## ***Inventory of Property:***

- ***Added language for property prioritization criteria considering:***
  - ***potential for investment return***
  - ***strong developer interest***
  - ***local agency interest***
  - ***land use compatibility***
  - ***complexity of required land use modifications***



9

## ***Use of Revenue:***

- ***Clarifies revenue from development will be returned to the MTS General Fund***
- ***Language added regarding revenue generated from federally funded acquisitions***



10

## ***Recommendation:***

- ***Approve changes to Policy 18 as recommended by the Executive Committee***





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.

ADM 124 (PC 50451)

December 14, 2006

### SUBJECT:

MTS: C STREET MASTER PLAN UPDATE

### RECOMMENDATION:

That the Board of Directors receive an update regarding the Centre City Development Corporation's (CCDC) C Street Master Plan.

#### Budget Impact

None at this time.

### DISCUSSION:

On April 27, 2006, the Board of Directors received a report concerning CCDC's efforts to develop a C Street Master Plan between India Street and Park Avenue in the City of San Diego. The intent of the C Street Master Plan is to revitalize the corridor and make it more active and attractive for the downtown community.

MTS is participating in this planning effort as a provider of trolley service in the corridor. MTS staff has provided its technical expertise to City of San Diego (City) and CCDC planners, and has been an active member of the Technical Advisory Committee (TAC). The San Diego Association of Governments (SANDAG) is also an active participant in this planning effort since it could impact future downtown bus rapid transit (BRT) service. Both agencies have assisted in providing information to the public through formal and informal outreach meetings.



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.

## Existing and Future Conditions

The Blue and Orange Trolley Lines provide service to Downtown San Diego and along C Street. Each line enters downtown from the south and east serving the 12<sup>th</sup> & Imperial Avenue Transfer Station before heading north along Park Avenue and then west down C Street. At the western end of C Street and after the America Plaza Station, the Orange Line turns south and wraps around downtown along the Bayside to 12<sup>th</sup> & Imperial while the Blue Line curves north to service Santa Fe Depot, County Center, and points north. Along Park Avenue and C Street, service is provided within the street right-of-way with a travel lane typically adjacent to tracks. No travel lane is adjacent to tracks at station locations except at the Park & Market Station.

At peak times, the Blue Line operates at 7- to 8-minute intervals while the Orange Line operates every 15 minutes. On average, a train traverses C Street in each direction every 5 minutes. At peak times, all trains are 3-car trains with the exception of one 4-car Orange Line train. Frequency and length of trains are designed to provide the necessary capacity to meet demand.

Trolley service along C Street is an important part of the overall trolley service provided to the region. Over 100,000 passenger trips are made each weekday on this system and, of those, 35,000 to 40,000 trips are linked to one of the four stations on C Street, City College, Fifth Avenue, Civic Center, and America Plaza. Additionally, many passenger trips pass through the corridor on trips between the South Bay and Old Town.

MTS expects additional ridership as downtown grows in accordance with the downtown Community Plan Update, which projects a tripling of the downtown residential population and a doubling of the employment base. The Master Environmental Impact Report (MEIR) for the community plan anticipates a 172 percent increase for all transit trips downtown during peak times. Assuming light rail maintains its current 60 percent share of the transit market, and downtown transit trips increase consistent with the MEIR, MTS could anticipate over 90,000 daily trips ends along C Street's four stations. Although City College and America Plaza would likely experience the majority of the increased activity, Civic Center and 5<sup>th</sup> Avenue Stations could experience passenger activity increases from 8,000 and 11,000 boardings and alightings daily to over 20,000 at each station.

MTS interests in this corridor fall into three categories:

1. Access. Access relates to both properly located stations and station length. Because over one-third of system-wide trolley use is related to C Street stations, access to properly located stations is needed to retain current patrons and to gain additional riders from expected residential and employment growth. Similarly, access to station platforms of sufficient length is necessary to achieve the Board's goal to phase low-floor vehicles into the fleet or to increase the capacity in this corridor by using 4-car consists. Each new low-floor vehicle is approximately 10 feet longer than its predecessor. A 3-car low-floor train is approximately 30 feet longer than existing train lengths in the C Street corridor, which brings the length of a consist to 274 feet. Downtown block dimensions along C Street are currently only 200 feet.

2. Safety. A primary concern in addressing potential changes in the corridor is providing a safe environment for pedestrians and vehicular traffic. Two related concerns have been discussed with CCDC staff: improving pedestrian safety while crossing in front of stopped trains and assuring that pedestrians cross C Street at designated crossing locations. C Street has several safety challenges. Train operations in this heavily congested area are provided at grade, and there are 16 locations for auto traffic and pedestrians to cross the tracks. These circumstances contribute to the corridor's high number of accidents in relation to other parts of the MTS system.
3. Efficient Operations. Operating efficiently affects the cost to operate the system and quality of service. It is important to assure that trains can traverse C Street in a timely manner so that additional trains are not needed to be put into service to maintain schedules. The ability to add cars to trains allows for increased capacity, which will help meet the projected demand for future growth in an operationally efficient way. Further, travel time speaks to quality of service for patrons. If travel times become longer, the service becomes less attractive. Signal pre-emption can significantly improve efficiency.

#### CCDC Proposal

The CCDC consultant team for the C Street Master Plan developed three alternatives for C Street:

1. The northern alignment with the trolley tracks on the north side of C Street and a through travel lane proposed for the south side.
2. The southern alignment with the tracks on the south side of C Street and a through travel lane on the north.
3. The existing alignment.

In each proposal, the Fifth Avenue Station would be relocated one block to the east, and the Civic Center Station would be relocated one block to the west. Station relocations were expected to improve spacing between stations and to provide more room for platform growth to accommodate longer trains. The proposals also envisioned a travel lane along the entire corridor. CCDC staff and members of the community supported the travel lane as a way to improve the street grid network, to provide additional traffic on the corridor to inhibit crime, to reduce loitering, and to improve police and emergency vehicle access.

In the end, the northern alignment was chosen as the preferred alignment by the TAC and the project's Citizens Advisory Committee despite concerns raised by MTS staff related to safety, access, and efficient transit operations. A letter detailing MTS staff recommendations was sent to CCDC in October.

### Outstanding Issues

Based on MTS staff analysis, a number of outstanding issues remain and continue to be explored by the various agency staffs.

- Lack of a clear separation between trains and pedestrians between stations.
- Insufficient room built into the plan for expanding platform capacity as trolley use increases in the corridor.
- An increased potential for an accident between people waiting at the stations and moving vehicular traffic because of the introduction of a travel lane immediately adjacent to station platforms.
- A less attractive environment for trolley patrons at the stations due to proximity to vehicular traffic and constrained platforms.
- Insufficient station length built into the plan to permit longer trains in this corridor, and to accommodate safe passenger use of crosswalks.

### Station/Platform Length

Of all of the outstanding areas of concern for MTS operations, the issue of station length is the most difficult to resolve and, at the same time, the most potentially detrimental. Attachment A depicts the current block configuration between Fifth and Sixth Avenues as an example along with diagrams and dimensions for various train-consist make-ups. As currently configured, the station provides just enough room to allow three SD100 or U2 vehicles to stop without cutting off vehicular traffic on the cross streets. Passenger use of the crosswalks is constrained when a train is in the station.

However, the Board plan for system improvement is to include low-floor capability system wide and the introduction of low-floor vehicles on the Orange and Blue Lines would depend on the ability to stop longer trains on C Street, which is the primary destination for passengers on these lines. As Attachment A depicts, adding one or more low-floor S70 vehicles to a consist would increase the length of the trains, and require either that the block between auto traffic lanes be increased, or the trains extend into the travel lanes while stopped. For example, to run 3 S70 cars along C Street and accommodate pedestrian crosswalks, block lengths would need to grow to approximately 292 feet, which is 48 feet longer than existing conditions between Fifth and Sixth Avenues. Similar problems arise if 4-car consists are introduced to meet future anticipated capacity needs.

Based on the Board's direction that low-floor vehicles, such as the S70, be introduced system wide, staff has been working with CCDC and the City to determine the feasibility of lengthening station platforms. Recent analysis by CCDC indicates that a longer station platform at the current Fifth Avenue location is not desirable due to the negative impact on pedestrian and auto traffic throughput required to gain the extra footage. An alternate location between Sixth and Seventh Avenues is also not recommended by CCDC and City staff for similar reasons. Finally, the block between Seventh and Eighth Avenues appears to provide more flexibility, although modest, and City traffic engineering staff is considering this location as of this writing. However, cursory review of the dimensions of this block, and consideration of the previously expressed concerns

regarding pedestrian and auto traffic throughput make it unlikely that City staff will recommend a longer station at this location.

Similarly, staff has discussed low-floor vehicle introduction as it relates to a relocated station between First and Second Avenues. The proposed new Civic Center Station has fewer constraints concerning its length yet presents its own unique concerns, concerns which are being addressed with CCDC and City staff.

One solution suggested to address the station length constraints is to operate more frequent service with shorter 2-car trains. Infrastructure constraints and current and future passenger demand in the corridor make this impractical, if not impossible. The Blue Line operates at 7.5-minute intervals, and the Orange Line operates at 15-minute intervals on C Street. This results in an average frequency of one train every 5 minutes. Even with substantial infrastructure improvements outside the downtown area, frequency on C Street could only be improved to one train every 4 minutes. This 20 percent improvement in train frequency would not be enough to offset the 33 percent decrease in train capacity that would result from dropping to 2-car trains. The combined effect of maximizing frequency and dropping to 2-car trains would decrease capacity by approximately 19 percent. The resulting service would not be enough to meet current demand let alone the increased demand projected in the Downtown Community Plan Update MEIR. In fact, in order to achieve the service demand predicted in the MEIR, it is likely that 4-car trains will be needed.

#### Conclusion

MTS staff will continue to work with CCDC and the City to address outstanding concerns, particularly as they relate to the introduction of low-floor vehicles on C Street. Since staff believes that proposed changes to C Street are critical for introducing low-floor vehicles system wide, the Board will receive additional updates as new analysis is completed.



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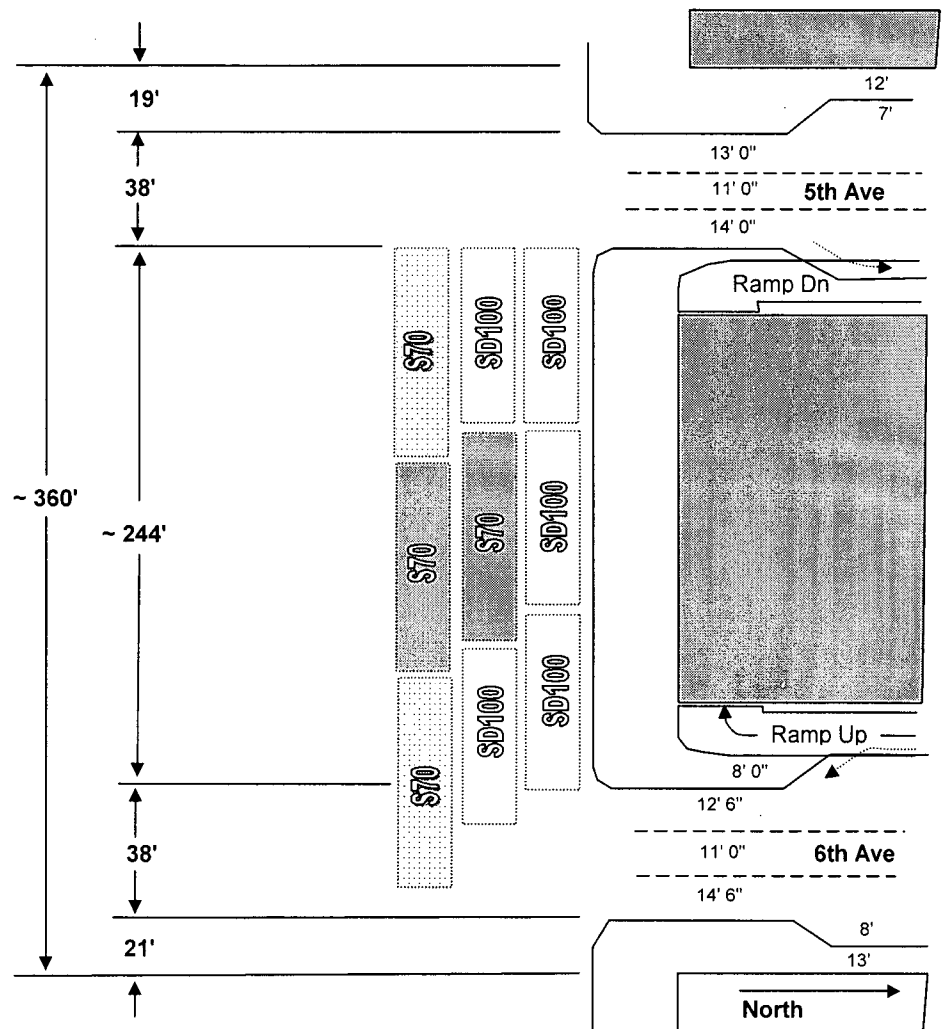
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Brandon Farley, 619.595.4920, [Brandon.Farley@sdmts.com](mailto:Brandon.Farley@sdmts.com)

DEC14-06.45.C ST MASTER PLAN.BFARLEY

Attachment: A. C Street – Typical Block Length

The diagram below depicts existing block configuration from 5th to 6th Avenue with various train consist make-ups placed adjacent to block. 5th to 6th Avenue is a typical downtown block. The purpose of this diagram is to illustrate some constraints in introducing longer low-floor trains on the Blue and Orange Lines along C Street.



~ Not to scale  
~ Rolotape wheel used for measurements

Consist Lengths (feet)

	U2/SD100 #	S70 #	Consist Length
3- Car Trains	3	0	244.8
	2	1	254.0
	1	2	263.1
	0	3	272.3
4-Car Trains	4	0	326.4
	3	1	335.6
	2	2	344.7
	1	3	353.9
	0	4	363.0



10:06



AGENDA ITEM NO.

45

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

21

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

### 1. INSTRUCTIONS

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

Date 12/13/06

Name (PLEASE PRINT) SACHIN KALBAG

Address 225 BROADWAY

Telephone 533 7170

Organization Represented (if any) CDC

Subject of your remarks: C. ST. MASTER PLAN

Agenda Item Number on which you request to speak 45

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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AGENDA ITEM NO.

45

**REQUEST TO SPEAK FORM**

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\*\***

**1. INSTRUCTIONS**

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Date 12/14/06  
 Name (PLEASE PRINT) Mike D. Ryan  
 Address 1055 2nd Ave  
San Diego, CA 92101  
 Telephone 619 238 1818  
 Organization Represented (if any) Westgate Hotel

Subject of your remarks: Civic Center Stop - moving tracks to  
border.

Agenda Item Number on which you request to speak 45

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐
**2. TESTIMONY AT NOTICED PUBLIC HEARINGS**

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For years the Westgate has had the Civic Center trolley stop as it's C Street border. We have had the opportunity to live with the situation it creates with car and pedestrian traffic. It is by far the most confusing intersection in San Diego. The moving of the trolley to the North side of C Street is probably the single best idea we have heard in some time. This will clarify direction of car traffic and the boundaries of the trolley, which have never been solved to our liking.

In 1999 we were approached by the City of San Diego and the people from the trolley that they had decided to elongate the block that is our portion of C Street. To accomplish this they moved the curbs at 2<sup>nd</sup> and C and 3<sup>rd</sup> and C. At our 2<sup>nd</sup> Ave. entrance to our underground parking this further complicated the scenario for our out of town driving guests to find the parking garage as well as confuse many of the locals as to what to do when you approach this intersection. The intent was to keep people from walking through the intersection and into oncoming car and trolley traffic. This did nothing to improve the situation. If you have ever been at any of the trolley stops during rush hour it is sheer pandemonium and people run through what ever to make the trolley. These are the issues that have got to be driven home during this remodel.

A single driving lane, west to east on the south side down C Street will solve much of the existing problems. For sure it will solve the worst one, which is the one at the Civic center stop.

Mike O. Ryan  
Director of Engineering  
Westgate Hotel  
1055 Second Ave.  
San Diego, CA  
92101

10:30



AGENDA ITEM NO.

45

**REQUEST TO SPEAK FORM**

ORDER REQUEST RECEIVED

3

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Date 12.14.06Name (PLEASE PRINT) Justin GlasserAddress 3017 Jennings Street, San Diego CA 92106Telephone 619.757.6401Organization Represented (if any) American ~~Bank~~ Downtown Partnership  
Business - American National Investments

Subject of your remarks: \_\_\_\_\_

Agenda Item Number on which you request to speak 45Your comments are presenting a position of: SUPPORT ☐ OPPOSITION ☐**2. TESTIMONY AT NOTICED PUBLIC HEARINGS**

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AGENDA ITEM NO.

45

# REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

4

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Date 12/14/00  
 Name (PLEASE PRINT) RUBEN ANDREWS  
 Address 6445 AVE. WILFREDO  
LA JOLLA CA  
 Telephone 858-454-4007  
 Organization Represented (if any) \_\_\_\_\_

Subject of your remarks: C ST

Agenda Item Number on which you request to speak 45

Your comments are presenting a position of: SUPPORT ☐ ? OPPOSITION ☐ ?

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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October 25, 2006

THE VOICE OF DOWNTOWN

Nancy Graham  
President  
Centre City Development Corporation  
225 Broadway, 11<sup>th</sup> Floor  
San Diego, CA 92101

**Re: Formal Downtown Partnership Endorsement of the North Alignment  
Alternative for the C Street Master Plan**

Dear Nancy:

I am writing to you today to express the Downtown San Diego Partnership's (DSDP) formal endorsement of the North Alignment Alternative concept for the C Street Master Plan.

The C Street Master Plan alternatives were the subject of a great deal of discussion at the July and September meetings of our Urban Design and Planning Committee. At the September meeting, the committee voted to unanimously endorse the North Alignment Alternative. Our support for this alternative is articulated in the points below:

- The DSDP strongly supports the introduction of a continuous vehicle lane running from west to east throughout C Street. This will allow for circulation, police patrols and access for deliveries and pick ups, which in turn will serve to encourage investment and elevate the type of retail we will see on the street.
- The DSDP strongly supports keeping trolley cars within the existing curb lines so as not to adversely impact north-south vehicle traffic and to protect pedestrians. To this end, trolley cars should not block vehicle lanes and crosswalks.
- The DSDP is opposed to the addition of BRT (Bus Rapid Transit) on C Street as it creates a redundancy in service that would also serve to negatively impact our urban design goals for the corridor.
- The DSDP strongly supports SANDAG's placing the C Street project on its priority list for the purposes of securing funding.

The Partnership firmly believes that with careful planning, C Street can become a major economic and employment center for Downtown. The North Alignment Alternative advances us toward that goal, and we encourage CCDC to pursue its incorporation in the C Street Master Plan.

Sincerely,

A handwritten signature in black ink, appearing to read "Barbara Warden".

Barbara Warden  
President

401 B Street, Suite 100, San Diego, CA 92101 Phone 234-0201 Fax 234-3444 [www.dtsd.org](http://www.dtsd.org)

cc: Mayor Jerry Sanders  
City Councilmember Kevin Faulconer  
City Councilmember Jim Madaffer  
City Council President Scott Peters  
Jennifer LeSar, CCDC Board of Directors  
Harry Mathis, MTS Board of Directors  
Gary L. Gallegos, SANDAG  
Paul Jablonski, MTS  
Paul McNeil, Office of City Council District Two  
Sachin Kalbag, CCDC

10:43



AGENDA ITEM NO.

45

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

5

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Date 12/14/06

Name (PLEASE PRINT) Barbara Warden

Address 401 B Street, Ste. 100

Telephone 619.234.0201

Organization Represented (if any) Downtown San Diego Partnership

Subject of your remarks: ~~Support~~ C Street

Agenda Item Number on which you request to speak 45

Your comments are presenting a position of: SUPPORT ☒ OPPOSITION ☐

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Date 12-14-06Name (PLEASE PRINT) BILL SAULSAddress 427 C ST #416  
SAN DIEGO CA 92101

Telephone \_\_\_\_\_

Organization Represented (if any) \_\_\_\_\_

Subject of your remarks: C STREET MASTER PLANAgenda Item Number on which you request to speak 45

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐**2. TESTIMONY AT NOTICED PUBLIC HEARINGS**

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11:15

AGENDA ITEM NO.

45

**REQUEST TO SPEAK FORM**

ORDER REQUEST RECEIVED

7

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Date

12/14/06

Name (PLEASE PRINT)

SONIA HYNICK

Address

525 B ST, SAN DIEGO

Telephone

619 233 7621

Organization Represented (if any)

HINES

Subject of your remarks:

SUPPORT FOR K ST MASTER PLAN  
& NORTH ALIGNMENT

Agenda Item Number on which you request to speak

45

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐**2. TESTIMONY AT NOTICED PUBLIC HEARINGS**☒ OPINION

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## C Street Master Plan Update (Station/Platform Length)

Board of Directors  
December 14, 2006



### C Street Master Plan

- Led by CCDC with MTS and SANDAG participation;
- Create an overall vision for the revitalization of C Street from India Street to Park Boulevard;
- To provide a more pleasing and attractive area for residents and visitors to San Diego; and
- To define specific improvements for the corridor, including transit infrastructure, streetscapes, public art, improve circulation, and create redevelopment opportunities.



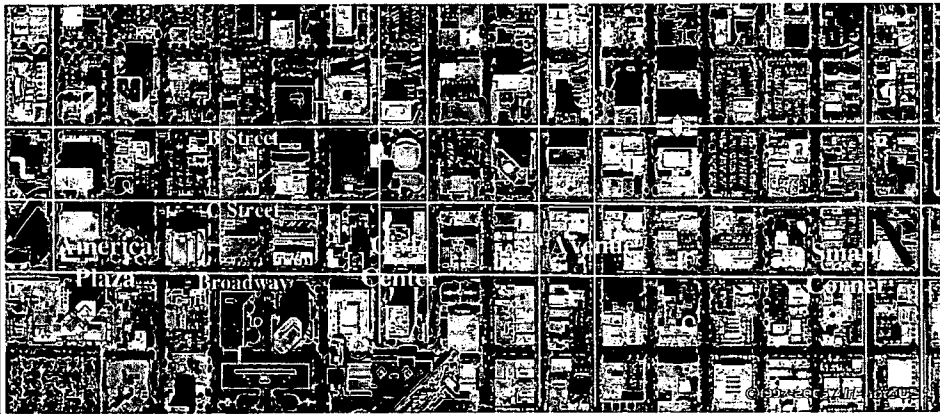
## MTS Participation

- MTS provides Trolley service in the corridor;
- 1/3<sup>rd</sup> of all Trolley trips linked to C Street stations as either an 'on' or 'off';
- Current Trolley infrastructure needs;
- Member of project Technical Advisory Committee (TAC); and
- Staff to staff discussions & other project meetings.



3

## Downtown San Diego C Street



4

## C Street Station Daily Ons & Offs

(Includes Blue & Orange Lines in each direction)

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
America Plaza	6,721	8,069	7,788	7,938	7,170	7,041
Civic Center	8,343	8,970	8,520	8,351	7,644	7,640
5th Avenue	9,312	10,483	10,397	11,034	9,826	9,891
City College	11,447	11,136	10,715	10,243	10,565	10,905
Total	35,823	38,658	37,420	37,556	35,205	35,477

Source: SANDAG Passenger Counting Program



5

## MTS Interests in Corridor

- Access
- Safety
- Efficient Operations

### Emphasizing:

- Need to accommodate longer low-floor vehicle type, because C Street Stations most constrained in system.
- Accommodating anticipated ridership as illustrated in Downtown Community Plan Update Master EIR.



6

## Options

- North Track Alignment (thru auto lane on south);
- Existing Track Alignment; or
- South Track Alignment (thru auto lane on north).

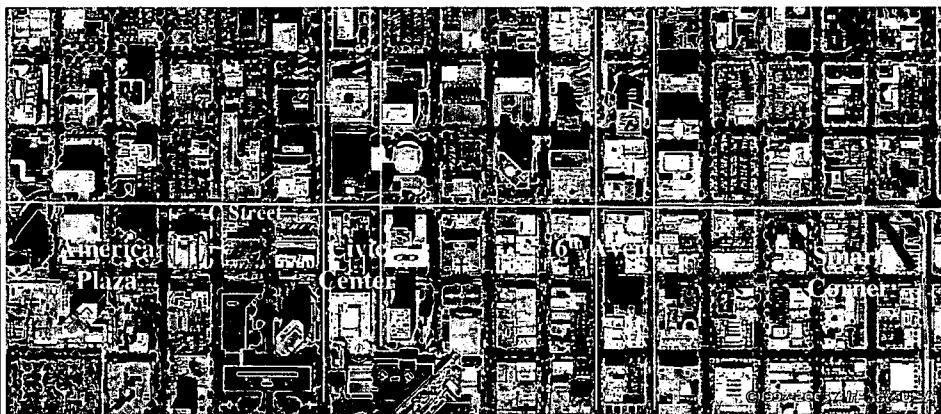
### Independent of Alignment

- Civic Center Station shifted west 1 block
- 5<sup>th</sup> Avenue Station shifted east 1 block
- Traffic signal pre-emption for Trolley assumed



7

## Downtown San Diego C Street Relocated Stations



8

## Status

- BRT alignment north of C Street
- MTS and CCDC are working to resolve other issues;
  1. Lack of clear separation between trains and pedestrians between stations.
  2. Little to no flexibility to widen platforms should the need arise to accommodate anticipated ridership gains.
  3. Increased potential for accidents between patrons and auto traffic.
  4. Less attractive environment for trolley patrons at stations due to proximity of proposed travel lane.
  5. Insufficient station length built into plan to permit longer trains, and to accommodate safe passenger use of crosswalks.



9

## C Street Station Length

- 5<sup>th</sup> Avenue & Civic Center Stations most constrained in system at 244 feet long;
- 3-car trains on Blue & Orange Lines are 243 to 245 feet long;
- No room for pedestrians to get around train while in a station; and
- New low-floor vehicle is approximately 10 feet longer; long-term 3-car trains would be 272 feet long.



10

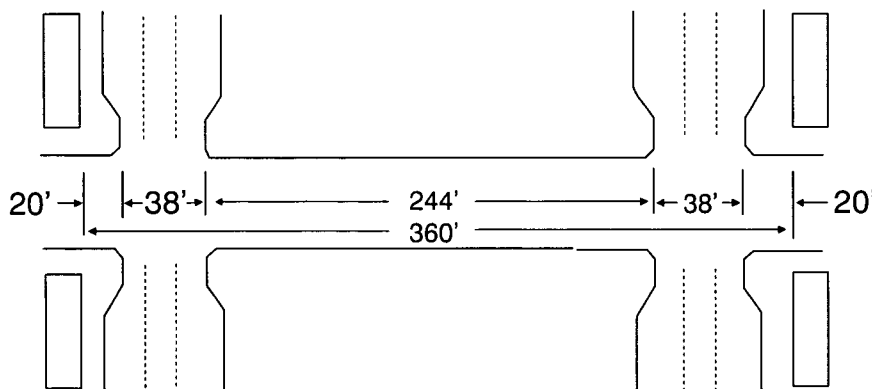
## Recent Focused Efforts

- Motivated by passage of Proposition 1B and need to prioritize use of funds;
- Discussions with City Traffic Engineering staff to daylight possibilities with objective of accommodating 3-car low floor trains, or 275 foot long platforms;
- Between 6<sup>th</sup> to 7<sup>th</sup> first choice; and
- Between 7<sup>th</sup> to 8<sup>th</sup> not desirable, but will consider.



11

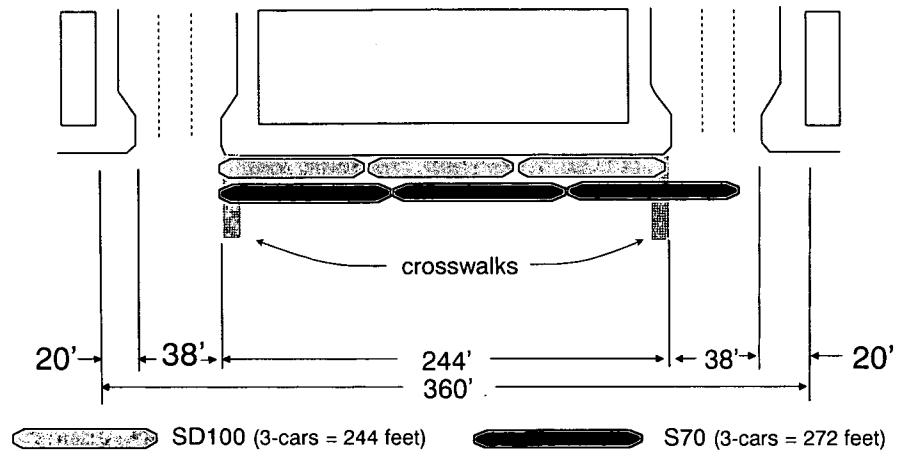
## Typical C Street Block



12



## Typical C Street Block



13



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.

FIN 310 (PC 50601)

December 14, 2006

### SUBJECT:

MTS: YEAR-TO-DATE OPERATIONS BUDGET STATUS REPORT THROUGH  
OCTOBER 2006

### RECOMMENDATION:

That the Board of Directors receive a report for information.

#### Budget Impact

None at this time.

### DISCUSSION:

This report summarizes MTS year-to-date operating results through October 2006. Attachment A-1 combines the operations, administration, and other activities results through October 2006. Attachment A-2 details the year-to-date October 2006 combined operations results, and Attachments A-3 to A-10 present budget comparisons for each MTS operation. Attachment A-11 details budget comparisons for MTS Administration, and A-12 provides year-to-date October 2006 results for MTS other activities (Taxicab/San Diego and Arizona Eastern Railway Company/debt service).

### MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, the October 2006 MTS net-operating subsidy favorable variance totaled \$1,144,000 (2.4%). Operations produced a \$1,326,000



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

(3.1%) favorable variance, and the administrative areas contributed a \$182,000 (-3.0%) unfavorable variance.

## MTS COMBINED RESULTS

### Operating Revenues

Year-to-date combined operating revenues through October 2006 were \$26,086,000 compared to the year-to-date budget of \$25,763,000, representing a \$323,000 (1.3%) favorable variance. From a year-to-date perspective, internal bus operations produced a positive variance of \$59,000 (0.7%), combined Multimodal Operations resulted in a favorable variance of \$509,000 (8.8%) and was partially offset by an unfavorable variance within rail operations totaling 321,000 (-3.1%). All other year-to-date bus-related operations, administration, and other activities were \$76,000 (4.1%) over budget.

### Expenses

Year-to-date combined expenses through October 2006 were \$78,922,000 compared to the year-to-date budget of \$79,743,000, resulting in a \$821,000 (1.0%) favorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$31,416,000 compared to a year-to-date budgetary figure of \$31,272,000, producing an unfavorable variance of \$144,000 (-0.5%).

Outside Services and Purchased Transportation. Total outside services for the first four months of the fiscal year totaled \$22,180,000 compared to a budget of \$22,477,000, resulting in a year-to-date favorable variance of \$297,000 (1.4%). This favorable variance is primarily due to savings compared to budget within purchased transportation.

Materials and Supplies. Total year-to-date materials and supplies expenses totaled \$2,356,000 compared to a budgetary figure of \$2,496,000, resulting in a favorable expense variance of \$140,000 (5.6%).

Energy – Year-to-Date October 2006. Total year-to-date energy costs were \$8,904,000 compared to the budget of \$9,215,000, resulting in a year-to-date favorable variance of \$311,000 (3.4%). Year-to-date compressed natural gas (CNG) prices averaged \$1.097 per therm compared to the midyear-adjusted budgetary rate of \$1.50 per therm, which produced a favorable variance of \$587,000. Traction power within rail operations partially offset the CNG favorable variance by \$230,000 (-10.5%).

Risk Management. Year-to-date expenses for risk management were \$111,000 (6.1%) under budget, totaling \$1,697,000 compared to the year-to-date budgetary figure of \$1,808,000.

General and Administrative. Year-to-date general and administrative costs including vehicle and facilities leases were \$123,000 (12.2%) under budget, totaling \$886,000 through October 2006 compared to a year-to-date budget of \$1,009,000.

#### YEAR-TO-DATE SUMMARY

The October 2006 year-to-date net-operating subsidy totaled a favorable variance of \$1,144,000 (2.4%) and was produced by many factors. Favorable variances in operating revenue, purchased transportation, materials, energy, risk management, and general expenses were partially offset by wages and fringe-related expenses.



---

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Larry Marinesi, 619.557.4542, [Larry.Marinesi@sdmts.com](mailto:Larry.Marinesi@sdmts.com)

DEC14-06.46.OPSBUDGET OCT.LMARINESI

Attachment: A. Comparison to Budget

# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Att. A, AI 46,  
12/14/06,  
FIN 310

## MTS CONSOLIDATED

### COMPARISON TO BUDGET - FISCAL YEAR 2007

OCTOBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 24,776	\$ 24,785	\$ (9)	0.0%
Other Revenue	1,310	978	332	33.9%
<b>Total Operating Revenue</b>	<b>\$ 26,086</b>	<b>\$ 25,763</b>	<b>\$ 323</b>	<b>1.3%</b>
Subsidy	\$ 44,052	\$ 44,468	\$ (416)	-0.9%
Other Non Operating Income	5,649	5,649	-	0.0%
<b>Total Non Operating Revenue</b>	<b>\$ 49,701</b>	<b>\$ 50,117</b>	<b>\$ (416)</b>	<b>-0.8%</b>
<b>Total Revenue</b>	<b>\$ 75,788</b>	<b>\$ 75,880</b>	<b>\$ (93)</b>	<b>-0.1%</b>
Wages	\$ 20,154	\$ 20,311	\$ 157	0.8%
Fringes	11,262	10,961	(301)	-2.7%
Services	5,304	5,318	13	0.2%
Purchased Transportation	16,876	17,159	284	1.7%
Materials	2,356	2,496	140	5.6%
Energy	8,904	9,215	311	3.4%
Risk Management	1,697	1,808	111	6.1%
General and Administrative	814	900	86	9.6%
Debt Service	11,483	11,466	(17)	-0.1%
Vehicle/Facility Lease	72	109	37	33.9%
<b>Total Costs</b>	<b>\$ 78,922</b>	<b>\$ 79,743</b>	<b>\$ 821</b>	<b>1.0%</b>
Overhead Allocation	(0)	(0)	-	0.0%
<b>Total Revenue Less Total Costs</b>	<b>\$ (3,135)</b>	<b>\$ (3,863)</b>	<b>\$ 728</b>	<b>-18.8%</b>
<b>Net Operating Subsidy</b>	<b>\$ (47,187)</b>	<b>\$ (48,331)</b>	<b>\$ 1,144</b>	<b>2.4%</b>

# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

## CONSOLIDATED OPERATIONS

### COMPARISON TO BUDGET - FISCAL YEAR 2007

OCTOBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 24,776	\$ 24,785	\$ (9)	0.0%
Other Revenue	746	444	302	67.9%
<b>Total Operating Revenue</b>	<b>\$ 25,523</b>	<b>\$ 25,230</b>	<b>\$ 293</b>	<b>1.2%</b>
Subsidy	\$ 40,996	\$ 41,529	\$ (534)	-1.3%
Other Non Operating Income	-	-	-	-
<b>Total Non Operating Revenue</b>	<b>\$ 40,996</b>	<b>\$ 41,529</b>	<b>\$ (534)</b>	<b>-1.3%</b>
<b>Total Revenue</b>	<b>\$ 66,518</b>	<b>\$ 66,759</b>	<b>\$ (241)</b>	<b>-0.4%</b>
Wages	\$ 17,922	\$ 18,114	\$ 192	1.1%
Fringes	10,967	10,683	(284)	-2.7%
Services	4,309	4,484	174	3.9%
Purchased Transportation	16,876	17,159	284	1.7%
Materials	2,356	2,487	131	5.3%
Energy	8,799	9,136	337	3.7%
Risk Management	1,510	1,611	100	6.2%
General and Administrative	109	187	79	41.9%
Debt Service	1,193	1,176	(17)	-1.4%
Vehicle/Facility Lease	72	109	37	34.1%
<b>Total Costs</b>	<b>\$ 64,113</b>	<b>\$ 65,146</b>	<b>\$ 1,033</b>	<b>1.6%</b>
Overhead Allocation	2,306	2,306	-	0.0%
<b>Total Revenue Less Total Costs</b>	<b>\$ 99</b>	<b>\$ (693)</b>	<b>\$ 793</b>	<b>-</b>
<b>Net Operating Subsidy</b>	<b>\$ (40,896)</b>	<b>\$ (42,223)</b>	<b>\$ 1,326</b>	<b>3.1%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**INTERNAL BUS OPERATIONS**  
**(SAN DIEGO TRANSIT CORPORATION)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2007**  
**OCTOBER 31, 2006**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>%</b> <b>VARIANCE</b>
Fare Revenue	\$ 7,545	\$ 7,521	\$ 24	0.3%
Other Revenue	384	349	34	9.8%
<b>Total Operating Revenue</b>	<b>\$ 7,929</b>	<b>\$ 7,870</b>	<b>\$ 59</b>	<b>0.7%</b>
Subsidy	\$ 15,062	\$ 15,062	\$ -	0.0%
Other Non Operating Income	0	-	-	100.0%
<b>Total Non Operating Revenue</b>	<b>\$ 15,062</b>	<b>\$ 15,062</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>\$ 22,990</b>	<b>\$ 22,932</b>	<b>\$ 59</b>	<b>0.3%</b>
Wages	\$ 10,186	\$ 10,212	\$ 26	0.3%
Fringes	8,118	7,660	(459)	-6.0%
Services	635	675	40	6.0%
Purchased Transportation	-	-	-	-
Materials	1,366	1,453	86	5.9%
Energy	2,688	2,892	204	7.0%
Risk Management	634	663	29	4.4%
General and Administrative	45	49	4	9.0%
Debt Service	1,193	1,176	(17)	-1.4%
Vehicle/Facility Lease	5	26	21	80.2%
<b>Total Costs</b>	<b>\$ 24,870</b>	<b>\$ 24,805</b>	<b>\$ (65)</b>	<b>-0.3%</b>
Overhead Allocation	1,091	1,091	-	0.0%
<b>Total Revenue Less Total Costs</b>	<b>\$ (2,971)</b>	<b>\$ (2,965)</b>	<b>\$ (6)</b>	<b>-</b>
<b>Net Operating Subsidy</b>	<b>\$ (18,033)</b>	<b>\$ (18,027)</b>	<b>\$ (6)</b>	<b>0.0%</b>

# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

## RAIL OPERATIONS (SAN DIEGO TROLLEY, INC.)

### COMPARISON TO BUDGET - FISCAL YEAR 2007

OCTOBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 9,677	\$ 10,194	\$ (517)	-5.1%
Other Revenue	292	95	197	206.9%
<b>Total Operating Revenue</b>	<b>\$ 9,969</b>	<b>\$ 10,289</b>	<b>\$ (321)</b>	<b>-3.1%</b>
Subsidy	\$ 6,149	\$ 6,149	\$ -	0.0%
Other Non Operating Income	-	-	-	-
<b>Total Non Operating Revenue</b>	<b>\$ 6,149</b>	<b>\$ 6,149</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>\$ 16,118</b>	<b>\$ 16,438</b>	<b>\$ (321)</b>	<b>-1.9%</b>
Wages	\$ 6,967	\$ 7,109	\$ 142	2.0%
Fringes	2,557	2,736	179	6.5%
Services	2,711	2,921	210	7.2%
Purchased Transportation	-	-	-	-
Materials	950	974	24	2.5%
Energy	3,367	3,005	(362)	-12.0%
Risk Management	763	808	45	5.6%
General and Administrative	52	66	14	21.0%
Debt Service	-	-	-	-
Vehicle/Facility Lease	27	31	4	13.6%
<b>Total Costs</b>	<b>\$ 17,395</b>	<b>\$ 17,650</b>	<b>\$ 256</b>	<b>1.4%</b>
Overhead Allocation	901	901	-	0.0%
<b>Total Revenue Less Total Costs</b>	<b>\$ (2,178)</b>	<b>\$ (2,113)</b>	<b>\$ (65)</b>	<b>-</b>
<b>Net Operating Subsidy</b>	<b>\$ (8,327)</b>	<b>\$ (8,262)</b>	<b>\$ (65)</b>	<b>-0.8%</b>



# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

## CONTRACT SERVICES

### FIXED ROUTE

#### COMPARISON TO BUDGET - FISCAL YEAR 2007

OCTOBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	<sup>%</sup> VARIANCE
Fare Revenue	\$ 5,656	\$ 5,321	\$ 335	6.3%
Other Revenue	63	-	63	100.0%
<b>Total Operating Revenue</b>	<b>\$ 5,719</b>	<b>\$ 5,321</b>	<b>\$ 398</b>	<b>7.5%</b>
Subsidy	\$ 12,619	\$ 13,129	\$ (510)	-3.9%
Other Non Operating Income	-	-	-	-
<b>Total Non Operating Revenue</b>	<b>\$ 12,619</b>	<b>\$ 13,129</b>	<b>\$ (510)</b>	<b>-3.9%</b>
<b>Total Revenue</b>	<b>\$ 18,339</b>	<b>\$ 18,451</b>	<b>\$ (112)</b>	<b>-0.6%</b>
Wages	\$ 126	\$ 137	\$ 11	8.1%
Fringes	-	-	-	-
Services	570	398	(172)	-43.1%
Purchased Transportation	11,994	12,129	135	1.1%
Materials	-	-	-	-
Energy	1,870	2,308	438	19.0%
Risk Management	-	-	-	-
General and Administrative	0	3	3	91.6%
Debt Service	-	-	-	-
Vehicle/Facility Lease	40	45	5	11.0%
<b>Total Costs</b>	<b>\$ 14,600</b>	<b>\$ 15,020</b>	<b>\$ 421</b>	<b>2.8%</b>
Overhead Allocation	231	231	-	0.0%
<b>Total Revenue Less Total Costs</b>	<b>\$ 3,508</b>	<b>\$ 3,199</b>	<b>\$ 309</b>	<b>9.6%</b>
<b>Net Operating Subsidy</b>	<b>\$ (9,111)</b>	<b>\$ (9,930)</b>	<b>\$ 819</b>	<b>8.2%</b>

# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

## CONTRACT SERVICES

### PARA TRANSIT

#### COMPARISON TO BUDGET - FISCAL YEAR 2007

OCTOBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 545	\$ 441	\$ 103	23.4%
Other Revenue	8	-	8	100.0%
<b>Total Operating Revenue</b>	<b>\$ 552</b>	<b>\$ 441</b>	<b>\$ 111</b>	<b>25.1%</b>
Subsidy	\$ 3,874	\$ 3,897	\$ (24)	-0.6%
Other Non Operating Income	-	(0)	-	-
<b>Total Non Operating Revenue</b>	<b>\$ 3,874</b>	<b>\$ 3,897</b>	<b>\$ (24)</b>	<b>-0.6%</b>
<b>Total Revenue</b>	<b>\$ 4,426</b>	<b>\$ 4,339</b>	<b>\$ 87</b>	<b>2.0%</b>
Wages	\$ 67	\$ 81	\$ 14	17.5%
Fringes	-	-	-	-
Services	58	88	30	33.9%
Purchased Transportation	3,201	3,303	102	3.1%
Materials	-	-	-	-
Energy	452	436	(16)	-3.6%
Risk Management	-	-	-	-
General and Administrative	1	1	1	44.6%
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	7	7	-
<b>Total Costs</b>	<b>\$ 3,779</b>	<b>\$ 3,917</b>	<b>\$ 138</b>	<b>3.5%</b>
Overhead Allocation	10	10	-	0.0%
<b>Total Revenue Less Total Costs</b>	<b>\$ 636</b>	<b>\$ 411</b>	<b>\$ 225</b>	<b>-</b>
<b>Net Operating Subsidy</b>	<b>\$ (3,237)</b>	<b>\$ (3,486)</b>	<b>\$ 249</b>	<b>7.1%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**CHULA VISTA TRANSIT - CONSOLIDATED**  
**COMPARISON TO BUDGET - FISCAL YEAR 2007**  
**OCTOBER 31, 2006**  
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 909	\$ 875	\$ 34	3.9%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 909</b>	<b>\$ 875</b>	<b>\$ 34</b>	<b>3.9%</b>
Subsidy	\$ 2,000	\$ 2,000	\$ -	0.0%
Other Non Operating Income	0	0	-	0.0%
<b>Total Non Operating Revenue</b>	<b>\$ 2,000</b>	<b>\$ 2,000</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>\$ 2,909</b>	<b>\$ 2,875</b>	<b>\$ 34</b>	<b>1.2%</b>
Wages	\$ 156	\$ 177	\$ 22	12.3%
Fringes	-	-	-	-
Services	1,696	1,755	58	3.3%
Purchased Transportation	-	-	-	-
Materials	-	2	2	-
Energy	270	358	88	24.7%
Risk Management	-	-	-	-
General and Administrative	4	9	4	51.7%
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
<b>Total Costs</b>	<b>\$ 2,126</b>	<b>\$ 2,301</b>	<b>\$ 176</b>	<b>7.6%</b>
Overhead Allocation	49	49	-	0.0%
<b>Total Revenue Less Total Costs</b>	<b>\$ 734</b>	<b>\$ 524</b>	<b>\$ 210</b>	<b>-</b>
<b>Net Operating Subsidy</b>	<b>\$ (1,266)</b>	<b>\$ (1,476)</b>	<b>\$ 210</b>	<b>14.2%</b>

# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

## NATIONAL CITY TRANSIT

### COMPARISON TO BUDGET - FISCAL YEAR 2007

OCTOBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 445	\$ 433	\$ 12	2.7%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 445</b>	<b>\$ 433</b>	<b>\$ 12</b>	<b>2.7%</b>
Subsidy	\$ 889	\$ 889	\$ -	0.0%
Other Non Operating Income	-	(0)	-	-
<b>Total Non Operating Revenue</b>	<b>\$ 889</b>	<b>\$ 889</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>\$ 1,334</b>	<b>\$ 1,322</b>	<b>\$ 12</b>	<b>0.9%</b>
Wages	\$ 420	\$ 397	\$ (22)	-5.6%
Fringes	102	99	(4)	-3.9%
Services	117	171	54	31.3%
Purchased Transportation	-	-	-	-
Materials	40	58	18	31.3%
Energy	152	137	(15)	-11.0%
Risk Management	114	140	26	18.5%
General and Administrative	7	59	52	88.4%
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
<b>Total Costs</b>	<b>\$ 952</b>	<b>\$ 1,061</b>	<b>\$ 108</b>	<b>10.2%</b>
Overhead Allocation	24	24	-	0.0%
<b>Total Revenue Less Total Costs</b>	<b>\$ 358</b>	<b>\$ 237</b>	<b>\$ 120</b>	<b>-</b>
<b>Net Operating Subsidy</b>	<b>\$ (531)</b>	<b>\$ (652)</b>	<b>\$ 120</b>	<b>18.5%</b>

# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

## CORONADO FERRY

### COMPARISON TO BUDGET - FISCAL YEAR 2007

OCTOBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
Subsidy	\$ 59	\$ 59	\$ -	0.0%
Other Non Operating Income	-	-	-	-
<b>Total Non Operating Revenue</b>	<b>\$ 59</b>	<b>\$ 59</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>\$ 59</b>	<b>\$ 59</b>	<b>\$ -</b>	<b>0.0%</b>
Wages	\$ -	\$ -	\$ -	-
Fringes	-	-	-	-
Services	0	0	-	0.0%
Purchased Transportation	46	46	-	0.0%
Materials	-	-	-	-
Energy	-	-	-	-
Risk Management	-	-	-	-
General and Administrative	-	-	-	-
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
<b>Total Costs</b>	<b>\$ 46</b>	<b>\$ 46</b>	<b>\$ -</b>	<b>0.0%</b>
Overhead Allocation	-	-	-	-
<b>Total Revenue Less Total Costs</b>	<b>\$ 13</b>	<b>\$ 13</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Net Operating Subsidy</b>	<b>\$ (46)</b>	<b>\$ (46)</b>	<b>\$ -</b>	<b>0.0%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**ADMINISTRATION PASS THRU**  
**COMPARISON TO BUDGET - FISCAL YEAR 2007**  
**OCTOBER 31, 2006**  
**(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
Subsidy	\$ 344	\$ 344	\$ -	0.0%
Other Non Operating Income	-	-	-	-
<b>Total Non Operating Revenue</b>	<b>\$ 344</b>	<b>\$ 344</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>\$ 344</b>	<b>\$ 344</b>	<b>\$ -</b>	<b>0.0%</b>
Wages	\$ -	\$ -	\$ -	-
Fringes	189	189	-	0.0%
Services	156	156	-	0.0%
Purchased Transportation	-	-	-	-
Materials	-	-	-	-
Energy	-	-	-	-
Risk Management	-	-	-	-
General and Administrative	-	-	-	-
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
<b>Total Costs</b>	<b>\$ 344</b>	<b>\$ 344</b>	<b>\$ -</b>	<b>0.0%</b>
Overhead Allocation	-	-	-	-
<b>Total Revenue Less Total Costs</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Net Operating Subsidy</b>	<b>\$ (344)</b>	<b>\$ (344)</b>	<b>\$ -</b>	<b>0.0%</b>

# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

## ADMINISTRATION CONSOLIDATED

### COMPARISON TO BUDGET - FISCAL YEAR 2007

OCTOBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	457	415	41	9.9%
<b>Total Operating Revenue</b>	<b>\$ 457</b>	<b>\$ 415</b>	<b>\$ 41</b>	<b>9.9%</b>
Subsidy	\$ 2,633	\$ 2,515	\$ 118	4.7%
Other Non Operating Income	-	-	-	-
<b>Total Non Operating Revenue</b>	<b>\$ 2,633</b>	<b>\$ 2,515</b>	<b>\$ 118</b>	<b>4.7%</b>
<b>Total Revenue</b>	<b>\$ 3,089</b>	<b>\$ 2,930</b>	<b>\$ 159</b>	<b>5.4%</b>
Wages	\$ 2,099	\$ 2,048	\$ (51)	-2.5%
Fringes	778	752	(26)	-3.4%
Services	951	798	(152)	-19.1%
Purchased Transportation	-	-	-	-
Materials	-	2	2	-
Energy	103	75	(27)	-36.4%
Risk Management	160	166	7	4.1%
General and Administrative	980	984	4	0.4%
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
<b>Total Costs</b>	<b>\$ 5,070</b>	<b>\$ 4,825</b>	<b>\$ (244)</b>	<b>-5.1%</b>
Overhead Allocation	(2,315)	(2,315)	-	0.0%
<b>Total Revenue Less Total Costs</b>	<b>\$ 334</b>	<b>\$ 420</b>	<b>\$ (85)</b>	<b>20.3%</b>
<b>Net Operating Subsidy</b>	<b>\$ (2,299)</b>	<b>\$ (2,095)</b>	<b>\$ (203)</b>	<b>-9.7%</b>

# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

## OTHER ACTIVITIES CONSOLIDATED

### COMPARISON TO BUDGET - FISCAL YEAR 2007

OCTOBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	107	118	(11)	-9.4%
<b>Total Operating Revenue</b>	<b>\$ 107</b>	<b>\$ 118</b>	<b>\$ (11)</b>	<b>-9.4%</b>
Subsidy	\$ 424	\$ 424	\$ -	0.0%
Other Non Operating Income	5,649	5,649	-	0.0%
<b>Total Non Operating Revenue</b>	<b>\$ 6,073</b>	<b>\$ 6,073</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total Revenue</b>	<b>\$ 6,180</b>	<b>\$ 6,191</b>	<b>\$ (11)</b>	<b>-0.2%</b>
Wages	\$ 133	\$ 149	\$ 16	10.8%
Fringes	(483)	(475)	8	-1.7%
Services	44	36	(9)	-24.0%
Purchased Transportation	-	-	-	-
Materials	-	7	7	-
Energy	3	4	2	37.6%
Risk Management	27	31	4	12.1%
General and Administrative	(274)	(271)	3	-1.3%
Debt Service	10,290	10,290	-	0.0%
Vehicle/Facility Lease	-	-	-	-
<b>Total Costs</b>	<b>\$ 9,740</b>	<b>\$ 9,772</b>	<b>\$ 32</b>	<b>0.3%</b>
Overhead Allocation	8	8	-	0.0%
<b>Total Revenue Less Total Costs</b>	<b>\$ (3,568)</b>	<b>\$ (3,589)</b>	<b>\$ 21</b>	<b>0.6%</b>
<b>Net Operating Subsidy</b>	<b>\$ (3,992)</b>	<b>\$ (4,013)</b>	<b>\$ 21</b>	<b>0.5%</b>



# Metropolitan Transit System FY 2007 - October 2006 Financial Review

MTS Board of Directors Meeting  
December 14, 2006



## SAN DIEGO METROPOLITAN TRANSIT SYSTEM

COMBINED OPERATIONS  
OCTOBER YEAR TO DATE HIGHLIGHTS  
(in 000's)

	YEAR TO DATE
COMBINED NET OPERATING SUBSIDY VARIANCE	
Operations	1,326
General Fund	(182)
	<hr/>
Total Combined Net Operating Subsidy Variance	1,144



**COMBINED MTS TRANSIT OPERATORS  
COMPARISON TO BUDGET - FY 2007  
YEAR TO DATE, OCTOBER 31, 2006  
(in \$000's)**

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR
Fare Revenue	\$24,776	\$24,785	(\$9)	0.0%
Other Revenue	746	444	302	67.9%
<b>Total Operating Revenue</b>	<b>25,523</b>	<b>25,230</b>	<b>293</b>	<b>1.2%</b>
Wages/Fringes	28,889	28,797	(92)	-0.3%
Purchased Transportation	16,876	17,159	284	1.7%
Energy	8,799	9,136	337	3.7%
Other Expenses	9,549	10,053	504	5.0%
<b>Total Costs</b>	<b>64,113</b>	<b>65,146</b>	<b>1,033</b>	<b>1.6%</b>
<b>Net Operating Subsidy</b>	<b><u>(\$40,896)</u></b>	<b><u>(\$42,223)</u></b>	<b><u>\$1,326</u></b>	<b><u>3.1%</u></b>



# Metropolitan Transit System FY 2007 - October 2006 Financial Review

MTS Board of Directors Meeting  
December 14, 2006





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.

SRTP 805.1 (PC 20484)

December 14, 2006

### SUBJECT:

MTS: JANUARY AND MARCH 2007 SERVICE CHANGES

### RECOMMENDATION:

That the Board of Directors receive a report for information.

#### Budget Impact

Implementation of the overall Comprehensive Operational Analysis (COA) Phase II Service Development Plan is expected to result in an FY 2007 operating subsidy savings of \$719,000 (\$5 million annualized). Budget impact of additional changes proposed for January is negligible due to increases in service on some routes and decreases on others.

### DISCUSSION:

Changes to MTS's bus and trolley service are implemented three times a year in the fall, winter, and summer. These regularly scheduled service changes provide us with opportunities to improve the service, operation, and schedules of the transit system consistent with service evaluation and customer comments and implement changes approved as part of service plans, such as the COA. The next dates scheduled for implementing transit service changes are January 28 (Sunday) and January 29 (Monday), 2007. An additional service change is scheduled for March 4 (Sunday) and March 5 (Monday), 2007, to implement service changes that are pending MTS Board approval on December 14, 2007.

This report provides information on service changes planned for January and March 2007. Please see Attachment A for a detailed inventory of the planned changes.



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.

### COA Implementation

The final phase of COA changes will be implemented In January and March 2007. January changes will focus on Interstate 15 (I-15) commuter express routes that will be adjusted consistent with the I-15 bus rapid transit operations concept. March changes will consist of East County implementation and (pending Board approval on December 14, 2006) National City and Spring Valley changes.

### Minor Service Adjustments

As we near the completion of the COA implementation, efforts are focused on fine-tuning the services based on ridership demand and customer comments. These changes consist of the following:

- Relieve Overcrowding – Select trips will be added to Routes 15, 27, 28, 41, 48, 705, 712, and 916/917 to relieve overcrowding and to provide a greater span of service.
- Minor Service Reductions – Some minor service reductions on weekends and late nights will be implemented on Routes 7, 8/9, 15, and 923 due to low ridership.
- Rerouting Off of Mackenzie Creek Road – Starting on January 28, Routes 707 and 709A service on Mackenzie Creek Road will be discontinued and rerouted to Proctor Valley Road between Mt. Miguel Road and Lane Avenue. This change is recommended due to low ridership on Mackenzie Creek Road (1 passenger per trip).
- Weekend Service on Routes 31/921 – Pending Board approval on December 14, 2006, Route 31 weekend service will be replaced with a modified Route 921. This change is proposed based on comments to restore weekend service to Camino Ruiz and Gold Coast Drive and low productivity on weekend Route 31 service (6 passengers per trip).

### Schedule Improvements

With the introduction of Automated Vehicle Location (AVL), we are able to track on-time performance on MTS buses with greater accuracy. Based on information collected for the AVL as well as manual checks, we will be adding running time and adjusting schedules on Routes 3, 4, 7, 20, 44, 50, 150, and 210 to improve on-time performance. In addition, Routes 89 and 844/845 will be rescheduled to better connect with the Coaster and service to Poway High School, respectively.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Conan Cheung, 619.515.0933, [conan.cheung@sdmts.com](mailto:conan.cheung@sdmts.com)

DEC14-06.47.SERVICE CHGS.CCHEUNG

Attachment: A. January 2007 Take One

# TAKE ONE

Post 1/15/07 – 2/19/07

- January 2007 Service Changes
- Presidents Day Service Schedule

## MAPS TO INCLUDE: 704, 961

THIS INFORMATION WILL BE MADE AVAILABLE IN ALTERNATIVE FORMATS UPON REQUEST. To request this notice in an alternative format, please call (619) 231-1466. The Metropolitan Transit System operators adhere to a nondiscrimination policy with regard to both services and facilities.

Can't find your way to where you want to go? We can help. We will help you design your personalized transit travel plans at [www.sdcommute.com](http://www.sdcommute.com) or by calling (800) 266-6883.

## January 2007 Service Changes

Many MTS bus services will have route and/or schedule modifications in January 2007. Most changes are minor adjustments, with some major route changes that include maps in this Take One. MTS encourages passengers to refer to our website [www.sdcommute.com](http://www.sdcommute.com) for more detailed maps, schedules, and information about these changes.

The following service changes will take effect as follows: **Sunday/Holiday schedule changes take effect on Sunday, January 28, 2007, and Weekday schedule changes take effect on Monday, January 29, 2007.** All fares remain the same except where noted. Please be sure to pick up a new timetable for the routes with changes, as listed below:

ROUTE	DESCRIPTION
2	<b>Effective 1/28/07:</b> Minor schedule adjustments related to relocation of downtown terminal to Ash St. at Harbor Dr.
3	<b>Effective 1/28/07:</b> Minor schedule improvements for on-time performance and schedule adherence.
4	<b>Effective 1/28/07:</b> Minor schedule improvements for on-time performance and schedule adherence.
7	<b>Effective 1/28/07:</b> Route 7 has major schedule improvements for reliability and on-time performance. Also, minor service reductions on Sunday due to lower ridership.
8/9	<b>Effective 1/28/07:</b> Weekend early morning service levels adjusted from 15-minute frequency to 30-minute frequency. Service into Sea World is discontinued before 8:00am on weekends and after 8:38pm seven days a week. Also, Route 9 service into Sea World is discontinued before 6:50am on weekdays. Service to bus stops in front of Sea World on Ingraham St. will remain available.
11	<b>Effective 1/28/07:</b> Weekend schedule changes. Route 11 southern terminal for all trips is changed from Spring Valley Shopping Center to Paradise Valley and Deep Dell Roads. Weekend service between Bayview Terraces and Spring Valley is maintained on an extended Route 961 seven days/week via Paradise Valley Rd. Service on Glen Vista St., Parkbrook St, and Elkelton Blvd. is discontinued. Transit access to this area is provided on Elkelton Blvd. on Route 851 (weekdays only), Paradise Valley Rd. on Route 961, or Jamacha Rd. on Route 936.
14	<b>Effective 1/28/07:</b> Some early morning and late night service reduced seven days/week. Also, weekend and holiday frequency reduced to hourly due to low ridership.
15	<b>Effective 1/28/07:</b> Additional weekday westbound trips between 7:00 a.m. and 8:00 a.m. to relieve overcrowding. Also, minor early morning and evening frequency reductions on Sundays.
20	<b>Effective 1/28/07:</b> Route 20 has major schedule improvements for on-time performance and schedule adherence. Route 20A trips are changed to serve Kearny Villa Rd. between Clairemont Mesa Blvd. and Balboa Ave.
25	<b>Effective 1/28/07:</b> Minor schedule adjustment at Comstock St./Linda Vista Rd. for faster service

	to Fashion Valley.
27	<b>Effective 1/28/07:</b> Two weekday early morning short trips added between Convoy St. and Complex Dr. for connections to Route 20.
28	<b>Effective 1/28/07:</b> Additional weekday trips to relieve overcrowding.
31	<b>Effective 1/28/07:</b> Route 31 weekend and holiday service is discontinued. Service between University City and Mira Mesa will be provided on weekends instead by a modified Route 921 in order to provide weekend service to central Mira Mesa. Also, minor weekday schedule improvements.
41	<b>Effective 1/28/07:</b> Minor weekday evening trip adjustments to provide later southbound service.
44	<b>Effective 1/28/07:</b> Route 44 has major schedule improvements for on-time performance and schedule adherence.
48	<b>Effective 1/28/07:</b> Additional weekday trips between 7:00 a.m. and 10:00 a.m. to relieve overcrowding.
50	<b>Effective 1/28/07:</b> Route 50 has minor schedule improvements for on-time performance and schedule adherence.
89	<b>Effective 1/28/07:</b> Route 89 has minor schedule improvements for on-time performance.
83	<b>Effective 1/28/07:</b> Routing is changed in Little Italy to travel between Grape and Laurel Streets via State St. instead of Kettner Blvd. and India St. Service south of Grape St. is maintained on Kettner Blvd. and India St. Other minor schedule changes also take effect.
105	<b>Effective 1/28/07:</b> Route 105 has minor schedule revisions.
150	<b>Effective 1/28/07:</b> Route 150 has minor schedule improvements for on-time performance and schedule adherence.
210	<b>Effective 1/28/07:</b> Route 210 has minor schedule improvements for on-time performance and schedule adherence.
701	<b>Effective 1/28/07:</b> Minor schedule adjustments.
702	<b>Effective 1/28/07:</b> Route is replaced by an extended Route 704. The new Route 704 will cover the same route as both the current Routes 702 and 704. Schedules on the former Route 702 segment will have adjustments.
704	<b>Effective 1/28/07:</b> Route is extended to cover the former Route 702 between the Sharp Chula Vista Medical Center and the Palomar Street Trolley Station, via Brandywine Ave., Main St., Melrose Ave., and Orange Ave. Also, route is revised on the eastern end to provide service to Telegraph Canyon Rd. between Oleander Ave. and Medical Center Dr. Service on this segment of E. Naples St. is discontinued. Please access Route 704 on E. Naples at Oleander Ave., or on Medical Center Dr.
705	<b>Effective 1/28/07:</b> Route is extended as Route 705A to include the former Route 713. Route 705 continues to provide service between E Street Trolley Station and Plaza Bonita; some trips are extended as Route 705A to Southwestern College via Bonita.
706A	<b>Effective 1/28/07:</b> All service is discontinued. For alternate service, please use Route 929 on 3 <sup>rd</sup> Ave. between J St. and E St., Route 705 on E St. between Woodlawn and 4 <sup>th</sup> Ave., and Route 701 or 709 on H St., between the trolley station and Broadway.
707	<b>Effective 1/28/07:</b> Service on Mackenzie Creek Rd. is discontinued. Route will instead use Proctor Valley Rd. between Mt. Miguel Rd. and Lane Ave.
709	<b>Effective 1/28/07:</b> Route is changed to enter into Southwestern College transit station. Also, service on Mackenzie Creek Rd. (weekday-only Route 709A) is discontinued. Route will instead use Proctor Valley Rd. between Mt. Miguel Rd. and Lane Ave. Also, weekend schedule improvements to provide service to Southwestern College before 8:00am.
712	<b>Effective 1/28/07:</b> Additional weekday express trips to alleviate overcrowding.
713	<b>Effective 1/29/07:</b> Route continues as Route 705A (Route number "713" is discontinued), with new additional mid-morning and later evening service, plus other schedule improvements.
810	<b>Effective 1/29/07:</b> Service on Valley Pkwy. and Grand Ave. east of Escondido Blvd. is discontinued. The routing between the Escondido Transit Center and downtown San Diego will not change except in downtown San Diego, where the morning and afternoon routing will be modified. There will also be other minor schedule changes.
820	<b>Effective 1/29/07:</b> Route 820 will change to begin and end at the corner of Community Rd. & Poway Rd. in Poway. The stops at Twin Peaks Rd. & Community Rd. and Twin Peaks Rd. & Budwin Ln. will no longer be served. The routing between Poway Rd. and downtown San Diego will not change except in downtown San Diego, where the morning and afternoon routing will be

	modified. There will also be other minor schedule changes.
844/845	<b>Effective 1/29/07:</b> Routes 844/845 have minor schedule improvements.
850	<b>Effective 1/29/07:</b> Route 850 will change in Rancho Bernardo and Rancho Peñasquitos. The route will begin at Carmel Mountain Rd. & Peñasquitos Dr. The route between this stop and downtown San Diego will not change except in downtown San Diego, where the morning and afternoon routing will be modified. Service to stops north will be provided by Route 860. There will also be other minor schedule changes, including early afternoon northbound trips from downtown San Diego. See new timetable for details.
860	<b>Effective 1/29/07:</b> Route 860 would be changed to begin at W. Bernardo Dr. & Duenda St., then travel to downtown via W. Bernardo Dr., Rancho Bernardo Rd., Pomerado Rd., Camino del Norte, Rancho Carmel Dr. and I-15. The routing in downtown San Diego will be modified. There will also be other minor schedule changes, including additional early afternoon northbound trips from downtown San Diego. See new timetable for details.
916/917	<b>Effective 1/28/07:</b> Service is added to operate every 30 minutes on weekdays on the northern segment of the route (between Euclid Trolley Station and College Grove via Bayview Heights Rd. and Streamview Dr.). There are no schedule changes on weekends or holidays, or on the southern segment of the route (North Encanto and Lemon Grove).
921	<b>Effective 1/28/07:</b> Route 921 service will be implemented on weekends and holidays between Mira Mesa and UTC with some route modifications. On weekends and holidays only, Route 921A will operate in Sorrento Mesa on Mira Mesa Blvd. instead of Barnes Canyon Rd. and Pacific Heights Blvd. Also, the route will loop on the eastern end to provide service on both Mira Mesa Blvd. and Gold Coast Dr. Please pick up a new Route 921 timetable for details.
923	<b>Effective 1/28/07:</b> Some late night service reduced seven days/week. Also, weekend and holiday frequency reduced to hourly due to low ridership.
936	<b>Effective 1/28/07:</b> Northern terminal is changed to SDSU Transit Center instead of 70th St. Trolley Station and service on Alvarado Rd. is discontinued. Transit access to Alvarado Rd. will be the Alvarado Medical Center Green Line trolley station. Service to 70th St. Trolley Station is still available on Routes 1A, 14, and the Green Line Trolley.
955	<b>Effective 1/28/07:</b> Route 955 is changed in National City to operate on 43rd St., Highland Ave., and 8th St. Service on Delta and Vesta Streets is discontinued. The nearest transit access from Delta and Vesta Streets is Route 929 on Main St. or Route 955 on 43rd St. Other schedule changes will also take effect.
961	<b>Effective 1/28/07:</b> Route is extended to operate seven days per week between Plaza Bonita and Spring Valley Shopping Center. The route between Meadowbrook Dr. and Spring Valley Shopping Center is changed to operate on Paradise Valley Rd only. Service on Glen Vista St., Parkbrook St, and Elkelton Blvd. is discontinued. Transit access to this area is provided on Elkelton Blvd. on Route 851 (weekdays only), Paradise Valley Rd. on Route 961, or Jamacha Rd. on Route 936.
980	<b>Effective 1/28/07:</b> Route is discontinued. For service between North County communities and Downtown San Diego, please use Routes 20, 820, 850, or 860.
990	<b>Effective 1/28/07:</b> Route is discontinued. For service between North County communities and San Diego, please use Route 20. For service between Downtown, Hillcrest, Fashion Valley, and Kearny Mesa, please use Routes 20 or 120.
992	<b>Effective 1/28/07:</b> Night service to 9th Ave. is discontinued and all trips will serve Gaslamp Quarter to 5 <sup>th</sup> Ave./J St.

## Presidents Day (Monday, February 19, 2007) Service Schedule

On Presidents Day, all MTS bus and trolley services will operate on a Sunday schedule, except Routes 601, 602, and 603, which will operate a regular weekday schedule. The Sorrento Valley Coaster Connection will operate with a modified schedule. All other MTS services that do not operate on Sundays will not operate on Presidents Day. All NCTD Breeze and Coaster services will operate on a weekday schedule.

Telephone Information (800-COMMUTE) will be available during reduced hours, from 7:00am through 7:00pm. The Transit Store will be closed. MTS Access and ADA Paratransit subscriptions are cancelled for February 19, 2007. Subscription passengers who want to maintain their trip on this day must call to arrange their transportation.



AGENDA ITEM NO.

47

**REQUEST TO SPEAK FORM**

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\*\***

**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 2006-12-14  
Name (PLEASE PRINT) Clive Richard  
Address 5153 La Dorna St  
San Diego CA 92115-1530  
Telephone 619.582.4036  
Organization Represented (if any) \_\_\_\_\_

Subject of your remarks: \_\_\_\_\_

Agenda Item Number on which you request to speak \_\_\_\_\_

Your comments are presenting a position of: SUPPORT



OPPOSITION

**2. TESTIMONY AT NOTICED PUBLIC HEARINGS**

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

**3. DISCUSSION OF AGENDA ITEMS**

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

**4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA**

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

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





## Metropolitan Transit System

# JANUARY AND MARCH 2007 SERVICE CHANGES

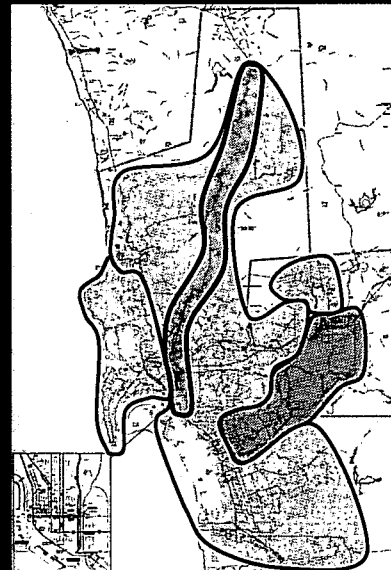
December 14, 2006



## COA Implementation

- June 11, 2006
  - Improve beach routes
  - Service reductions
- September 3, 2006
  - Build frequent urban network
  - University City changes
  - Chula Vista and I-5 south corridor
- January 28, 2007
  - I-15 Express Services
  - Optimize remaining routes
  - Service Reductions (980/990, 706A)
- March 4, 2007
  - East County changes
  - National City changes  
(pending Board approval)

Regional Transit Map



## Minor Service Adjustments

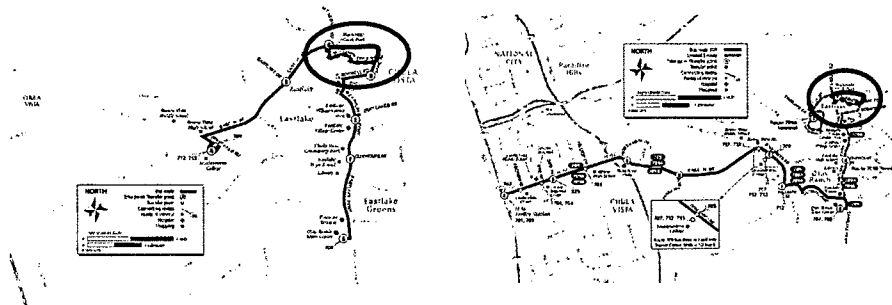
“Fine tuning” of service levels for system optimization

- Add select trips to relieve overcrowding and extend span of service on Routes 15, 27, 28, 41, 48, 705, 712, 916/917
- Minor service reductions on weekends and late nights on Routes 7, 8/9, 15, 923



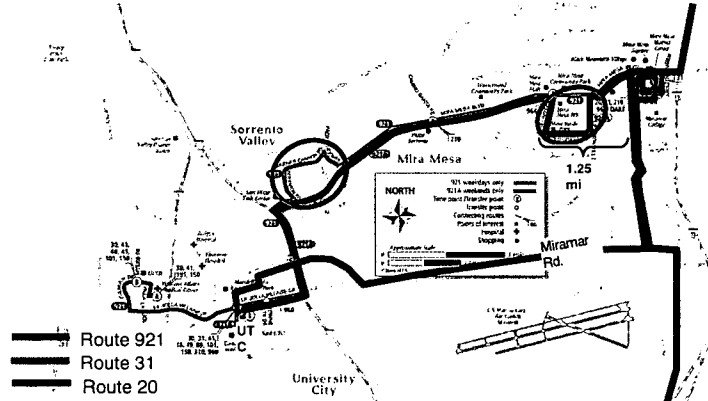
## Rerouting off Mackenzie Creek Rd

- Re-route Routes 707 and 709A service on Mackenzie Creek Rd to Proctor Valley Rd due to low ridership (1 passenger/trip)



## Route 31/921 Weekend Service

- Replace Route 31 weekend service with modified Route 921 service to restore service Camino Ruiz/Gold Coast and low ridership on Route 31 (6 passengers/trip)



5

## Schedule Improvements

### UNCHANGED

Route	Percent Late
2	15%
3	29%
4	22%
7	29%
11	25%
27	7%
50	23%
<b>Avg.</b>	<b>23%</b>

### RE-TIMED

Route	Percent Late	Route	Percent Late
1	17%	20	22%
5	11%	30	19%
6	10%	31	14%
8	9%	41	13%
9	8%	44	27%
10	14%	105	11%
13	10%	120	12%
14	15%	150	25%
15	14%	210	24%
		<b>Avg.</b>	<b>15%</b>



## Added Running Time

Route	Sept 06 In-Service Hours	Jan 07 In-Service Hours	Change In-Service Hours	Percent Change	Route	Sept 06 In-Service Hours	Jan 07 In-Service Hours	Change In-Service Hours	Percent Change
1	128.13	128.13	0.00	0.00%	15	98.45	99.77	1.32	1.34%
2	109.78	109.78	0.00	0.00%	20	128.03	132.22	4.18	3.27%
3	111.62	111.62	0.00	0.00%	27	38.92	39.08	0.17	0.43%
4	49.37	54.85	5.48	11.11%	30	195.10	195.10	0.00	0.00%
5	46.25	46.25	0.00	0.00%	31	30.72	30.70	(0.02)	-0.05%
6	47.95	47.95	0.00	0.00%	41	88.83	88.83	0.00	0.00%
7	190.53	202.25	11.72	6.15%	44	82.12	89.70	7.58	9.24%
8	61.63	61.23	(0.40)	-0.65%	50	40.78	42.75	1.97	4.82%
9	60.05	59.48	(0.57)	-0.94%	105	46.63	46.63	0.00	0.00%
10	100.97	100.97	0.00	0.00%	120	79.43	79.43	0.00	0.00%
11	202.48	202.48	0.00	0.00%	150	44.20	49.13	4.93	11.16%
13	68.00	68.00	0.00	0.00%	210	9.92	10.57	0.65	6.57%
14	94.65	92.17	(2.48)	-2.62%					
Total						2,154.54	2,189.08	34.54	1.60%



Metropolitan Transit System

## JANUARY AND MARCH 2007 SERVICE CHANGES

December 14, 2006





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 50101)

December 14, 2006

In accordance with Board Policy No. 52, Procurement of Goods and Services, attached are listings of contracts and purchase orders that have been approved within the CEO's authority (up to and including \$100,000) for the period October 28, 2006, through December 4, 2006.

### Contract Matters

Stacy & Witbeck, Inc. was granted contract acceptance for the San Ysidro Intermodal Transportation Center Project, Phase 2, Contract LRT-10453, MTS Doc. No. L0596.0-02.

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



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Agenda Item 61  
**Chief Executive Officer's Report**

December 14, 2006

Contracts

CALTRANS	STATE GRANT FOR 5311 FUNDS	(\$200,000.00)
RAIL AMERICA	AMEND AGREE TO OPERATE FREIGHT SERVICE	(\$130,000.00)
SAN DIEGO UNIFIED SCHOOL DIST	ECO PASS CONTRACT	(\$30,090.00)
SC VALLEY ENGINEERING	ROE JACK/BORE SEWER @ ALLISON XING	(\$4,700.00)
NEXTG NETWORKS	ROE INSTALL CONDUIT AT OLD TOWN NOELL X	(\$4,600.00)
NEXTG NETWORKS	ROE FIBER OPTICS @ 36TH & 69TH ST	(\$1,800.00)
HP COMMUNICATIONS INC	ROE REMOVE OVERHEAD WIRE @25TH & COMMERC	(\$1,600.00)
URS CORPORATION	ROE EXPLORITORY SOIL INVESTIGATION	(\$1,300.00)
NINYO & MOORE	ROE PERMIT EXTENSION BAYSHORE BIKEWAY	(\$500.00)
SMITH SYSTEMS	30 LRV ADAPTERS	\$0.00
LEIGHTON & ASSOCIATES	ROE SOIL BORING @ GROSSMONT TROLLEY ST	\$0.00
SAN DIEGO TROLLEY, INC	AMEND OPERATING AND LICENSE AGREEMENT	\$0.00
SAN DIEGO TRANSIT CORP	AMEND OPERATING AND LICENSE AGREEMENT	\$0.00
NCTD	PERMIT FOR COASTER TRAILERS & EXPANSION	\$0.00
MERCHANT PROPERTY MANAGEMENT	LICENSE TO MTS FOR CCTV AT MCDONALDS SY	\$0.00
SDG&E	ROE MODIFY UTILITY POLE	\$0.00
CITY OF LEMON GROVE	RECIPROCAL PERMIT FEE WAIVER	\$0.00
RICON CORP	DEVELOPMENT OF PROTOTYPE LIFT	\$0.00
MUSEUM OF CONTEMPORARY ART	AGMT 07 FAMILY SUNDAY SPONSORSHIP	\$0.00
FOUNDATION COMMUNITY SERVICES	PRIVATE HIRE DRIVER SAFETY TRAINING	\$2,400.00
GENERAL AUTO REPAIR	REBUILD TRUCK ENGINE	\$3,811.30
SIEMENS TRANSPORTATION	10 SPIDER FLEX RINGS	\$4,051.40
HI-TECH ENTERPRISES	30 LRV DOOR CONTROL UNITS	\$4,153.76
K-9 GUARDIAN INC	3 DOG KENNELS	\$4,325.00
ASPLUNDH TREE EXPERT	TREE REMOVAL AT MASSACHUSETTES TROLLEY	\$5,750.00
SIEMENS TRANSPORTATION	20 BRAKE METERS	\$5,818.50
WEST COAST CABLING	INSTALLATION OF TOSHIBA PHONE SYSTEM	\$5,979.00
SAN DIEGO SEAL	800 TRACK BRAKE PADS	\$7,327.00
XEROX CORP	SERVICE AGMT ON XEROX 5090 COPIER	\$8,773.08

Agenda Item 61  
**Chief Executive Officer's Report**

December 14, 2006

Contracts

SOFTCHOICE	UPS FOR RACK SERVERS	\$9,175.46
THUNDERWORKS MOBILE	EMERGENCY AND SAFETY LIGHTING	\$10,234.53
HITEC ENTERPRISES	25 LRV DOOR RUBBER PIECES	\$10,335.92
CITY CHEVROLET	CHEVY COLORADO PICK UP FOR TROLLEY STORE	\$13,226.66
SAFT AMERICA	50 GRADE CROSSING BATTERIES	\$19,436.88
SAN DIEGO SEAL	U2 PASSANGER WINDOW RUBBER PROFILES	\$20,267.78
CITY CHEVROLET	CHEVY TRUCK FOR TROLLEY SECURITY	\$20,904.49
SMITH SYSTEMS	70 LRV SENSORS	\$30,179.17
SCHUNK GRAPHITE	30 TRACTION MOTOR BRUSH HOLDERS	\$31,549.20
HORIZON HEALTH EAP	PROVIDE EAP SERVICES TO IBEW EMPLOYEES	\$34,516.00
WISMAR & BARBER	LEGAL SERVICES-WORKER'S COMPENSATION	\$50,000.00
ELECTRO SPECIALTY SYSTEMS	WIRELESS LINK FOR SAN YSIDRO CCTV SYSTEM	\$58,606.48
ISE CORPORATION	DEVELOPMENT OF CNG HYBRID BUS	\$70,000.00
B&B DIVERSIFIED MATERIAL	RAIL TIES	\$71,462.82
BUTZ, DUNN, DESANTIS, BINGHAM	LEGAL SERVICES-LIABILITY	\$75,000.00
RAILQUIP INCORP	RERAILING SYSTEM	\$90,712.57
BEST TECH, INC	30 MOBILE RADIO SYSTEMS FOR ADA VEHICLES	\$98,591.40
CCRT PROPERTIES	AMEND LICENSE AGMT FOR PARKING @ GROSSMO	

Agenda Item No. 61  
**Chief Executive Officers Report**

December 14, 2006

Purchase Orders

TRATTORIA FANTASTICA	CATERING FOR SYMPHONY	\$2,200.00
KINKOS	CLASSROOM DAY TRIPPER FLYERS	\$1,616.25
SIGN A RAMA	WAY FINDING SIGN FOR 9TH & 10TH FLR	\$575.65
REID & CLARK SCREEN ART	SCREEN PRINTED LOBBY SIGNS	\$786.58
ASSOCIATED POSTERS	BUS SHELTERS & BUS KINGS	\$1,536.00
GIRO INC	ON SITE TRAINING EXPENSES	\$5,375.00