



02-09-07 A11:15 IN

Metropolitan Transit System

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

Agenda

****JOINT MEETING AND FINANCE WORKSHOP****

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

February 15, 2007

▶▶ 8:00 a.m. ◀◀

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

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

FINANCE WORKSHOP - 8:00 a.m.

ACTION RECOMMENDED

1. **Roll Call**
2. a. **MTS: FY 2007 Midyear Adjustment and FY 2008 Budget Development** Approve
Action would: (1) approve the combined FY 2007 Midyear Adjustment; and (2) receive the following MTS reports: FY 2008 Preliminary Operating Revenue, FY 2008 Preliminary Assumptions, and FY 2008 Preliminary Issues/Policy Decisions.
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.

BOARD MEETING - 9:00 a.m.

4. a. Roll Call
- b. Approval of Minutes - January 18, 2007 Approve
- c. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please furnish a copy to the Clerk of the Board.

CONSENT ITEMS

6. 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 January 23, 2007, Meeting Approve
Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports; and (2) ratify actions taken by the SD&AE Railway Company Board of Directors at its meeting on January 23, 2007.
7. MTS: State Transit Assistance Claim Amendment Approve
Action would adopt Resolution No. 07-01 amending the Fiscal Year 2007 State Transit Assistance claims.
8. SDTI: Right-of-Way Vegetation Control Services Contract Amendment Approve
Action would authorize the SDTI President of San Diego Trolley, Inc. (SDTI) to approve Contract Amendment No. 5 to SDTI Doc. No. C.O.008-0-04 with Allied Weed Control for right-of-way vegetation control services using chemical applications on 190 acres and ratify all previous contract amendments.
9. MTS: Trapeze Software Group, Inc. - Contract Amendment Approve
Action would authorize the CEO to execute a contract amendment (MTS Doc. No. B0399.4-03) to establish a reimbursement schedule for maintenance fees to Trapeze Software Group, Inc.
10. MTS: Investment Report Receive
Action would receive a report for information.
11. MTS: Creative Development and Image Advertising Services Approve
Action would authorize the CEO to execute Option Two of two 1-year option extensions (MTS Doc. No. G0919.3-04) with Wash Creative, Inc. for continuation of creative development and image advertising services.

12. MTS: SDTI Yard Security Project - Contract Work Order
Action would approve Work Order No. 07.06 to MTS Doc. No. L0606.6-02 for design and construction support services for SDTI Yard security hardening.

Approve

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: PUBLIC EMPLOYEE PERFORMANCE EVALUATION
(Chief Executive Officer) Pursuant to California Government Code section 54957
- c. MTS: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to of California Government Code section 54956.9(a): Stella Reed v. MTS Et Al. (Claim No. Unassigned)
- d. MTS: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code section 54956.9: OPM, Inc. v. MTDB, Et Al. (Superior Court Case No. GIS 8067-1)

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. MTS: Kobey Corporation Master Concessionaire Contract Extension
Action would authorize a four-month extension of the existing Master Concessionaire contract with Kobey Corporation (SDTI Doc. No. C.A.007.0-02).

Approve

REPORT ITEMS

45. SDTI: Chargers Football 2006 Year-End Summary
Action would receive a report for information.

Receive

- | | | |
|-----|---|-----------------|
| 46. | <u>MTS: Year-to-Date Operations Budget Status Report Through December 2006</u>
Action would receive the MTS Year-to-Date Operations Budget Status Report through December 2006. | Receive |
| 47. | <u>MTS: Leon Williams Station Dedication Working Group Report</u>
Action would receive a report on the efforts to date in regard to dedicating the San Diego State University (SDSU) Station to former Board Chairman Leon Williams. | Receive |
| 48. | <u>MTS: Comprehensive Operational Analysis Implementation Update</u>
Action would receive a report on the implementation and early results of the Comprehensive Operational Analysis (COA) service changes. | Receive |
| 60. | <u>Chairman's Report</u> | Possible Action |
| 61. | <u>Chief Executive Officer's Report</u> | Information |
| 62. | <u>Board Member Communications</u> | |
| 63. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. | Possible Action |
| 64. | <u>Next Meeting Date:</u> March 8, 2007 (Finance Workshop at 8:00 a.m.) | |
| 65. | <u>Adjournment</u> | |

Submitted by: _____
Remove On: _____
Return to Submitter: _____ (OR Pick Up)
Retain in Posting File: _____

Submitted by: D. Bridge

Remove On: 2/15/07

Return to Submitter: G. Williams

OR (Pick One)

Retain in Posting File: _____

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL**

MEETING OF (DATE): 2/15/07

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:29 a.m.

RECONVENE: 11:18 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 12:10 p.m.

BOARD MEMBER (Alternate)				PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>		11:41 a.m. after AI 45
CLABBY	<input checked="" type="checkbox"/>	(Selby)	<input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/>	(Cafagna)	<input type="checkbox"/>		10:42 a.m. during AI 24
EWIN	<input checked="" type="checkbox"/>	(Allan)	<input type="checkbox"/>		
FAULCONER	<input type="checkbox"/>	(Hueso)	<input type="checkbox"/>		<input checked="" type="checkbox"/>
HANSON-COX	<input checked="" type="checkbox"/>	(Lewis)	<input type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/>	(Vacant)	<input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/>	(Janney)	<input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/>	(Downey)	<input checked="" type="checkbox"/>	Both primary & alternate members attended	10:17 a.m. during AI 24
RINDONE	<input checked="" type="checkbox"/>	(McCann)	<input type="checkbox"/>		11:21 a.m. during AI 45
ROBERTS	<input checked="" type="checkbox"/>	(Cox)	<input type="checkbox"/>		11:41 a.m. after AI 45
RYAN	<input type="checkbox"/>	(B. Jones)	<input checked="" type="checkbox"/>	10:37 a.m. during AI 24	
YOUNG	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>		10:44 a.m. after 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
[Signature]

METROPOLITAN TRANSIT DEVELOPMENT BOARD
FINANCE WORKSHOP

ROLL CALL

MEETING OF (DATE): 2/15/07

CALL TO ORDER (TIME): 8:11 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

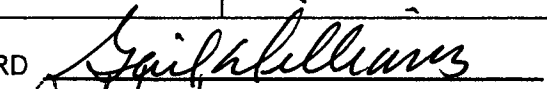

ORDINANCES ADOPTED: _____

ADJOURN: 8:54 a.m.

BOARD MEMBER		(Alternate)		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>	8:14 a.m. during AI 2a	
CLABBY	<input checked="" type="checkbox"/>	(Selby)	<input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/>	(Cafagna)	<input type="checkbox"/>	8:39 a.m. during AI 2a	
EWIN	<input checked="" type="checkbox"/>	(Allan)	<input type="checkbox"/>		
FAULCONER	<input type="checkbox"/>	(Hueso)	<input type="checkbox"/>		<input checked="" type="checkbox"/>
HANSON-COX	<input checked="" type="checkbox"/>	(Lewis)	<input type="checkbox"/>	8:11 a.m. during AI 2a	
MAIENSCHIEIN	<input type="checkbox"/>	(Hueso)	<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"/>		
MONROE	<input checked="" type="checkbox"/>	(Downey)	<input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/>	(McCann)	<input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/>	(Cox)	<input type="checkbox"/>	8:30 a.m. during AI 2a	
RYAN	<input type="checkbox"/>	(B Jones)	<input type="checkbox"/>		<input checked="" type="checkbox"/>
YOUNG	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>		
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

NOT TURNED IN TO ACCOUNTING FOR THE PAYMENT OF FEES. ONLY THE ROLL CALL FOR THE FULL BOARD MEETING ON THIS DATE WAS TURNED IN FOR PAYMENT OF FEES.

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

January 18, 2007

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. Approval of Minutes

Mr. Ewin moved to approve the minutes of the December 14, 2006, Board of Directors meeting. Ms. Hanson-Cox seconded the motion, and the vote was 14 to 0 in favor.

3. Public Comment

Don Stillwell: Mr. Stillwell made suggestions for the improvement of service. He stated that a bus stop for Route No. 18 should be added at Ward Road on Camino del Rio North for the convenience of residents in that area. He also stated that two Route No. 13 buses are waiting at Crawford Street at the same time and block access by Route No. 14 to its stop at Crawford. He stated that he would like to have a phone number for reporting buses that don't arrive at their scheduled time. He added that buses are still leaving trolley stops minutes before the trolley arrives. He also reported that the fare vending machines do not accept cash unless you press J to insert cash. He stated that instructions posted on the machines do not include this information. Mr. Mathis stated that Mr. Stillwell's comments would be referred to staff, and they would respond to the issues he presented.

4. MTS: Election of Vice Chair and Chair Pro Tem and Appointments to Committees for 2007 (ADM 100, PC 50101)

Ms. Tiffany Lorenzen, MTS General Counsel, advised the Board that they will be asked to nominate and elect a Vice Chair and Chair Pro Tem for 2007, positions currently held by Mr. Rindone and Mr. Emery, respectively. She stated that the Board will also be asked to consider the nominating slate proposed by the Ad Hoc Nominating Committee. She reminded the Board that appointments for the Executive Committee are now set by Policy No. 22. She added that the San Diego Association of Governments (SANDAG) Transportation Committee appointment is set by the Executive Committee. She reported that the Executive Committee, at its January 13, 2007, meeting appointed Bob Emery to continue in that position. Ms. Lorenzen clarified for Board members that individuals who are appointed for specific committees and/or the Vice Chair or Chair Pro Tem positions should abstain from voting for themselves during the vote for those particular positions.

Action Taken

Chairman Mathis nominated Mr. Rindone for the position of Vice Chair and Mr. Emery for the position of Chair Pro Tem. Chairman Mathis closed nominations as there were no other nominations from the floor. The votes were 13 to 0 in favor with Mr. Rindone abstaining on the vote for Vice Chair and Mr. Emery abstaining on the vote for Pro Tem.

The Board was asked if they wanted to make modifications to the proposed slate of nominations for MTS committees as presented in the agenda item. There were none. The vote was as follows:

MTS Budget Committee

Jerry Rindone, Chairman: 13 to 0 in favor, with Mr. Rindone abstaining.
Harry Mathis, Vice Chairman: 13 to 0 in favor, with Mr. Mathis abstaining.
Thomas Clabby, Committee Member: 13 to 0 in favor, with Mr. Clabby abstaining.
Ron Roberts, Committee Member: 13 to 0 in favor, with Mr. Roberts abstaining.
Tony Young, Committee Member: 13 to 0 in favor, with Mr. Young abstaining.

Joint Committee on Regional Transit (JCRT)

Bob Emery, Committee Member: 13 to 0 in favor, with Mr. Emery abstaining.
Harry Mathis, Committee Member: 13 to 0 in favor, with Mr. Mathis abstaining.
Ernie Ewin, Committee Member: 13 to 0 in favor, with Mr. Ewin abstaining.
Alternates:
Thomas Clabby, Committee Member: 13 to 0 in favor, with Mr. Clabby abstaining.
Brian Maienschein, Committee Member: 13 to 0 in favor, with Mr. Maienschein abstaining.

Taxicab Committee

Brian Maienschein, Chairman: 13 to 0 in favor, with Mr. Maienschein abstaining.

High-Speed Rail Task Force (SANDAG)

Brian Maienschein, Committee Member: 13 to 0 in favor, with Mr. Maienschein abstaining.
Alternate: Jillian Hanson-Cox, Committee Member: 13 to 0 in favor, with Ms. Hanson-Cox abstaining.

Los Angeles-San Diego Rail Corridor Agency (LOSSAN)

Jerry Rindone, Committee Member: 13 to 0 in favor, with Mr. Rindone abstaining.
Alternate: Harry Mathis, Committee Member: 13 to 0 in favor, with Mr. Mathis abstaining.
Second Alternate: Bob Emery, Committee Member: 13 to 0 in favor, with Mr. Emery abstaining.

Accessible Services Advisory Committee

Thomas Clabby, Chairman: 13 to 0 in favor, with Mr. Clabby abstaining.

Ad Hoc Railroad Subcommittee

Bob Emery, Chairman: 13 to 0 in favor, with Mr. Emery abstaining.
Harry Mathis, Vice Chair: 13 to 0 in favor, with Mr. Mathis abstaining.
Thomas Clabby, Committee Member: 13 to 0 in favor, with Mr. Clabby abstaining.
Jerry Rindone, Committee Member: 13 to 0 in favor, with Mr. Rindone abstaining.

SANDAG Board

Harry Mathis, Advisory Member: 13 to 0 in favor, with Mr. Mathis abstaining.
Alternate: Jerry Rindone, Advisory Member: 13 to 0 in favor, with Mr. Rindone abstaining.
Second Alternate: Bob Emery, Advisory Member: 13 to 0 in favor, with Mr. Emery abstaining.

SANDAG Regional Planning Committee

Harry Mathis, Committee Member: 13 to 0 in favor, with Mr. Mathis abstaining.

Alternate: Bob Emery, Committee Member: 13 to 0 in favor, with Mr. Emery abstaining.

CONSENT ITEMS

6. MTS: Investment Report (FIN 300, PC 50601)

Recommend that the Board of Directors receive an investment report through November 2006.

7. 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 (ADM 130.3, PC 50451)

Recommend that the Board of Directors adopt Ordinance No. 13, An Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles and Prohibited Actions On or About a Transit Facility or a Bus Stop and direct publication of an ordinance summary.

8. MTS: LRV Traction Motors Repair and Rehabilitation Services Agreement – Work Orders (CIP 13164)

Recommend that the Board of Directors (a) accept the assignment of the LRV Traction Motors Repair and Rehabilitation Services Agreement from the San Diego Association of Governments (SANDAG); and (2) authorize the CEO to issue Work Order Nos. 07-01 and 07-02 (Attachments A and B of the agenda item) to Siemens Energy and Automation for rehabilitation of 30 U2 traction motors for a cost not to exceed \$1,707,396 and for U2 traction motor repairs as needed for a cost not to exceed \$500,000, respectively.

9. MTS: Escrow Agreement (FIN 300, PC 50601)

Recommend that the Board of Directors approve an Escrow Agreement (Attachment A of the agenda item) with the Bank of New York Trust Company, N.A. as Trustee.

10. SDTI: Uniform Service Contract Award (OPS 970.6)

Recommend that the Board of Directors authorize the SDTI President to execute a five-year contract (SDTI Doc. No. C.O.065.0-07), in an amount not to exceed \$568,837.55, with Prudential Overall Supply for uniform services for SDTI.

11. MTS: Policies and Procedures No. 18 (Joint Use and Development of Property) (LEG 461, PC 50791)

Recommend that the Board of Directors approve changes to Policy No. 18 as recommended by the Executive Committee.

12. MTS: Emergency Work Authorization Under Policy No. 42.5 (C) and MTS/SANDAG Memorandum of Understanding (MOU) Approval (CIP 10426.6)

Recommend that the Board of Directors (1) find that immediate remedial measures are required at the West Park Avenue and L Street grade crossing to comply with Federal Railroad Administration Rule Nos. 213.127 and 213.133(7) to replace deteriorated rail and ties to ensure that the system is available to serve the transportation needs of the general public, and that the

procurement of construction services in compliance with MTS Policy No. 52.2 is inadequate due to the urgency of the rehabilitation work; and (2) authorize the CEO to execute an MOU (in substantially the same format as Attachment A of the agenda item) with SANDAG to reimburse SANDAG for West Park Avenue and L Street rehabilitation work to be done under a contract change order to the Broadway Rail Replacement Project (CIP 13061) for a total cost not to exceed \$350,000.

Recommended Consent Items

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

CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:10 a.m.

- a. 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)
- b. 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)

The Board reconvened to Open Session at 10:20 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 General Counsel. County and City of San Diego representatives were not present for the discussion of this item.
- b. The Board received a report and gave direction to outside counsel.

NOTICED PUBLIC HEARINGS

25. There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. MTS: Fiscal Year 2008 Capital Improvement Program (CIP) (FIN 310, PC 50601)

Mr. Paul Jablonski, MTS Chief Executive Officer, reported that, because of debt service for the radio and the automated farebox collection systems, MTS only expected to have \$18 million in funding for capital needs for FY 2008. He advised the Board that MTS now expects to receive additional funds as follows, which will bring funding for capital needs up to approximately \$50 million: \$17 million in State Transit Assistance, \$5.9 million from the divestiture of County Transit Services, and \$6.5 million in operating savings that was transferred to the capital budget.

Mr. Larry Marinesi, MTS Budget Manager, reviewed the breakdown of \$50,219,500 in funding that will be available for MTS to use in FY 2008. Mr. Marinesi also reviewed the process that was used to develop the list of FY 08 capital projects to be funded. He pointed out that the Office of Homeland Security will be granting \$1,660,700 through the Transit Security Grant Program for FY 08. He advised the Board that MTS also expected \$2.4 million Section 5309 earmark funding for the East County Bus Maintenance Facility and bus replacements, which Congress is now not going to be approving.

Mr. Marinesi stated that the Security-Related Projects item includes cameras at 12th & Imperial and America Plaza. He added that also included is enhanced video analytics at San Diego State, cameras in revenue vehicles (buses primarily), and MTS's share of a joint funding agreement with the City of La Mesa for cameras at the Amaya Station. He then reviewed unfunded projects for FY 08 and stated that funding from the passage of the infrastructure bond as well as TransNet II will be used for rail infrastructure projects that appear on the unfunded projects list. He then reviewed a five-year projection (FY 08-12) for the CIP and reported that, even though the average percentage of funding compared to needs for the five-year projection period is only 32.7 percent, it is higher than previous years so MTS is trending in the right direction. Mr. Marinesi reported that MTS will continue to pursue capital funding and briefly discussed Proposition 1B funds that will be pursued through the California Transportation Commission.

In response to a question from Ms. Atkins, Mr. Jablonski stated that most of Proposition 1B funds (\$160 million) is formulized and will come to MTS. He stated that MTS is considering combining these funds with TransNet II funding for Orange and Blue Line improvements. He stated that the discretionary portion of 1B funding is for security, and no guidelines have yet been issued regarding the process for applying for these funds. In response to a question from Mr. Young, Ms. Sharon Cooney, Director of Governmental Affairs and Community Relations, explained that security projects were discussed in a security report prepared by the Department of Homeland Security, which identified high-risk locations that would be funded under Homeland Security grant programs. Mr. Jablonski stated that a number of factors were considered in the process of identifying the high-risk stations including activity level, crime rates, etc. Also in response to a question from Mr. Young, Mr. Marinesi explained that, of the \$1.6 million, \$900,000 will be spent on cameras. Mr. Young thanked staff for pursuing funding for the purpose of improving security. He stated that he recognized the need to deal with the threat of terrorism, but he also felt it was important to address security issues that are important to regular riders, such as street crime, gang activity, etc. Mr. Jablonski stated that MTS pursues many different avenues to address security, and that most of the security measures being funded under the security grant will provide increased security on the entire system.

Action Taken

Ms. Atkins moved to (1) approve the fiscal year 2008 Capital Improvement Program (CIP) with the estimated federal and nonfederal funding levels. As the federal appropriation figures are finalized and/or other project funding sources become available, allow the CEO to identify and adjust projects for the adjusted funding levels; (2) recommend that the SANDAG Board of Directors approve the submittal of federal Sections 5307 and 5309 applications for the MTS fiscal year 2008 CIP (shown in Attachment A of the agenda item) after the federal appropriations are finalized; and (3) recommend that the SANDAG Board of Directors approve the amendment of the Regional Transportation Improvement Program in accordance with the fiscal year 2008 CIP recommendations. Mr. Rindone seconded the motion, and the vote was 13 to 0 in favor.

31. MTS: FY 2006 Comprehensive Annual Financial Report (CAFR) and Final Budget Comparison (FIN 300, PC 50601)

Mr. Jablonski advised the Board that the FY 04, FY 05, and FY 06 audits were all completed in 2006, and MTS is now on schedule with generally accepted accounting principles for the completion of audits. He reported that FY 04 and FY 05 audits were completed late because of the consolidation. He attributed MTS's accomplishment of completing all three audits in 2006 to Finance Department staff and the department's leadership.

Mr. Tom Lynch, MTS Controller, reviewed the CAFR for fiscal year ended June 30, 2006. He reviewed consolidated variances to budget and then provided a review of operating areas. He reported the following: (1) The FY 06 budget utilized no contingency reserves compared to \$8.2 million in FY 05; (2) \$2.0 million was moved to the CIP Program; (3) the year ended with a \$1.9 million favorable variance; and (4) \$4.2 million in higher energy costs was absorbed through internal efficiencies and without service cuts. Mr. Lynch also pointed out that, although staff is recommending that \$1,915,000 be applied toward the contingency reserve (bringing it to \$16,413,000), the reserve is still lower than its FY 2003 level of \$25.9 million.

In response to a question from Ms. Atkins about MTS's legal liabilities, Mr. Lynch reported that these items have been fully disclosed on pages 72 and 73 of the report under the Risk Management and Contingencies sections. Ms. Lorenzen advised Ms. Atkins that MTS does not have a policy nor do the auditors require that General Counsel sign the letter included in the Introduction Section of the report. She added that, as part of the audit process, auditors meet with the General Counsel, who discloses MTS's risks and potential liabilities and then signs documentation to that effect.

Ms. Atkins stated that she will vote for this item because the Board is being asked to just receive, not approve, the report. She stated that she does not have the expertise to review the report and ensure that everything is complete. In response to a question from Ms. Atkins, Ms. Lorenzen the contract for audit services is rebid every five years. Ms. Atkins stated that the staff members who work with the auditors are just as important as the auditing firm MTS selects to do the work. She stated that MTS's auditors, Caporicci and Larson, did the City of San Diego's CAFR in 2003. She stated that it is critically important that MTS and staff working on the audit follow all accounting standards regardless of any pressure there is to get the work done.

Mr. Monroe congratulated Mr. Jablonski and staff. In response to a question from Mr. Monroe, Mr. Lynch explained that the average fare for San Diego Trolley was overestimated during the budget process, which explains the negative variance for this factor. He added that many riders are now using monthly passes rather than paying cash, which lowers the average fare. Mr. Lynch reported that, going forward, staff will explore moving to an enterprise fund accounting system, which is more analogous to accounting methods used in the private sector. He stated that the disclosure requirements are the same, but reports are easier to read.

Mr. Ewin asked if anyone would be looking more closely at the audit or review the process that was used to reach the audit results and asked if anyone on the Board meets with the auditors. He also noted that auditors typically use a small sample size when they are conducting their audit. Mr. Jablonski stated that the Budget Development Committee could be asked to assume that responsibility. He further reported that staff is still discussing how MTS, SDTC, and SDTI could be migrated onto one accounting system. Mr. Lynch advised the Board that Caporicci and Larson will be issuing a Management Letter in the near future. He stated that this letter will not identify any material weaknesses but may offer areas in which improvement could be made. He stated that MTS takes these matters very seriously.

Mr. Faulconer agreed with Ms. Atkins' comments. He suggested that the Board consider creating a separate Audit Committee to encourage the flow of information between the auditors and board members. Chairman Mathis stated that an item to address this issue will be added to the Executive Committee agenda and then brought back to the Board. Mr. Young asked about the implications of the Board receiving rather than approving the CAFR. Ms. Lorenzen stated that the auditors take professional responsibility and have the liability exposure for the CAFR and the audit, not Board members who do not have the expertise to actually approve the report. When Mr. Young asked if Ms. Lorenzen could say the Board was not liable, Ms. Lorenzen stated that she could not make that statement with 100 percent certainty. Chairman Mathis stated that the Board can receive the report without assuming responsibility for the validity of the report.

Action Taken

Mr. Monroe moved to receive the FY 2006 Comprehensive Annual Financial Report; and (2) approve applying the FY 2006 positive variance of \$1,915,000 to the MTS Contingency Reserve. Mr. Emery seconded the motion, and the vote was 12 to 1 in favor, with Mr. Young casting the dissenting vote.

32. MTS: Memorandum of Understanding (MOU) Between MTS and the City of Chula Vista Regarding Consolidation of Bus Operations (OPS 910)

Mr. Jablonski explained the process that was used to consolidate all of MTS's various contract services and reviewed the conclusions reached by staff regarding how transit services were provided in Chula Vista. He stated that assuming the transit service in Chula Vista will yield a savings of \$1.78 million, inclusive of the purchase of 26 new over-the-road coaches as part of the contract. He stated that, without these new buses, the savings realized will actually total about \$2.5 million over the five years of the contract with Veolia. He reported that Chula Vista has been operating 36 to 38 buses and has its own CNG fueling facility. He added that Chula Vista has requested an MOU regarding the arrangement with MTS, a final draft of which is attached to the agenda item. Ms. Lorenzen provided the Board with an overview of the elements of the MOU. Mr. Monroe suggested that references to Veolia in the MOU be changed to "contractor" since the contract will be rebid every five years.

Public Comment

Ron Morrison, Mayor, National City: Mr. Morrison distributed and read into the record a letter from the City of National City objecting to the difference in the way National City Transit and Chula Vista services are being assumed by MTS and questioning the \$4.54 per mile and \$4.21 per mile that have been referred to in discussions of this matter.

Don Stillwell: Mr. Stillwell asked how an outside contractor was able to provide service at a lower rate than MTS itself.

Mr. Jablonski stated that the \$4.21 per mile cost is first-year cost only. He stated that \$4.54 represents the average cost over the term of the contract. He stated that MTS compared the first-year cost per mile of the Veolia contract (\$4.21) to the current year cost of the McDonald Transit contract. He also reported that MTS was able to absorb National City's operation because it was much smaller than Chula Vista's. He reminded the Board that Chula Vista has a larger fleet, which needs to be accommodated and also has its own CNG fueling station. MTS would have been faced with building a CNG fueling station in National City. Mr. Jablonski also

reported that MTS is not paying rent for the Chula Vista facility and was paying rent for the National City facility.

Action Taken

Mr. Emery moved to receive a report and authorize the CEO to execute an MOU between the City of Chula Vista and MTS Regarding Provision of Public Transportation Services in substantially the same format as in Attachment A of the agenda item. Mr. Monroe seconded the motion, and the vote was 13 to 0 in favor.

33. MTS: Contract Award for MTS Legal Services (LEG 490, PC 50121)

Ms. Lorenzen reported that the purpose of this contract is to provide MTS with a list of qualified attorneys and law firms to advise, assist, and represent MTS and its subsidiaries. She stated that taking this approach allows MTS immediate access to attorneys on an as-needed basis. She gave an overview of the process used to develop this list and information on the criteria used to evaluate the proposers. She reported that the procurement officer for this contract was able to reduce five of the seven hourly rates proposed by attorneys who were outside the average rate in their practice area. She reported that the two attorneys who were not willing to reduce their rate to the average provide services in very specialized areas of law.

Ms. Lorenzen reported that there were a number of firms that did not get evaluated because they did not comply with the instructions of the Request for Proposal (RFP). She stated that the check list that is usually included to assist proposers with completing their RFP was inadvertently left out, and some of the law firms that MTS typically does business with were disqualified because they did not comply with the RFP. She stated that MTS is therefore reissuing the RFP in an effort to give these firms another chance and to broaden the pool of attorneys from which MTS can choose.

In response to a question from Mr. Ewin, Ms. Lorenzen stated that the Evaluation Committee was comprised of MTS Interim Chief Financial Officer Cliff Telfer, SDTC Risk Administrator Carmen Naranjo, MTS Risk Management Coordinator Jim Dow, and MTS General Counsel Tiffany Lorenzen. In response to a comment by Mr. Ewin, Ms. Lorenzen stated that the law firms were interviewed, that they were very impressive, and that they seemed eager to do work with MTS. She stated that the firms selected are very well qualified. In response to a question from Mr. Monroe, Ms. Lorenzen stated that the law firm that MTS uses for Public Utilities Commission matters was one of the firms that did not comply with the RFP.

Mr. Jablonski pointed out that approving the list does not preclude staff from reporting legal contracts over a certain threshold. Ms. Lorenzen added that any contract over \$100,000 would have to be approved by the Board.

Action Taken

Mr. Emery moved to authorize the CEO or appropriate staff persons to execute contracts on an as-needed basis to attorneys and firms from the prequalified List (Attachment A of the agenda item) for MTS and its subsidiaries contingent upon successful negotiations with each law firm. Mr. McLean seconded the motion, and the vote was 11 to 0 in favor.

REPORT ITEMS

45. MTS: C Street Master Plan Update (ADM 124, PC 50451)

Brandon Farley, MTS Senior Transportation Planner, provided the Board with an overview of the C Street Master Plan as well as information on existing and projected ridership levels through the C Street corridor. He stated that the northern alignment, as favored by the Centre City Development Corporation (CCDC) and other interested parties, would move the trolley tracks to the north side of C Street and add a vehicle travel lane on the south side of the street. Mr. Farley provided visuals of the station options demonstrating the importance of having four stations. One of the recommendations presented four stations equidistance from each other, and Mr. Farley stated that MTS favors this configuration, which would provide the highest level of convenience to trolley users. He also presented a visual of a possible solution that would relocate the 5th Avenue Station to the block between 6th and 7th Avenues. He pointed out that the recommendation would include narrowing of traffic lanes on 7th as the lanes approach the intersection and sidewalks would be adjusted. He stated that these two options would provide enough room for S70 consists to operate at the station. He stated that the other three stations in the corridor can accommodate the longer S70 consists, although some minor adjustments would have to be made to some platforms.

Public Comment

Sachin Kalbah, CCDC: Mr. Kalbah reported that his organization continues to meet with other interested parties. He stated that he would like to come back to the Board to discuss this matter after these meetings have been completed.

Barbara Warden, President, Downtown Partnership: Ms. Warden stated her view that the trolley is a tremendous asset to San Diego and downtown, but that the Downtown Partnership is opposed to any options under which streets or sidewalks would be closed, blocked, or narrowed. She requested that MTS create a system that would fit into the existing system and consider operating two-car low-floor consists.

Mr. Faulconer stated that the goal is to make C Street a better place. He stated that the parties involved have made some tremendous progress and have a strong momentum going to improve C Street, which is not very functional. He stated that he was concerned about the plan to narrow 6th and 7th Avenues. He stated that he would to see the stakeholders meet and agree on a solution to C Street issues within the next month that works for everyone.

Mr. Jablonski stated that, even though MTS has conveyed to CCDC that it believes there are safety issues with the Northern alignment, MTS will agree to that option. He added that MTS cannot agree to a plan that does not allow S70 three-car consists to operate through this corridor or that has less than four stations in the corridor. He stated that the accommodation of these two factors is vital to MTS's acceptance.

Mr. Emery stated that C Street is the heart of MTS's entire system and that MTS needs to maximize ridership capacity. He stated that to not do so would have a negative impact on the entire system. He stated that the parties involved in studying the options should be aware of the loss of capacity that would result from restricting three-car trains. Mr. Clabby asked who would be providing funding for the C Street Corridor project.

Mr. Roberts stated that it is important to end up with a plan that works. He stated that ridership projections indicate that maximum capacity will be needed, and MTS's first and foremost concern should be how to provide that capacity. He stated that he would really like to see MTS

operate four-car trains. He stated that he appreciated the Downtown Partnership's desire to have no interruptions to traffic flow in this area but did not feel that could be accomplished. He cited other locations in the city where citizens experience delays as a result of traffic issues. He stated that the real challenge will be determining how to handle increased traffic and public transit in a cost effective manner. He stated that he was willing to look at solutions that have not yet been considered.

Action Taken

Mr. Emery moved to receive an update regarding the Centre City Development Corporation's (CCDC) C Street Master Plan. Mr. Clabby seconded the motion, and the vote was 9 to 0 in favor.

46. MTS: I-805/SR 52 Bus Shoulder Lanes Project Update (CIP 13481)

Mr. Jablonski reported that this project has been so successful that SANDAG wants to expand the use of this concept.

Action Taken

Mr. Jones moved to receive this report for information. Mr. McLean seconded the motion, and the vote was 8 to 0 in favor.

47. MTS: First Quarter 2007 Performance Indicators (OPS 920.1, 960.5, 970.5, PC 50451)

Action Taken

Mr. Jones moved to waive staff presentation and receive this report for information. Mr. McLean seconded the motion, and the vote was 8 to 0 in favor.

48. MTS: Year-To-Date Operations Budget Status Report Through November 2006 (FIN 310, PC 50601)

Action Taken

Mr. Jones moved to waive staff presentation and receive this report for information. Mr. McLean seconded the motion, and the vote was 8 to 0 in favor.

49. MTS: Leon Williams Station Dedication Working Group Report (ADM 130, PC 50101)

This item was continued.

Action Taken

No action was taken on this item.

60. Chairman's Report

There was no Chairman's Report.

61. Chief Executive Officer's Report

The CEO made no verbal report.

62. Board Member Communications

Grantville Trolley Station: Mr. Monroe requested that staff report back to the Board on ridership levels and the effectiveness of service to Grantville Station.

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, February 15, 2007, with a Finance Workshop at 8:00 a.m. and regular Board meeting at 9:00 a.m., in the same location.

65. Adjournment

Chairman Mathis adjourned the meeting at 12:03 p.m.

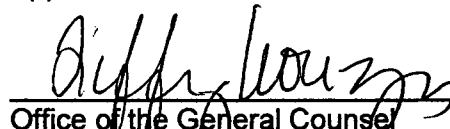


Chairperson
San Diego Metropolitan Transit System
Filed by:



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/minutes

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL**

MEETING OF (DATE): 1/18/07

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:10 a.m.

RECONVENE: 10:20 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 12:03 p.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>	11:50 a.m. during AI 45	
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"/> (Hueso) <input type="checkbox"/>	11:55 a.m. during AI 46	
HANSON-COX	<input checked="" type="checkbox"/> (Lewis) <input type="checkbox"/>	11:36 a.m. during AI 45	
MAIENSCHIN	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Downey) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (McCann) <input type="checkbox"/>	11:25 a.m. during AI 33	
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>	11:33 a.m. during AI 33	
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

[Signature]



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

Agenda

Item No. 2a

MTS OPERATORS FINANCE WORKSHOP

FIN 310.1 (PC 50601)

February 15, 2007

SUBJECT:

MTS: FY 2007 MIDYEAR ADJUSTMENT AND FY 2008 BUDGET DEVELOPMENT

RECOMMENDATION:

That the Board of Directors:

1. approve the combined MTS FY 2007 midyear adjustment (Resolution No. 07-2, Attachment A); and
2. receive the following MTS reports:
 - FY 2008 Preliminary Operating Revenue
 - FY 2008 Preliminary Assumptions
 - FY 2008 Preliminary Issues/Policy Decisions

Budget Impact

None at this time.

DISCUSSION:

COMBINED MTS FY 2007 MIDYEAR ADJUSTMENT

Just under three fiscal years ago, MTS was challenged with a financial position of utilizing nonrecurring revenues and contingency reserves to balance its operating budget. Since then, MTS staff has focused on transforming its financial position into a self-funded operating budget with recurring revenues. This refocus has resulted in going from utilizing over \$15 million in nonrecurring revenues in FY 05 in order to balance the operating budget to balancing the FY 07 operating budget with recurring revenues and additionally shifting \$6.5 million of recurring revenues into the capital program.



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

This favorable swing includes uncontrollable energy costs that have soared. Over the past two fiscal years, MTS's budgeted energy expenses have increased over \$8.5 million.

As we move into the 2007 fiscal year, MTS staff continues to pursue achieving effective operations while fiscally managing the bottom line. MTS staff has calculated a \$2,194,184 favorable midyear adjustment for fiscal year 2007. Staff's recommendation is to earmark these funds into the contingency reserve at fiscal year's end. MTS's current reserve balance as of June 30, 2006, is \$16.4 million or 6.8% of the FY 07 operating budget. This balance is approximately \$9.4 million lower than the reserve level on June 30, 2003, which totaled \$25.9 million.

Operating revenues resulted in a \$1,632,000 positive midyear adjustment primarily due to strong performance within Multimodal Operations offset by rail operations. Total passenger levels are projected to increase by 1.988 million passengers compared to the original FY 07 budget. The consolidated average fare is projected to decrease compared to the original FY 07 budget from \$0.843 to \$0.836.

Subsidy revenues increased by \$1,222,000 primarily due to additional MediCal (\$1,600,000) and 5311(f) (federal assistance for nonurbanized operating services; +\$200,000) subsidy revenues partially offset by a reduction of Inland Breeze funding (-\$570,000).

Personnel-related expenses resulted in a \$2,997,000 unfavorable midyear adjustment. Of this total, \$1,455,000 is a shift of debt service budget from the personnel category to MTS's debt service category (from a bottom line perspective, there is no adjustment). Adjusting this shift in budget, personnel expenses are \$1.55 million over budget. This is primarily due to:

- higher-than-expected overtime within transit services wages (-\$696,000);
- sick and vacation payouts higher than anticipated (-\$449,000);
- higher pension than budgeted (-\$549,000);
- overhead reimbursements lower than expected (-\$678,000);
- additional head count within Information Technology (-\$126,000); partially offset by
- savings within light rail vehicle (LRV) overtime (+\$205,000);
- National City Transit operating wages savings (+\$569,000); and
- other wage adjustments (+\$183,000).

Total outside services produced an unfavorable midyear adjustment of \$1,098,000 primarily from additional purchased transportation costs due to National City Transit (NCT) operations shifting from personnel expenses in NCT's budget to Multimodal Operations purchased transportation budget. Additional factors included higher engine and transmission repairs costs offset by savings within purchased transportation.

A favorable midyear adjustment of \$227,000 for materials and supplies expenses was primarily contributed by rail operations and the transfer of NCT's operations.

Energy-related expenses have trended lower than expected over the first half of the fiscal year. The \$1,747,000 favorable variance is primarily due to lower-than-expected rates within diesel (\$346,000) and compressed natural gas (CNG) (\$1,800,000) partially offset by traction power, facility electricity, and utilities (-\$399,000). Amended rates for diesel and CNG for fiscal year 2007 are \$2.27 per gallon and \$1.27 per therm, respectively. This is down from the original budgeted rates of \$2.32 per gallon for diesel and \$1.50 per therm for CNG.

General and administrative costs, risk management-related expenses, and vehicle/facility leases are resulting in a favorable midyear adjustment of \$7,000.

As mentioned within the personnel section, debt service had a favorable variance of \$1,455,000 due to a shift of the debt service budget from fringes to debt service. This again is simply a shift of budget with no impact to the bottom line.

The above-mentioned adjustments result in a consolidated favorable adjustment of \$2,194,184.

Attachment A-2 provides the total combined MTS consolidated midyear budget adjustments. Attachment A-3 includes the total combined administrative proposed adjustments. Attachment A-4 provides the total combined other activities proposed adjustments. Attachment A-5 supplies the combined operating budget adjustments. Attachments A-6 – A-13 provide supporting operating adjustments for each operator. Attachments A-14 – A-15 supply the nonoperating funding sources by activity and type.

FY 2008 PRELIMINARY OPERATING REVENUE/OPERATING STATISTICS

Attachments B through C provide a preliminary look at MTS's projected fiscal year 2008 operating revenues and statistics. Due to the timing of the MTS Board calendar and Budget Development Committee (BDC) meetings, MTS staff will report on MTS nonoperating revenues at its late February BDC meeting and mid-March Finance Workshop.

Fiscal Year 2008 Preliminary Operating Revenue

Attachment B provides detailed preliminary operating revenue projections by operator for fiscal year 2008, which are based upon the March 2007 service changes.

Combined passenger revenues are projected to increase \$1,142,000 or 1.6 percent, compared to fiscal year 2007 projections. Transit services are projected to contribute \$722,000, rail operations are projected to produce an additional \$752,000, Multimodal Operations is projected to add \$458,000, Chula Vista Transit is adding \$100,000, and National City Transit's (-\$892,000) operating revenue ceases in fiscal year 2008.

FISCAL YEAR 2008 PRELIMINARY ASSUMPTIONS/STATISTICS

Attachment C provides detailed fiscal year 2008 preliminary statistics, including passenger levels, revenue miles, total miles, revenue hours, total hours, and average fares. Please note that there are no fare increases scheduled for the 2008 fiscal year.

In terms of energy rates, MTS is preliminarily projecting CNG and diesel rates of \$1.29 per therm and \$2.19 per gallon, respectively. This again is a preliminary projection and will continue to be monitored and analyzed as we continue through the budgetary process. Attachment D provides a historical perspective on our energy prices and fiscal year 2008 projections. The general inflationary assumption for MTS as a whole for fiscal year 2008 is 2.5 to 3.0 percent.

FISCAL YEAR 2008 PRELIMINARY POLICY ISSUES

FasTrak

Since 1996, the San Diego Association of Governments (SANDAG) has administered the FasTrak Program on Interstate 15 (I-15), which allows single-occupant vehicles to pay a fee for use of the high-occupancy vehicle lanes on I-15. Since 2004, the number of I-15 FasTrak transactions has decreased, while the number of FasTrak account holders has continued to rise. The total annual revenue generated by FasTrak has declined 40% since revenue is only generated for tolls for actual use of the system. While revenues have decreased, the costs of running the FasTrak Program have increased.


MTS has been the recipient of FasTrak revenue by providing Commuter Express service along the I-15 corridor. Within the original fiscal year 07 operating budget, MTS had expected \$1,020,000 for funding of services within the I-15 corridor. However, MTS has been informed by SANDAG that FasTrak payments to MTS will stop on February 28. Due to additional program costs and the elimination of program revenues for FasTrak, the fiscal year 07 midyear budget has decreased \$570,000 to a total of \$450,000. Fiscal year 2008 revenues are expected to be around the \$400,000 to \$500,000 level.

The amount of service that MTS provides along that corridor has not changed materially as the funding levels have decreased.

State Transit Assistance (STA)

In fiscal year 2007, the state estimate for MTS's share of STA funds totaled \$28,446,839. Internally, MTS distributed \$11 million to the operating budget (based upon the "recurring" portion of STA) and just over \$17 million to the capital budget (based upon the spillover funding). Based upon recent information, preliminary fiscal year 08 STA levels are projected to be approximately \$8.7 million. This is approximately \$2.4 million less than fiscal year 2007 recurring funding levels and \$20 million less than the total STA funding from 2007. According to the Governor's budget proposal, spillover money will not be included in the STA allocation; fuel prices and use in FY 07 are not at the levels that the state had originally projected.

STA funding levels could change as the budget process moves forward at the state level.



Paul C. Sahlonski
Chief Executive Officer

Key Staff Contact: Larry Marinesi, 619.557.4542, larry.marinesi@sdmts.com

FEB15-07.2a.FW.FY 08 BUDGETDEV.LMARINESI

Attachments: A. Resolution No. 07-2 with Budget Amendments
B. Operating Budget Revenue Summary FY 08
C. Operating Budget Operating Statistics FY 08
D. Energy Rate Charts

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 07-2

Resolution Approving Amendments to FY 2007 Budget

WHEREAS, the MTS Board of Directors adopted Resolution No. 06-6 on June 8, 2006, approving the FY 2007 budgets for MTS, San Diego Transit Corporation, San Diego Trolley, Inc., MTS Contract Services, Chula Vista Transit, National City Transit, and Coronado Ferry;

BE IT RESOLVED, that the MTS Board of Directors approves changes to the FY 2007 operating budget per the attached proposed budget amendments.

PASSED AND ADOPTED, by the MTS Board of Directors this _____ day of _____ 2007, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

FEB15-07.2a.FW.AttA.RESO 07-2.LMARINESI

Attachment: Budget Amendments

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CONSOLIDATED
FY 2007 PROPOSED BUDGET AMENDMENT**

	FY06 ACTUAL	FY07 BUDGET	FY 07 ACTUAL THROUGH 11/30	FY07 PROJECTED	FY 07 BUDGET CHANGE FAVORABLE (UNFAVORABLE)
REVENUE:					
Passenger Fares	71,270,500	70,865,317	30,991,823	71,970,598	1,105,281
Advertising	764,224	850,000	377,471	900,000	50,000
Contracted Service Revenue	34,515	30,000	-	30,000	-
Other	3,139,840	2,407,008	1,578,815	2,883,842	476,834
Total Operating Revenue	75,209,079	74,152,325	32,948,109	75,784,440	1,632,115
Subsidy Revenue	141,048,992	149,069,845	52,343,885	150,260,291	1,190,446
Reserve Revenue	-	104,641	-	136,480	31,838
Other Income	10,301,827	16,945,908	7,060,795	16,945,908	-
Total Combined Revenue	226,559,898	240,272,719	92,352,789	243,127,118	2,854,399
EXPENSES:					
<u>Personnel</u>	92,138,207	94,390,248	39,669,959	97,387,527	(2,997,278)
<u>Outside Services:</u>					
Security	5,379,933	5,107,687	2,095,499	5,099,018	8,669
Repair/Maintenance Services	3,969,483	4,070,128	1,574,586	4,022,443	47,685
Engines and Transmissions	1,159,741	1,267,540	838,312	1,650,052	(382,512)
Other Outside Services	5,102,920	5,828,528	2,086,910	5,570,354	258,174
Purchased Transportation	49,693,604	51,879,081	20,999,932	52,909,203	(1,030,123)
Total Outside Services:	65,305,682	68,152,964	27,595,238	69,251,071	(1,098,107)
<u>Materials & Supplies:</u>					
Lubricants	349,448	360,778	162,833	347,368	13,410
Tires	646,336	705,717	282,734	687,827	17,889
Other Materials & Supplies	6,533,069	6,894,545	2,472,115	6,699,305	195,240
Total Maint. Parts & Supplies:	7,528,853	7,961,039	2,917,682	7,734,500	226,539
<u>Energy:</u>					
Fuel	6,666,504	7,024,961	2,722,199	6,679,259	345,702
CNG	10,000,121	11,565,862	3,751,946	9,765,953	1,799,909
Traction Power	5,989,975	6,269,367	2,957,601	6,543,844	(274,477)
Utilities	3,124,183	3,154,778	1,440,800	3,279,009	(124,231)
Total Energy:	25,780,783	28,014,969	10,872,547	26,268,066	1,746,903
<u>Risk Management</u>	4,992,821	5,733,082	2,183,027	5,694,908	38,174
<u>General & Administrative</u>	1,056,985	1,291,427	796,359	1,291,831	(404)
<u>Debt Service</u>	27,961,884	34,397,392	14,355,878	32,942,392	1,455,000
<u>Vehicle/Facility Leases</u>	169,348	331,600	100,983	362,640	(31,040)
TOTAL OPERATING EXPENSES	224,934,563	240,272,720	98,491,674	240,932,934	(660,214)
Overhead Allocation	(1)	0	(0)	0	0
Total Revenues Less Total Expenses	1,625,335	(1)	(6,138,884)	2,194,184	2,194,186
Net Operating Subsidy	(149,725,484)	(166,120,396)	(58,482,769)	(165,148,494)	971,902

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CONSOLIDATED ADMINISTRATION
FY 2007 PROPOSED BUDGET AMENDMENT**

	FY06 ACTUAL	FY07 BUDGET	FY 07 ACTUAL THROUGH 11/30 (a)	FY07 PROJECTED	FY 07 BUDGET CHANGE FAVORABLE (UNFAVORABLE)
REVENUE:					
Passenger Fares	-	-	-	-	-
Advertising	-	-	-	-	-
Contracted Service Revenue	-	-	-	-	-
Other	1,202,951	1,180,008	889,357	1,321,897	141,890
Total Operating Revenue	1,202,951	1,180,008	889,357	1,321,897	141,890
Subsidy Revenue	5,949,667	6,050,908	3,144,200	7,397,318	1,346,410
Reserve Revenue	-	-	-	-	-
Other Income	-	-	-	-	-
Total Combined Revenue	7,152,618	7,230,915	4,033,557	8,719,215	1,488,300
EXPENSES:					
<u>Personnel</u>	8,582,515	8,924,158	3,830,651	9,580,636	(656,478)
<u>Outside Services:</u>					
Security	740	8,640	975	8,640	-
Repair/Maintenance Services	23,799	41,856	14,365	41,856	-
Engines and Transmissions	2,495	-	-	-	-
Other Outside Services	2,380,142	2,800,031	1,143,564	2,827,631	(27,600)
Purchased Transportation	713,260	-	-	-	-
Total Outside Services:	3,120,436	2,850,527	1,158,904	2,878,127	(27,600)
<u>Materials & Supplies:</u>					
Lubricants	-	-	-	-	-
Tires	-	-	-	-	-
Other Materials & Supplies	11,056	4,500	170	4,500	-
Total Maint. Parts & Supplies:	11,056	4,500	170	4,500	-
<u>Energy:</u>					
Fuel	5,303	1,000	2,095	4,000	(3,000)
CNG	460	-	690	-	-
Traction Power	-	-	-	-	-
Utilities	230,352	224,960	122,973	225,760	(800)
Total Energy:	236,115	225,960	125,758	229,760	(3,800)
<u>Risk Management</u>	523,828	676,274	196,158	676,274	-
<u>General & Administrative</u>	1,503,085	1,493,043	1,003,140	653,952	839,091
<u>Debt Service</u>	221,813	-	-	-	-
<u>Vehicle/Facility Leases</u>	5,383	-	-	-	-
TOTAL OPERATING EXPENSES	14,204,231	14,174,462	6,314,782	14,023,250	151,212
Overhead Allocation	(6,946,173)	(6,943,547)	(2,893,144)	(7,498,223)	554,676
Total Revenues Less Total Expenses	(105,440)	(0)	611,920	2,194,188	2,194,188
Net Operating Subsidy	(6,055,107)	(6,050,908)	(2,532,280)	(5,203,130)	847,778

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CONSOLIDATED OTHER ACTIVITIES
FY 2007 PROPOSED BUDGET AMENDMENT**

	FY06 ACTUAL	FY07 BUDGET	FY 07 ACTUAL THROUGH 11/30 (a)	FY07 PROJECTED	FY 07 BUDGET CHANGE FAVORABLE (UNFAVORABLE)
REVENUE:					
Passenger Fares	-	-	-	-	-
Advertising	-	-	-	-	-
Contracted Service Revenue	-	-	-	-	-
Other	1,112,956	785,000	145,050	785,000	-
Total Operating Revenue	1,112,956	785,000	145,050	785,000	-
Subsidy Revenue	11,638,810	11,620,179	509,000	12,467,957	847,778
Reserve Revenue	-	104,641	-	136,480	31,838
Other Income	10,301,827	16,945,908	7,060,795	16,945,908	-
Total Combined Revenue	23,053,593	29,455,728	7,714,845	30,335,345	879,616
EXPENSES:					
<u>Personnel</u>	(4,331,469)	(943,808)	(417,002)	510,586	(1,454,394)
<u>Outside Services:</u>					
Security	-	-	-	-	-
Repair/Maintenance Services	18,625	24,900	7,478	24,900	-
Engines and Transmissions	-	-	-	-	-
Other Outside Services	242,981	116,075	38,090	116,075	-
Purchased Transportation	-	-	-	-	-
Total Outside Services:	261,606	140,975	45,568	140,975	-
<u>Materials & Supplies:</u>					
Lubricants	68	-	-	-	-
Tires	-	-	-	-	-
Other Materials & Supplies	4,040	37,150	-	37,150	-
Total Maint. Parts & Supplies:	4,108	37,150	-	37,150	-
<u>Energy:</u>					
Fuel	1,866	1,300	561	1,300	-
CNG	90	-	119	-	-
Traction Power	-	-	-	-	-
Utilities	11,301	10,950	2,833	10,950	-
Total Energy:	13,256	12,250	3,513	12,250	-
<u>Risk Management</u>	85,919	92,949	34,032	92,949	-
<u>General & Administrative</u>	(833,330)	(777,867)	(343,832)	99,479	(877,346)
<u>Debt Service</u>	27,740,071	30,868,865	12,862,027	29,413,865	1,455,000
<u>Vehicle/Facility Leases</u>	-	-	-	-	-
TOTAL OPERATING EXPENSES	22,940,163	29,430,514	12,184,305	30,307,254	(876,740)
Overhead Allocation	22,696	25,214	10,506	28,091	(2,876)
Total Revenues Less Total Expenses	90,734	(0)	(4,479,966)	(0)	0
Net Operating Subsidy	(21,849,903)	(28,670,728)	(4,988,966)	(29,550,345)	(879,616)

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CONSOLIDATED OPERATIONS
FY 2007 PROPOSED BUDGET AMENDMENT**

	FY06 ACTUAL	FY07 BUDGET	FY 07 ACTUAL THROUGH 11/30 (a)	FY07 PROJECTED	FY 07 BUDGET CHANGE FAVORABLE (UNFAVORABLE)
REVENUE:					
Passenger Fares	71,270,500	70,865,317	30,991,823	71,970,598	1,105,281
Advertising	764,224	850,000	377,471	900,000	50,000
Contracted Service Revenue	34,515	30,000	-	30,000	-
Other	823,934	442,000	544,408	776,945	334,945
Total Operating Revenue	72,893,172	72,187,317	31,913,701	73,677,542	1,490,225
Subsidy Revenue	123,460,515	131,398,759	48,690,685	130,395,016	(1,003,742)
Reserve Revenue	-	-	-	-	-
Other Income	-	-	-	-	-
Total Combined Revenue	196,353,687	203,586,076	80,604,386	204,072,558	486,483
EXPENSES:					
<u>Personnel</u>	87,887,161	86,409,899	36,256,310	87,296,305	(886,406)
<u>Outside Services:</u>					
Security	5,379,193	5,099,047	2,094,524	5,090,378	8,669
Repair/Maintenance Services	3,927,059	4,003,372	1,552,743	3,955,687	47,685
Engines and Transmissions	1,157,246	1,267,540	838,312	1,650,052	(382,512)
Other Outside Services	2,479,796	2,912,422	905,256	2,626,648	285,774
Purchased Transportation	48,980,345	51,879,081	20,999,932	52,909,203	(1,030,123)
Total Outside Services:	61,923,639	65,161,462	26,390,766	66,231,969	(1,070,507)
<u>Materials & Supplies:</u>					
Lubricants	349,380	360,778	162,833	347,368	13,410
Tires	646,336	705,717	282,734	687,827	17,889
Other Materials & Supplies	6,517,973	6,852,895	2,471,945	6,657,655	195,240
Total Maint. Parts & Supplies:	7,513,689	7,919,389	2,917,512	7,692,850	226,539
<u>Energy:</u>					
Fuel	6,659,335	7,022,661	2,719,543	6,673,959	348,702
CNG	9,999,571	11,565,862	3,751,137	9,765,953	1,799,909
Traction Power	5,989,975	6,269,367	2,957,601	6,543,844	(274,477)
Utilities	2,882,531	2,918,868	1,314,994	3,042,299	(123,431)
Total Energy:	25,531,412	27,776,759	10,743,276	26,026,056	1,750,703
<u>Risk Management</u>	4,383,073	4,963,858	1,952,837	4,925,684	38,174
<u>General & Administrative</u>	387,230	576,251	137,051	538,399	37,851
<u>Debt Service</u>	-	3,528,527	1,493,851	3,528,527	-
<u>Vehicle/Facility Leases</u>	163,965	331,600	100,983	362,640	(31,040)
TOTAL OPERATING EXPENSES	187,790,170	196,667,744	79,992,586	196,602,430	65,314
Overhead Allocation	6,923,476	6,918,333	2,882,638	7,470,132	(551,799)
Total Revenues Less Total Expenses	1,640,041	(1)	(2,270,838)	(3)	(2)
Net Operating Subsidy	(121,820,474)	(131,398,760)	(50,961,523)	(130,395,019)	1,003,740

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Revenue Miles	31,867,605	31,872,886	12,597,777	31,337,568	(535,318)
Total Miles	36,386,322	36,335,442	14,383,181	35,929,676	(405,766)
Revenue Hours	2,373,711	2,362,498	976,910	2,418,624	56,126
Total Hours	-	2,568,639	-	2,581,784	13,145
Passengers (Boardings)	82,614,738	84,066,017	36,629,442	86,053,894	1,987,877
Farebox Recovery Ratio	36.6%	34.8%	37.4%	35.3%	0.5%
Average Fare	0.863	0.843	0.846	0.836	(0.007)
Cost per Revenue Mile	5.68	5.95	6.12	6.04	0.08
Cost per Revenue Hour	76.20	80.32	78.93	78.20	(2.12)

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TRANSIT SERVICES
FY 2007 PROPOSED BUDGET AMENDMENT**

	FY06 ACTUAL	FY07 BUDGET	FY 07 ACTUAL THROUGH 11/30 (a)	FY07 PROJECTED	FY 07 BUDGET CHANGE FAVORABLE (UNFAVORABLE)
REVENUE:					
Passenger Fares	22,263,739	22,074,862	9,342,050	22,264,336	189,474
Advertising	764,224	850,000	377,471	900,000	50,000
Contracted Service Revenue	30,940	30,000	-	30,000	-
Other	217,143	160,000	156,076	84,000	(76,000)
Total Operating Revenue	23,276,046	23,114,862	9,875,597	23,278,336	163,474
Subsidy Revenue	54,097,902	55,918,710	17,709,524	56,252,888	334,178
Reserve Revenue		-		-	-
Other Income		-		-	-
Total Combined Revenue	77,373,948	79,033,571	27,585,121	79,531,224	497,653
EXPENSES:					
<u>Personnel</u>	56,116,358	53,862,649	22,912,035	55,397,352	(1,534,704)
<u>Outside Services:</u>					
Security	111,470	166,400	67,853	166,400	-
Repair/Maintenance Services	642,840	860,281	310,529	860,281	-
Engines and Transmissions	413,728	609,532	274,391	609,532	-
Other Outside Services	437,472	636,702	131,842	405,752	230,950
Purchased Transportation		-		-	-
Total Outside Services:	1,605,510	2,272,915	784,615	2,041,965	230,950
<u>Materials & Supplies:</u>					
Lubricants	146,008	166,408	66,652	166,408	-
Tires	601,856	666,720	270,912	666,720	-
Other Materials & Supplies	3,302,065	3,592,380	1,400,443	3,591,380	1,000
Total Maint. Parts & Supplies:	4,049,928	4,425,507	1,738,007	4,424,507	1,000
<u>Energy:</u>					
Fuel	2,149,181	2,445,320	793,748	1,947,236	498,083
CNG	5,628,001	6,240,727	2,134,000	5,546,005	694,721
Traction Power	-	-	-	-	-
Utilities	620,041	694,210	260,947	693,310	900
Total Energy:	8,397,223	9,380,256	3,188,695	8,186,552	1,193,705
<u>Risk Management</u>	1,710,674	2,064,416	860,024	2,145,622	(81,206)
<u>General & Administrative</u>	192,380	146,815	56,636	152,365	(5,550)
<u>Debt Service</u>		3,528,527	1,493,851	3,528,527	-
<u>Vehicle/Facility Leases</u>	45,938	78,300	20,436	78,300	-
TOTAL OPERATING EXPENSES	72,118,011	75,759,385	31,054,300	75,955,190	(195,805)
Overhead Allocation	3,182,101	3,274,187	1,364,245	3,576,034	(301,847)
Total Revenues Less Total Expenses	2,073,836	(0)	(4,833,423)	0	0
Net Operating Subsidy	(52,024,066)	(55,918,710)	(22,542,947)	(56,252,888)	(334,178)

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Revenue Miles	9,573,187	9,615,535	4,004,494	9,583,365	(32,170)
Total Miles	11,503,353	11,441,332	4,693,075	11,208,066	(233,266)
Revenue Hours	842,580	793,361	358,895	849,142	55,781
Total Hours		853,559		894,895	41,336
Passengers (Boardings)	24,912,850	25,373,404	10,922,186	26,004,554	631,150
Farebox Recovery Ratio	29.6%	27.9%	28.8%	28.0%	0.1%
Average Fare	0.894	0.870	0.855	0.856	-1.4%
Cost per Revenue Mile	7.20	7.54	7.41	7.55	0.01
Cost per Revenue Hour	81.82	91.36	82.73	85.24	(6.13)

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
RAIL OPERATIONS
FY 2007 PROPOSED BUDGET AMENDMENT**

	FY06 ACTUAL	FY07 BUDGET	FY 07 ACTUAL THROUGH 11/30 (a)	FY07 PROJECTED	FY 07 BUDGET CHANGE FAVORABLE (UNFAVORABLE)
REVENUE:					
Passenger Fares	27,933,766	28,577,339	11,837,585	27,863,161	(714,178)
Advertising	-	-	-	-	-
Contracted Service Revenue	3,575	-	-	-	-
Other	606,791	282,000	317,387	622,000	340,000
Total Operating Revenue	28,544,132	28,859,339	12,154,972	28,485,161	(374,178)
Subsidy Revenue	23,801,852	26,325,847	7,379,000	27,270,558	944,711
Reserve Revenue	-	-	-	-	-
Other Income	-	-	-	-	-
Total Combined Revenue	52,345,984	55,185,186	19,533,972	55,755,719	570,533
EXPENSES:					
<u>Personnel</u>	28,942,470	29,383,437	12,068,576	29,356,437	27,000
<u>Outside Services:</u>					
Security	5,207,598	4,880,467	2,009,801	4,880,467	-
Repair/Maintenance Services	3,115,075	2,961,628	1,176,467	2,961,128	500
Engines and Transmissions	-	-	-	-	-
Other Outside Services	466,565	603,335	158,410	564,335	39,000
Purchased Transportation	-	-	-	-	-
Total Outside Services:	8,789,239	8,445,430	3,344,678	8,405,930	39,500
<u>Materials & Supplies:</u>					
Lubricants	199,322	175,960	96,182	175,960	-
Tires	2,317	4,500	2,956	4,500	-
Other Materials & Supplies	3,118,208	3,108,300	1,029,995	2,983,800	124,500
Total Maint. Parts & Supplies:	3,319,846	3,288,760	1,129,132	3,164,260	124,500
<u>Energy:</u>					
Fuel	410,237	363,600	160,865	363,600	-
CNG	-	-	-	-	-
Traction Power	5,989,975	6,269,367	2,957,601	6,543,844	(274,477)
Utilities	2,095,835	2,018,857	985,306	2,180,661	(161,804)
Total Energy:	8,496,047	8,651,824	4,103,772	9,088,105	(436,281)
<u>Risk Management</u>	2,242,079	2,422,586	959,972	2,522,586	(100,000)
<u>General & Administrative</u>	153,099	198,454	65,979	213,454	(15,000)
<u>Debt Service</u>	-	-	-	-	-
<u>Vehicle/Facility Leases</u>	80,573	92,300	30,507	93,300	(1,000)
TOTAL OPERATING EXPENSES	52,023,352	52,482,791	21,702,617	52,844,072	(361,281)
Overhead Allocation	2,704,860	2,702,396	1,125,998	2,911,647	(209,251)
Total Revenues Less Total Expenses	(2,382,228)	(1)	(3,294,643)	(0)	1
Net Operating Subsidy	(26,184,080)	(26,325,848)	(10,673,643)	(27,270,558)	(944,710)

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Revenue Miles	8,185,410	8,342,580	2,769,019	7,880,545	(462,035)
Total Miles	8,322,470	8,477,700	2,820,935	8,003,849	(473,851)
Revenue Hours	453,156	466,284	154,859	456,103	(10,181)
Total Hours		478,810		465,201	(13,609)
Passengers (Boardings)	33,829,833	35,064,222	15,347,938	34,861,970	(202,252)
Farebox Recovery Ratio	51.0%	51.8%	51.9%	50.0%	-1.8%
Average Fare	0.826	0.815	0.771	0.799	-1.6%
Cost per Revenue Mile	6.03	5.97	7.43	6.34	0.37
Cost per Revenue Hour	108.83	106.76	132.87	109.48	2.72

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MULTIMODAL OPERATIONS - FIXED ROUTE
FY 2007 PROPOSED BUDGET AMENDMENT**

	FY06 ACTUAL	FY07 BUDGET	FY 07 ACTUAL THROUGH 11/30 (a)	FY07 PROJECTED	FY 07 BUDGET CHANGE FAVORABLE (UNFAVORABLE)
REVENUE:					
Passenger Fares	15,603,957	14,939,000	7,372,536	16,677,365	1,738,364
Advertising	-	-	-	-	-
Contracted Service Revenue	-	-	-	-	-
Other	-	-	63,445	63,445	63,445
Total Operating Revenue	15,603,957	14,939,000	7,435,981	16,740,809	1,801,809
Subsidy Revenue	28,740,891	31,307,519	15,142,301	30,562,189	(745,330)
Reserve Revenue	-	-	-	-	-
Other Income	-	-	-	-	-
Total Combined Revenue	44,344,847	46,246,519	22,578,282	47,302,998	1,056,479
EXPENSES:					
<u>Personnel</u>	379,388	391,360	155,846	365,828	25,532
<u>Outside Services:</u>					
Security	55,265	52,180	16,870	43,511	8,669
Repair/Maintenance Services	-	-	1,074	-	-
Engines and Transmissions	713,556	576,000	556,375	999,018	(423,018)
Other Outside Services	500,499	676,036	249,766	779,457	(103,421)
Purchased Transportation	34,783,376	36,826,623	14,936,666	38,183,965	(1,357,342)
Total Outside Services:	36,052,696	38,130,839	15,760,751	40,005,951	(1,875,111)
<u>Materials & Supplies:</u>					
Lubricants	-	-	-	-	-
Tires	-	-	-	-	-
Other Materials & Supplies	-	-	-	-	-
Total Maint. Parts & Supplies:	-	-	-	-	-
<u>Energy:</u>					
Fuel	2,331,684	2,361,165	978,658	2,413,246	(52,080)
CNG	3,746,490	4,520,923	1,406,151	3,615,370	905,553
Traction Power	-	-	-	-	-
Utilities	-	-	470	-	-
Total Energy:	6,078,174	6,882,088	2,385,278	6,028,616	853,473
<u>Risk Management</u>	-	-	-	-	-
<u>General & Administrative</u>	3,890	10,160	478	12,507	(2,347)
<u>Debt Service</u>	-	-	-	-	-
<u>Vehicle/Facility Leases</u>	34,472	140,000	50,040	170,040	(30,040)
TOTAL OPERATING EXPENSES	42,548,620	45,554,448	18,352,393	46,582,941	(1,028,494)
Overhead Allocation	768,174	692,072	288,363	720,059	(27,987)
Total Revenues Less Total Expenses	1,028,053	(0)	3,937,525	(2)	(2)
Net Operating Subsidy	(27,712,837)	(31,307,519)	(11,204,776)	(30,562,191)	745,328

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Revenue Miles	8,707,151	8,677,092	3,676,724	8,962,136	285,044
Total Miles	10,112,017	10,054,733	4,279,478	10,745,027	690,294
Revenue Hours	731,929	752,717	317,855	773,976	21,259
Total Hours	-	811,976	-	821,169	9,193
Passengers (Boardings)	18,272,629	18,045,000	7,957,094	20,179,451	2,134,451
Farebox Recovery Ratio	36.0%	32.3%	39.6%	35.3%	3.0%
Average Fare	0.854	0.828	0.927	0.826	-0.1%
Cost per Revenue Mile	4.80	5.17	4.91	5.12	(0.05)
Cost per Revenue Hour	57.08	59.60	56.83	59.26	(0.34)

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MULTIMODAL OPERATIONS - PARATRANSIT
FY 2007 PROPOSED BUDGET AMENDMENT**

	FY06 ACTUAL	FY07 BUDGET	FY 07 ACTUAL THROUGH 11/30 (a)	FY07 PROJECTED	FY 07 BUDGET CHANGE FAVORABLE (UNFAVORABLE)
REVENUE:					
Passenger Fares	1,665,602	1,468,000	684,495	1,761,107	293,107
Advertising		-	-	-	-
Contracted Service Revenue		-	-	-	-
Other		-	7,500	7,500	7,500
Total Operating Revenue	1,665,602	1,468,000	691,995	1,768,607	300,607
Subsidy Revenue	9,498,702	10,359,582	4,577,680	9,948,485	(411,097)
Reserve Revenue		-		-	-
Other Income		-		-	-
Total Combined Revenue	11,164,304	11,827,582	5,269,675	11,717,092	(110,490)
EXPENSES:					
<u>Personnel</u>	187,740	240,318	92,550	227,483	12,835
<u>Outside Services:</u>					
Security		-		-	-
Repair/Maintenance Services		-		-	-
Engines and Transmissions		50,008		15,502	34,506
Other Outside Services	337,901	217,284	71,053	208,387	8,897
Purchased Transportation	9,131,290	9,902,586	3,990,501	9,672,001	230,585
Total Outside Services:	9,469,191	10,169,878	4,061,553	9,895,890	273,988
<u>Materials & Supplies:</u>					
Lubricants		-		-	-
Tires		-		-	-
Other Materials & Supplies		-		-	-
Total Maint. Parts & Supplies:	-	-	-	-	-
<u>Energy:</u>					
Fuel	1,269,714	1,362,471	570,338	1,537,823	(175,352)
CNG		-		-	-
Traction Power		-		-	-
Utilities		-	114	-	-
Total Energy:	1,269,714	1,362,471	570,452	1,537,823	(175,352)
<u>Risk Management</u>		-		-	-
<u>General & Administrative</u>	2,306	3,540	747	2,743	797
<u>Debt Service</u>	-	-		-	-
<u>Vehicle/Facility Leases</u>	2,982	21,000		21,000	-
TOTAL OPERATING EXPENSES	10,931,933	11,797,207	4,725,302	11,684,939	112,268
Overhead Allocation	35,290	30,374	12,656	32,153	(1,779)
Total Revenues Less Total Expenses	197,081	1	531,717	(0)	(1)
Net Operating Subsidy	(9,301,621)	(10,359,581)	(4,045,963)	(9,948,485)	411,096

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Revenue Miles	3,522,789	3,318,679	1,392,873	3,286,078	(32,601)
Total Miles	4,431,850	4,315,877	1,783,433	4,234,759	(81,118)
Revenue Hours	194,031	197,496	79,651	193,085	(4,411)
Total Hours		260,944		247,834	(13,110)
Passengers (Boardings)	634,335	597,000	268,795	584,000	(13,000)
Farebox Recovery Ratio	15.2%	12.4%	14.4%	15.0%	2.6%
Average Fare	2.626	2.459	2.547	3.016	55.7%
Cost per Revenue Mile	3.09	3.55	3.38	3.55	0.00
Cost per Revenue Hour	56.16	59.58	59.17	60.35	0.77

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CHULA VISTA TRANSIT
FY 2007 PROPOSED BUDGET AMENDMENT**

	FY06 ACTUAL	FY07 BUDGET	FY 07 ACTUAL THROUGH 11/30 (a)	FY07 PROJECTED	FY 07 BUDGET CHANGE FAVORABLE (UNFAVORABLE)
REVENUE:					
Passenger Fares	2,520,788	2,506,116	1,183,128	2,512,924	6,808
Advertising		-	-	-	-
Contracted Service Revenue		-	-	-	-
Other		-	-	-	-
Total Operating Revenue	2,520,788	2,506,116	1,183,128	2,512,924	6,808
Subsidy Revenue	4,920,387	4,871,711	2,400,000	4,600,597	(271,114)
Reserve Revenue		-		-	-
Other Income		-		-	-
Total Combined Revenue	7,441,175	7,377,827	3,583,128	7,113,521	(264,306)
EXPENSES:					
<u>Personnel</u>	594,069	737,449	197,872	723,161	14,288
<u>Outside Services:</u>					
Security		-	-	-	-
Repair/Maintenance Services	102,184	101,200	41,184	96,854	4,346
Engines and Transmissions	29,962	24,000	7,546	24,000	-
Other Outside Services	142,038	179,950	20,408	181,427	(1,477)
Purchased Transportation	4,930,619	5,010,759	2,014,802	4,914,126	96,633
Total Outside Services:	5,204,803	5,315,909	2,083,940	5,216,407	99,502
<u>Materials & Supplies:</u>					
Lubricants		-		-	-
Tires		-		-	-
Other Materials & Supplies		10,000		10,000	-
Total Maint. Parts & Supplies:	-	10,000	-	10,000	-
<u>Energy:</u>					
Fuel	117,434	110,070	64,064	167,280	(57,210)
CNG	625,081	804,213	210,986	604,578	199,635
Traction Power	-	-	-	-	-
Utilities	121,587	149,955	50,431	134,602	15,353
Total Energy:	864,101	1,064,238	325,481	906,460	157,778
<u>Risk Management</u>	4,108	62,700	-	62,700	-
<u>General & Administrative</u>	15,919	40,555	5,670	40,290	265
<u>Debt Service</u>		-	-	-	-
<u>Vehicle/Facility Leases</u>		-	-	-	-
TOTAL OPERATING EXPENSES	6,683,001	7,230,851	2,612,963	6,959,018	271,833
Overhead Allocation	156,392	146,976	61,240	154,504	(7,528)
Total Revenues Less Total Expenses	601,783	0	908,925	(0)	(0)
Net Operating Subsidy	(4,318,604)	(4,871,711)	(1,491,075)	(4,600,597)	271,114

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Revenue Miles	1,404,103	1,378,000	564,492	1,329,904	(48,096)
Total Miles	1,521,529	1,481,300	608,153	1,429,598	(51,702)
Revenue Hours	110,730	108,140	48,484	118,104	9,964
Total Hours		115,600		124,470	8,870
Passengers (Boardings)	3,274,134	3,271,391	1,406,333	3,313,628	42,237
Farebox Recovery Ratio	36.9%	34.0%	44.2%	35.3%	1.4%
Average Fare	0.770	0.766	0.841	0.758	-0.8%
Cost per Revenue Mile	4.65	5.14	4.52	5.12	(0.02)
Cost per Revenue Hour	58.94	65.51	52.63	57.61	(7.89)

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
NATIONAL CITY TRANSIT
FY 2007 PROPOSED BUDGET AMENDMENT**

	FY06 ACTUAL	FY07 BUDGET	FY 07 ACTUAL THROUGH 11/30	FY07 PROJECTED	FY 07 BUDGET CHANGE FAVORABLE (UNFAVORABLE)
REVENUE:			(a)		
Passenger Fares	1,282,648	1,300,000	572,028	891,705	(408,295)
Advertising	-	-	-	-	-
Contracted Service Revenue	-	-	-	-	-
Other	-	-	-	-	-
Total Operating Revenue	1,282,648	1,300,000	572,028	891,705	(408,295)
Subsidy Revenue	1,921,541	2,132,098	1,067,000	1,277,007	(855,091)
Reserve Revenue	-	-	-	-	-
Other Income	-	-	-	-	-
Total Combined Revenue	3,204,189	3,432,098	1,639,028	2,168,712	(1,263,386)
EXPENSES:					
<u>Personnel</u>	1,478,456	1,606,006	640,751	1,037,363	568,643
<u>Outside Services:</u>					
Security	4,860	-	-	-	-
Repair/Maintenance Services	66,960	80,263	23,489	37,424	42,839
Engines and Transmissions	-	8,000	-	2,000	6,000
Other Outside Services	439,821	443,615	118,276	331,790	111,825
Purchased Transportation	-	-	-	-	-
Total Outside Services:	511,641	531,878	141,765	371,214	160,664
<u>Materials & Supplies:</u>					
Lubricants	4,051	18,410	-	5,000	13,410
Tires	42,163	34,497	8,866	16,608	17,889
Other Materials & Supplies	97,700	142,215	41,507	72,475	69,740
Total Maint. Parts & Supplies:	143,914	195,122	50,373	94,083	101,039
<u>Energy:</u>					
Fuel	381,085	380,036	151,871	244,774	135,262
CNG	-	-	-	-	-
Traction Power	-	-	-	-	-
Utilities	45,069	55,846	17,726	33,726	22,120
Total Energy:	426,153	435,882	169,597	278,500	157,381
<u>Risk Management</u>	426,213	414,156	132,840	194,776	219,380
<u>General & Administrative</u>	19,637	176,727	7,541	117,041	59,686
<u>Debt Service</u>	-	-	-	-	-
<u>Vehicle/Facility Leases</u>	-	-	-	-	-
TOTAL OPERATING EXPENSES	3,006,014	3,359,771	1,142,867	2,092,978	1,266,793
Overhead Allocation	76,659	72,327	30,136	75,735	(3,407)
Total Revenues Less Total Expenses	121,516	(0)	466,024	(0)	(0)
Net Operating Subsidy	(1,800,025)	(2,132,098)	(600,976)	(1,277,007)	855,091

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Revenue Miles	474,965	541,000	190,175	295,539	(245,461)
Total Miles	495,103	564,500	198,107	308,377	(256,123)
Revenue Hours	41,284	44,500	17,166	28,214	(16,286)
Total Hours	-	47,750	-	28,214	(19,536)
Passengers (Boardings)	1,690,957	1,715,000	727,096	1,110,291	(604,709)
Farebox Recovery Ratio	41.6%	37.9%	48.8%	41.1%	3.2%
Average Fare	0.759	0.758	0.787	0.803	4.5%
Cost per Revenue Mile	6.17	6.08	5.85	6.83	0.75
Cost per Revenue Hour	70.96	73.88	64.82	71.50	(2.38)

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CORONADO FERRY
FY 2007 PROPOSED BUDGET AMENDMENT**

	FY06 ACTUAL	FY07 BUDGET	FY 07 ACTUAL THROUGH 11/30 (a)	FY07 PROJECTED	FY 07 BUDGET CHANGE FAVORABLE (UNFAVORABLE)
REVENUE:					
Passenger Fares		-		-	-
Advertising		-		-	-
Contracted Service Revenue		-		-	-
Other		-		-	-
Total Operating Revenue	-	-	-	-	-
Subsidy Revenue	135,060	139,112	71,000	139,112	-
Reserve Revenue		-		-	-
Other Income		-		-	-
Total Combined Revenue	135,060	139,112	71,000	139,112	-
EXPENSES:					
<u>Personnel</u>		-		-	-
<u>Outside Services:</u>					
Security		-		-	-
Repair/Maintenance Services		-		-	-
Engines and Transmissions		-		-	-
Other Outside Services		-		-	-
Purchased Transportation	135,060	139,112	57,963	139,112	-
Total Outside Services:	135,060	139,112	57,963	139,112	-
<u>Materials & Supplies:</u>					
Lubricants		-		-	-
Tires		-		-	-
Other Materials & Supplies		-		-	-
Total Maint. Parts & Supplies:	-	-	-	-	-
<u>Energy:</u>					
Fuel		-		-	-
CNG		-		-	-
Traction Power		-		-	-
Utilities		-		-	-
Total Energy:	-	-	-	-	-
<u>Risk Management</u>		-		-	-
<u>General & Administrative</u>		-		-	-
<u>Debt Service</u>		-		-	-
<u>Vehicle/Facility Leases</u>		-		-	-
TOTAL OPERATING EXPENSES	135,060	139,112	57,963	139,112	-
Overhead Allocation		-		-	-
Total Revenues Less Total Expenses	-	-	13,037	-	-
Net Operating Subsidy	(135,060)	(139,112)	(57,963)	(139,112)	-

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATIVE PASS THROUGH
FY 2007 PROPOSED BUDGET AMENDMENT**

	FY06 ACTUAL	FY07 BUDGET	FY 07 ACTUAL THROUGH 11/30 (a)	FY07 PROJECTED	FY 07 BUDGET CHANGE FAVORABLE (UNFAVORABLE)
REVENUE:					
Passenger Fares		-		-	-
Advertising		-		-	-
Contracted Service Revenue		-		-	-
Other		-		-	-
Total Operating Revenue	-	-	-	-	-
Subsidy Revenue	344,180	344,180	344,180	344,180	-
Reserve Revenue		-		-	-
Other Income		-		-	-
Total Combined Revenue	344,180	344,180	344,180	344,180	-
EXPENSES:					
<u>Personnel</u>	188,680	188,680	188,680	188,680	-
<u>Outside Services:</u>					
Security		-		-	-
Repair/Maintenance Services		-		-	-
Engines and Transmissions		-		-	-
Other Outside Services	155,500	155,500	155,500	155,500	-
Purchased Transportation		-		-	-
Total Outside Services:	155,500	155,500	155,500	155,500	-
<u>Materials & Supplies:</u>					
Lubricants		-		-	-
Tires		-		-	-
Other Materials & Supplies		-		-	-
Total Maint. Parts & Supplies:	-	-	-	-	-
<u>Energy:</u>					
Fuel		-		-	-
CNG		-		-	-
Traction Power		-		-	-
Utilities		-		-	-
Total Energy:	-	-	-	-	-
<u>Risk Management</u>		-		-	-
<u>General & Administrative</u>		-		-	-
<u>Debt Service</u>		-		-	-
<u>Vehicle/Facility Leases</u>		-		-	-
TOTAL OPERATING EXPENSES	344,180	344,180	344,180	344,180	-
Overhead Allocation	-	-		-	-
Total Revenues Less Total Expenses	-	-	-	-	-
Net Operating Subsidy	(344,180)	(344,180)	(344,180)	(344,180)	-

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM
NON OPERATING FUNDING SOURCES BY ACTIVITY
MID YEAR OPERATING BUDGET - FISCAL YEAR 2007

	Federal	TDA	STA	State - Other	TransNet	Other Local	Other Non Operating	Reserves/ Carryovers	Total
SDTC	15,000,000	19,213,862	11,026,100	-	10,734,926	278,000	-	-	56,252,888
SDTI	12,769,305	8,501,253	-	-	6,000,000	-	-	-	27,270,558
MCS 801 - South Central	-	16,007,182	-	-	-	-	-	-	16,007,182
MCS 802 - JARC Otay	-	624,672	-	-	-	-	-	-	624,672
MCS 803 - JARC Mid City	-	275,506	-	-	-	-	-	-	275,506
MCS 804 - Inland Breeze	-	45,409	-	-	-	450,000	-	-	495,409
MCS 805 - Airport	-	873,928	-	-	-	-	-	-	873,928
MCS 820 - East County	-	8,366,434	-	-	-	-	-	-	8,366,434
MCS 825 - Poway	-	506,754	-	-	-	-	-	-	506,754
MCS 830 - Commuter Express	-	1,496,339	-	-	-	-	-	-	1,496,339
MCS 831 - Poway Express	-	-	-	-	-	-	-	-	-
MCS 835 - Central Routes 961-965	-	1,460,462	-	-	-	-	-	-	1,460,462
MCS 836 - Suburban Routes 851,853,874	-	115,663	-	-	-	-	-	-	115,663
MCS 840 - Regional Transit Center Maintenance	-	339,840	-	-	-	-	-	-	339,840
MCS 850 - ADA Access	-	5,345,445	-	2,000,000	614,723	150,918	-	-	8,111,086
MCS 855 - ADA Suburban	-	-	-	-	-	-	-	-	-
MCS 856 - ADA Certification	-	138,909	-	-	-	-	-	-	138,909
MCS 870 - DART	-	148,042	-	-	-	-	-	-	148,042
MCS 875 - Coaster Connection	-	252,232	-	-	-	527,000	-	-	779,232
MCS 876 - CalTrans Mitigation	-	-	-	147,943	-	-	-	-	147,943
MCS 880 - Rural	200,000	393,177	-	-	-	-	-	-	593,177
MCS - Poway Mitigation	-	-	-	30,096	-	-	-	-	30,096
Chula Vista Transit	-	4,600,597	-	-	-	-	-	-	4,600,597
National City Transit	-	1,277,007	-	-	-	-	-	-	1,277,007
Coronado Ferry	-	139,112	-	-	-	-	-	-	139,112
Administrative Pass Thru	-	344,180	-	-	-	-	-	-	344,180
Subtotal Operations	27,969,305	70,466,005	11,026,100	2,178,039	17,349,649	1,405,918	-	-	130,395,016
Taxicab	-	-	-	-	-	-	-	26,429	26,429
SD&AE	-	-	-	-	-	-	-	110,051	110,051
Subtotal Other Activities	-	-	-	-	-	-	-	136,480	136,480
Administrative	17,500	7,379,818	-	-	-	-	-	-	7,397,318
Debt Service / Lease Leaseback	3,062,400	1,863,378	-	7,542,179	-	-	16,945,908	-	29,413,865
Grand Total	31,049,205	79,709,200	11,026,100	9,720,218	17,349,649	1,405,918	16,945,908	136,480	167,342,678

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MID YEAR OPERATING BUDGET - FISCAL YEAR 2007
SECTION 9.02 - FUNDING SOURCES BY ACTIVITY
MTS CONSOLIDATED

	FUNDING SOURCE DESCRIPTION	AMOUNT	SUBSIDY SUBTOTALS	INTERNAL MTS CODE
<u>MTS Consolidated</u>				
<u>Operating Revenue</u>				
	Passenger Revenue	71,970,598		40100-40990
	Other Income	3,813,843		41010-42990
	Total Operating Revenue	<u>75,784,441</u>		
<u>Non Operating/Subsidy Revenue</u>				
Federal	FTA 5307 - Planning	17,500		45110
	FTA 5311(f) - Rural	200,000		45120
	FTA 5307 - Debt Service	3,062,400		45130
	FTA 5307/5309 - Preventative Maintenance	23,200,000		45150
	FTA CMAQ	4,569,305		45160
	FTA - JARC	<u>0</u>		45170
			31,049,205	
TDA	TDA - Article 4.0 MTS Area	67,286,871		46110
	TDA - Article 4.0 MTS Area - Debt Service	765,600		46115
	TDA - Match	0		46135
	TDA - Article 4.5 (ADA)	3,959,823		46120
	TDA - Article 8.0	1,413,499		46130
	TDA - 10% and Administration	6,283,408		46140
	TDA - Unallocated Funds	<u>0</u>		46150
			79,709,200	
STA	STA - Discretionary	7,315,670		46210
	STA - Formula	<u>3,710,430</u>		46220
			11,026,100	
State - Other	Caltrans	178,039		46330
	STIP - Debt Service (AFC)	7,542,179		
	MediCal	<u>2,000,000</u>		46340
			9,720,218	
TransNet	TransNet - 40% Operating Support	16,734,926		47110
	TransNet - BRT Capital Funds Shift	0		47120
	TransNet - Access ADA	<u>614,723</u>		47130
			17,349,649	
Other Local	SANDAG - Inland Breeze	450,000		48110
	City of San Diego	428,918		48120
	APCD	<u>527,000</u>		48130
			1,405,918	
	Total Subsidy Revenue	<u>150,260,291</u>	<u>150,260,291</u>	
Other Funds	Lease/Leasback Income	<u>16,945,908</u>		49110
Reserves	Contingency Reserves	0		49510
	Other Reserves	136,480		
	Carryovers	<u>0</u>		
	Total Reserve/Carryover Revenue	<u>136,480</u>		
	Total Non Operating Revenue	<u>167,342,678</u>		
Total Revenue		<u>243,127,119</u>		
Total Expenses		<u>240,932,932</u>		
Net of Revenues over Expense		<u>2,194,187</u>		

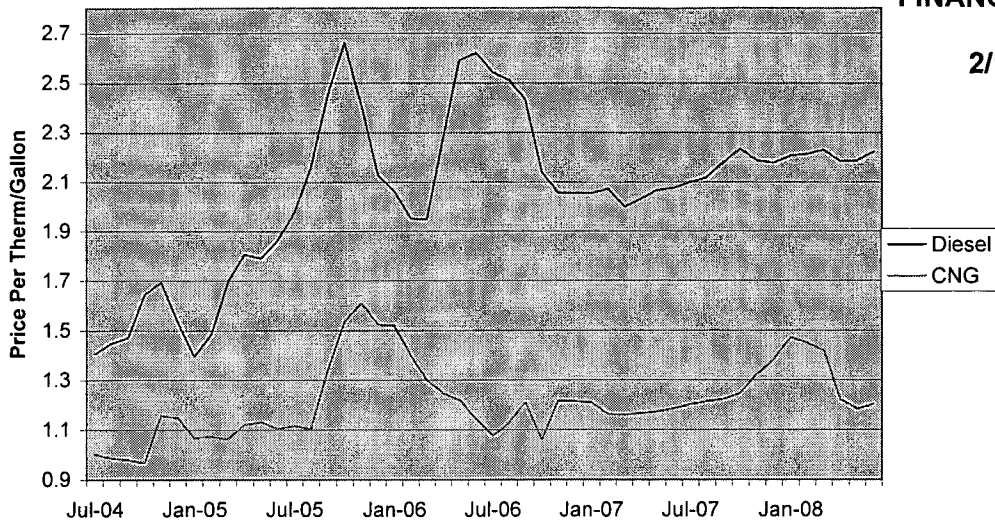
**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
OPERATING REVENUE
FISCAL YEAR 2008**

	BUDGET FY07	PROJECTED FY07	INITIAL FY08 BUDGET	DOLLAR CHANGE BUDGET/ PROJECTED	% CHANGE BUDGET/ PROJECTED
<u>Passenger Revenue</u>					
Transit Services	22,074,862	22,264,336	22,986,531	722,195	3.2%
Rail Operations - Base	25,599,275	24,885,097	25,548,607	663,510	2.7%
Rail Operations - MVE	2,978,064	2,978,064	3,067,406	89,342	3.0%
Multimodal Operations - Fixed Route	14,939,000	16,677,365	17,196,213	518,848	3.1%
Multimodal Operations - Paratransit	1,468,000	1,761,107	1,699,959	(61,148)	-3.5%
Chula Vista Transit	2,506,116	2,512,924	2,613,537	100,613	4.0%
National City Transit	1,300,000	891,705	-	(891,705)	-100.0%
Coronado Ferry	-	-	-	0	-
Total Passenger Revenue	70,865,316	71,970,598	73,112,252	1,141,654	1.6%
<u>Advertising Revenue</u>					
Transit Services	850,000	900,000	925,000	25,000	2.8%
Total Advertising Revenue	850,000	900,000	925,000	25,000	2.8%
<u>Contract Service Revenue</u>					
Transit Services	30,000	30,000	30,000	0	-
Total Contract Services Revenue	30,000	30,000	30,000	0	-
<u>Other Income</u>					
Transit Services	160,000	84,000	85,000	1,000	1.2%
Rail Operations - Base	282,000	622,000	492,000	(130,000)	-20.9%
Multimodal Operations - Fixed Route	-	63,445	-	(63,445)	-100.0%
Multimodal Operations - Paratransit	-	7,500	-	(7,500)	-100.0%
Administrative	599,110	741,000	750,000	9,000	1.2%
Land Management	580,897	580,897	670,000	89,103	15.3%
Taxicab	685,000	685,000	685,000	0	-
SD&AE	100,000	100,000	100,000	0	-
Total Other Income	2,407,008	2,883,842	2,782,000	(101,842)	-3.5%
TOTAL OPERATING REVENUE	74,152,324	75,784,440	76,849,252	1,064,812	1.5%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
OPERATING STATISTICS
FISCAL YEAR 2008**

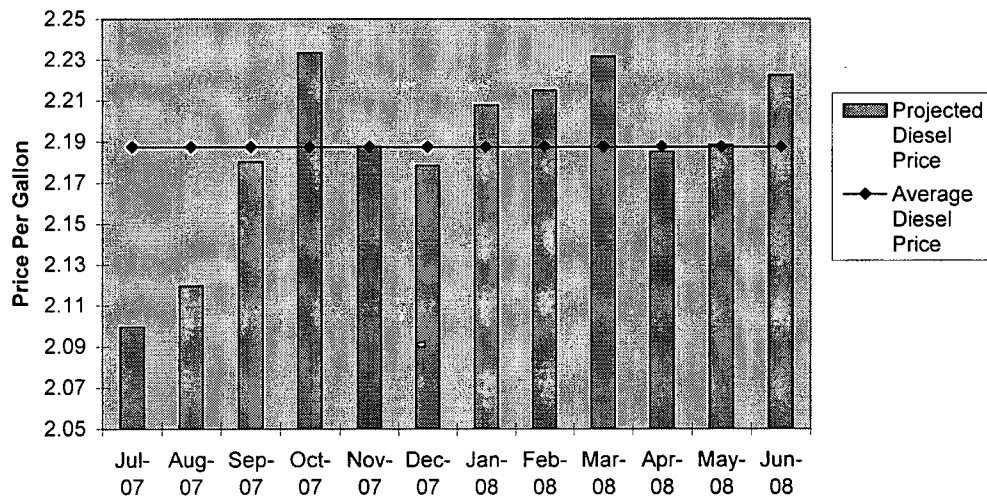
	BUDGET FY07	PROJECTED FY07	INITIAL FY08 BUDGET	DOLLAR CHANGE BUDGET/ PROJECTED	% CHANGE BUDGET/ PROJECTED
<u>Passenger Levels</u>					
Transit Services	25,373,404	26,004,554	27,122,750	1,118,196	4.3%
Rail Operations - Including MVE	35,064,222	34,861,970	35,994,984	1,133,014	3.3%
Multimodal Operations - Fixed Route	18,045,000	20,179,451	20,843,894	664,443	3.3%
Multimodal Operations - Paratransit	597,000	584,000	618,167	34,167	5.9%
Chula Vista Transit	3,271,391	3,313,628	3,446,504	132,876	4.0%
National City Transit	1,715,000	1,110,291	-	(1,110,291)	-100.0%
	<u>84,066,017</u>	<u>86,053,894</u>	<u>88,026,299</u>	<u>1,972,405</u>	<u>2.3%</u>
<u>Average Fare</u>					
Transit Services	0.870	0.856	0.848	(0.009)	-1.0%
Rail Operations - Including MVE	0.815	0.799	0.795	(0.004)	-0.5%
Multimodal Operations - Fixed Route	0.828	0.826	0.825	(0.001)	-0.2%
Multimodal Operations - Paratransit	2.459	3.016	2.750	(0.266)	-8.8%
Chula Vista Transit	0.766	0.758	0.758	(0.000)	0.0%
National City Transit	0.758	0.803	n/a	-	-
	<u>0.843</u>	<u>0.836</u>	<u>0.831</u>	<u>(0.006)</u>	<u>-0.7%</u>
<u>Revenue Miles</u>					
Transit Services	9,615,535	9,583,365	9,763,215	179,850	1.9%
Rail Operations - Including MVE	8,342,580	7,880,545	7,959,350	78,805	1.0%
Multimodal Operations - Fixed Route	8,677,092	8,962,136	9,105,873	143,737	1.6%
Multimodal Operations - Paratransit	3,318,679	3,286,078	3,320,822	34,744	1.1%
Chula Vista Transit	1,378,000	1,329,904	1,337,454	7,550	0.6%
National City Transit	541,000	295,539	-	(295,539)	-100.0%
	<u>31,872,886</u>	<u>31,337,568</u>	<u>31,486,714</u>	<u>149,146</u>	<u>0.5%</u>
<u>Total Miles</u>					
Transit Services	11,441,332	11,208,066	11,418,406	210,340	1.9%
Rail Operations - Including MVE	8,477,700	8,003,849	8,083,887	80,038	1.0%
Multimodal Operations - Fixed Route	10,054,733	10,745,027	10,919,035	174,008	1.6%
Multimodal Operations - Paratransit	4,315,877	4,234,759	4,278,492	43,734	1.0%
Chula Vista Transit	1,481,300	1,429,598	1,437,715	8,117	0.6%
National City Transit	564,500	308,377	-	(308,377)	-100.0%
	<u>36,335,442</u>	<u>35,929,676</u>	<u>36,137,535</u>	<u>207,859</u>	<u>0.6%</u>
<u>Revenue Hours</u>					
Transit Services	793,361	849,142	896,007	46,865	5.5%
Rail Operations - Including MVE	466,284	456,103	468,155	12,052	2.6%
Multimodal Operations - Fixed Route	752,717	773,976	811,059	37,083	4.8%
Multimodal Operations - Paratransit	197,496	193,085	191,681	(1,404)	-0.7%
Chula Vista Transit	108,140	118,104	120,475	2,371	2.0%
National City Transit	44,500	28,214	-	(28,214)	-100.0%
	<u>2,362,498</u>	<u>2,418,624</u>	<u>2,487,377</u>	<u>68,753</u>	<u>2.8%</u>
<u>Total Hours</u>					
Transit Services	853,559	894,895	939,552	44,657	5.0%
Rail Operations - Including MVE	478,810	465,201	477,493	12,291	2.6%
Multimodal Operations - Fixed Route	811,976	821,169	856,252	35,083	4.3%
Multimodal Operations - Paratransit	260,944	247,834	245,454	(2,380)	-1.0%
Chula Vista Transit	115,600	124,470	126,349	1,879	1.5%
National City Transit	47,750	28,214	-	(28,214)	-100.0%
	<u>2,568,639</u>	<u>2,581,784</u>	<u>2,645,100</u>	<u>63,316</u>	<u>2.5%</u>

Historical Fuel Graph

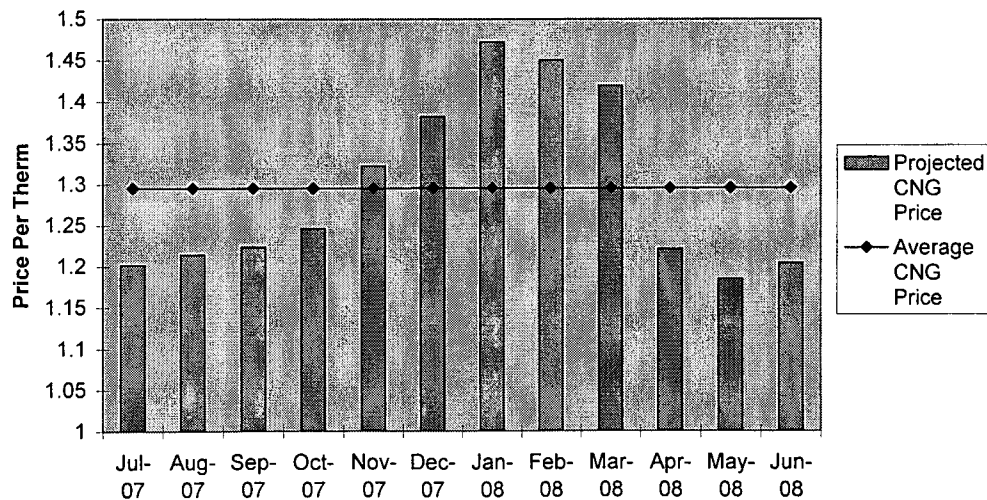


FINANCE WORKSHOP
Att. D, AI 2a,
2/15/07, FIN 310.1

FY08 Diesel Projection



FY08 CNG Projection



Metropolitan Transit System FY 2007 Mid Year Adjustment and FY 2008 Budget Development

Finance Workshop
February 15, 2007



Finance Workshop Agenda

- Combined MTS FY 2007 Mid Year Adjustment
- FY 2008 Preliminary Operating Revenue
- FY 2008 Preliminary Assumptions
- FY 2008 Preliminary Issues / Policy Decisions



Combined MTS FY2007 Mid Year Adjustment

(\$000'S)

	Adopted	Proposed		Variance
	Budget	Midyear	Budget	%
			Variance	
Operating Revenues	74,152	75,784	1,632	2.2%
Subsidy Revenues	166,120	167,343	1,222	0.7%
Total Revenues	240,273	243,127	2,854	1.2%
Total Expenses	240,273	240,933	(660)	0.3%
Total Revenues less				
Total Expenses	(0)	2,194	2,194	-



Combined MTS FY 2007 Mid-Year Adjustment

Key Points

	Mid-Year Adjustment
• Subsidy Revenue Increases	\$ 1,792
• Combined Energy Adjustment	1,747
• Combined Multimodal Operations Operating Revenue	1,631
• Other Wage Adjustments	261
• Padres Parking (Revenue)	45
• Transit Services Sick/Vacation Payouts	(449)
• Consolidated Pension Adjustments	(549)
• Inland Breeze Subsidy Reduction	(570)
• Overhead Reimbursements Lower Than Expected	(678)
• Transit Service Operator Wages	(696)
• All Other Adjustments	(341)
Combined Revenues Less Expenses	\$ 2,194



Combined MTS FY 2007 Mid-Year Adjustment Staff Recommendation

Approve Resolution 07-2 approving the proposed MTS Mid-Year Adjustment. At fiscal year end, shift the additional revenues that exceed expenses (current projection \$2,194,000) into the MTS contingency reserve. The current reserve balance as of June 30, 2006 totals \$16.4 million or 6.8% of the total FY 2007 operating budget.



Finance Workshop Agenda

- Combined MTS FY 2007 Mid Year Adjustment
- FY 2008 Preliminary Operating Revenue
- FY 2008 Preliminary Assumptions
- FY 2008 Preliminary Issues / Policy Decisions



FY 2008 Preliminary Revenue
Operating Revenue (\$000s)

	Projected FY 2007	Budget FY 2008	Variance	Variance Percentage
PASSENGER REVENUE	71,971	73,112	1,142	1.6%
ADVERTISING REVENUE	900	925	25	2.8%
CONTRACT SERVICE REVENUE	30	30	-	0.0%
OTHER INCOME	2,884	2,782	(102)	-3.5%
TOTAL OPERATING REVENUES	75,784	76,849	1,065	1.4%



FY 2008 Preliminary Revenue
Operating Revenue by Operator (\$000s)

	Projected FY 2007	Budget FY 2008	Variance	Variance Percentage
Internal Bus Operations	22,264	22,987	722	3.2%
Rail Operations - Base	24,885	25,549	664	2.7%
Rail Operations - MVE	2,978	3,067	89	-
MCS - Fixed Route	16,677	17,196	519	3.1%
MCS - Paratransit	1,761	1,700	(61)	-3.5%
Chula Vista Transit	2,513	2,614	101	4.0%
National City Transit	892	-	(892)	-100.0%
Coronado Ferry	-	-	-	-
TOTAL OPERATING REVENUES	71,971	73,112	1,142	1.6%

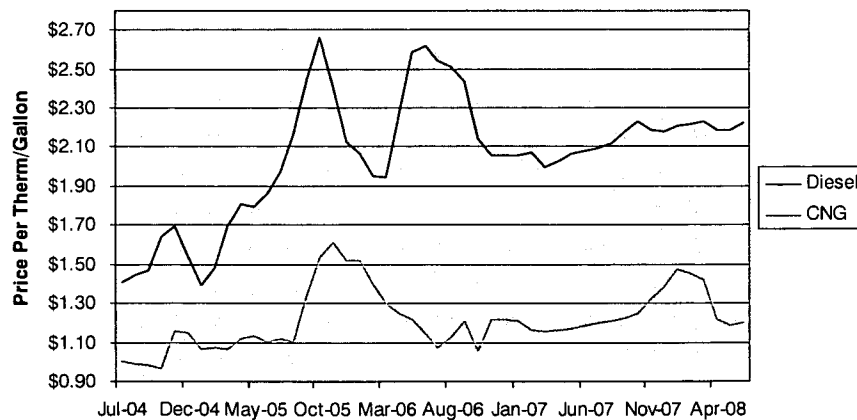


Finance Workshop Agenda

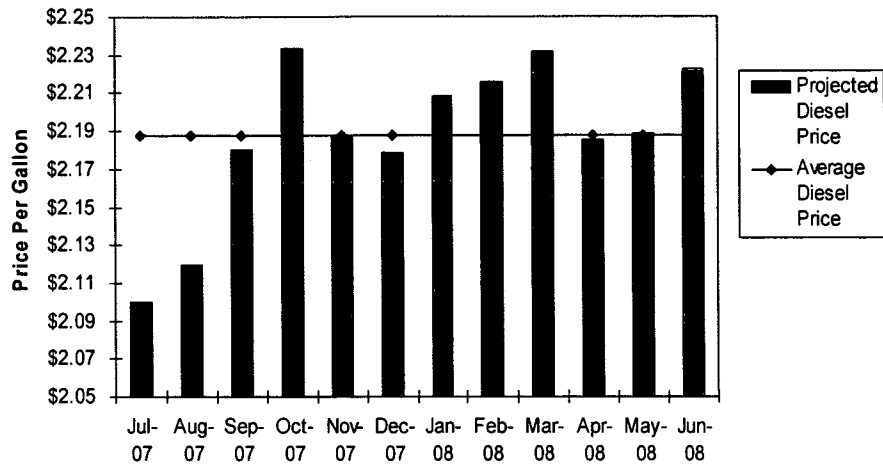
- Combined MTS FY 2007 Mid Year Adjustment
- FY 2008 Preliminary Operating Revenue
- FY 2008 Preliminary Assumptions
- FY 2008 Preliminary Issues / Policy Decisions



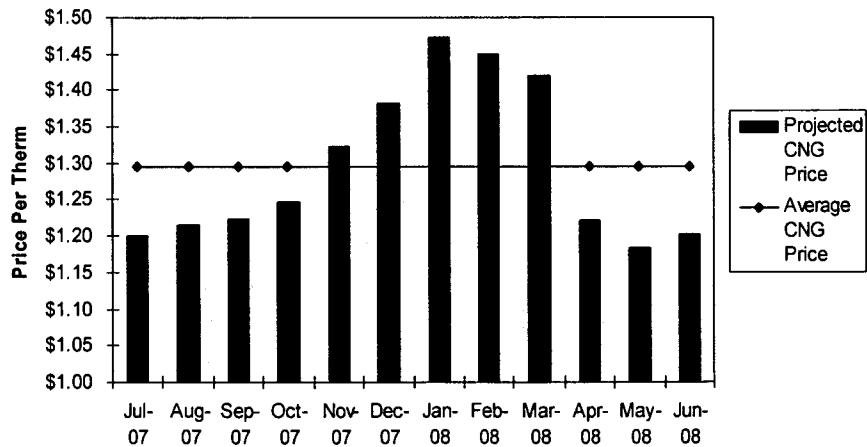
Historical Fuel Graph



FY08 Diesel Projection



FY08 CNG Projection



Preliminary Assumptions Energy Projections

	FY07 Budget	FY07 Projection	FY08 Budget
• CNG Price/Therm	1.500 [↑] ₍₁₎	1.270 [↑] ₍₁₎	1.290
• Diesel Price/Gallon	2.320 [↑] ₍₁₎	2.270 [↑] ₍₁₎	2.190



Other Preliminary Assumptions Other Projections (000's)

	FY07 Projection	FY08 Budget	Variance	Variance Percentage
• Revenue Miles	31,338	31,487	149	0.5%
• Total Miles	35,930	36,138	208	0.6%
• Revenue Hours	2,419	2,487	69	2.8%
• Total Hours	2,582	2,645	63	2.5%
• Passenger Boardings	86,054	88,026	1,972	2.3%



Finance Workshop Agenda

- Combined MTS FY 2007 Mid Year Adjustment
- FY 2008 Preliminary Operating Revenue
- FY 2008 Preliminary Assumptions
- FY 2008 Preliminary Issues / Policy Decisions



FY 2008 Preliminary Issues / Policy Decisions

- Nonoperating (Subsidy) Levels
 - STA Levels Projected \$2.6M Lower Than FY07 Recurring

	FY07		FY08	
"Recurring" - Ops	\$	11.0	\$	8.4
"Spillover" / Prop 42		17.6		-
	\$	28.6	\$	8.4
			\$	(20.2)
				-70.7%

- Transnet Preliminary Projections 3.4% Higher (\$662K)

	FY07		FY08	
Operations	\$	17.3	\$	20.0
Capital		2.0		-
	\$	19.4	\$	20.0
			\$	0.7
				3.4%

- TDA Preliminary Projections 3.3% Higher (\$2.5M)



FY 2008 Preliminary Issues / Policy Decisions (Continued)

- Nonoperating (Subsidy) Levels

- Summarize

FY07 Total Operating Budget	240.3 million
FY08 Prelim % Needs	3.5%
FY08 Prelim \$ Needs	8.4 million

Revenue Recap

Transnet (\$2.0 from FY07 Ops to CIP)	2.7 million
TDA	2.5 million
Farebox	1.1 million
JARC	0.8 million
STA	(2.6) million
Total TDA/Transnet/STA	4.4 million
Difference	(4.0) million



FY 2008 Preliminary Issues / Policy Decisions (Continued)

- FasTrak Revenues

- Historically support Commuter Express operations
 - FY07 Original Budget = \$1,020,000
 - FY07 Amended Budget = \$570,000
 - FY08 Projected Budget = \$400,000 - \$500,000



Budget Development Committee

Staff Recommendation

- ▀ 1. That the MTS Board of Directors approves the Combined MTS FY 2007 Mid-Year Adjustment (Resolution 07-2); and
- ▀ 2. That the MTS Board of Directors receives the following reports:
 - FY 2008 Preliminary Operating Revenue
 - FY 2008 Preliminary Assumptions
 - FY 2008 Preliminary Issues / Policy Decisions



Metropolitan Transit System FY 2007 Mid Year Adjustment and FY 2008 Budget Development

Finance Workshop
February 15, 2007



SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

40

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 FEB 15 2007Name (PLEASE PRINT) CHUCK LUNGERHAUSENAddress 5308 MONROE AVE APT 124SAN DIEGO CA 92115Telephone (619) 546-5610Organization Represented (if any) SELFSubject of your remarks: MS WALKAgenda Item Number on which you request to speak 4

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.****

**1.
Feb. 15, 2007
MTSB mtg.
AGENDA ITEM #4c (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**

As you may see have my fund raising garb present. The 2007 MS Walk for land-lubbers will take place the 28th & 29th of April. Team Water Walkers of which I am a member has not set a date yet but by past years history would imagine Sat. April 21 is our day. The location will be the Mission Beach Plunge at 3115 Ocean Front Walk and will keep you informed of the final date when it is set.

Again I request your sponsorship donations of \$20 , \$25 or larger amounts if you are able to be so generous. And for those writing checks please make payment to the National MS Society. If giving cash please a card or note with your address for a thank you message.

Want to thank some of you for your support in previous years, because of your kind support I and others with MS are able to swim at the Mission Beach Plunge for exercise and research continues around the country to find a cure. Please help us again with your kind sponsorship donations of any amount and I sure pray they find a cure soon so I don't have to do this fund raising shtik anymore, last year you helped me raise \$4,905 which placed me at position #32 of the top 50 fundraisers in the county, thank you!!!

Will be here after the meeting today and other meetings between now and the MS Walk to collect your sponsorship donations.

Say CEO Paul there is time this year to get me that big check and what a good example this would be.

2.
MTS mtg
Feb. 15, 2007
AI #4c Chuck Lungerhausen

Now on the public transportation front, had a letter to the editor in yesterday's Union-Tribune that should start moving a concept forward for the funding of new low-floor Trolley cars. Now all you elected officials can support this idea of a 1/2 cent sales tax increase right!!

Still am not sure that the combination of the older SD100 Trolleys with the new S70 Trolleys is a good idea, but have adapted to this concept and like the idea of not having to use the lift. My reservations are with relying on the driver announcing the correct station when going in the Old Town direction from Santee. At that time the older Trolley car is in the lead and the station announcements are not as loud and crisp as when the new S70 is in the lead. This has been my observation when taking the Green Line since the old/new car combination was implemented.

Thank you for listening and the opportunity to speak.



AGENDA ITEM NO.

346

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 2-15-2007
 Name (PLEASE PRINT) DON STILLWELL
 Address 6308 RANCHO MISSION RD #173
SAN DIEGO, CA 92108
 Telephone (619) 282-7260
 Organization Represented (if any) _____

Subject of your remarks: AUDIO RECORDINGS, ETC.

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

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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.

SDAE 710.1 (PC 50771)

February 15, 2007

SUBJECT:

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 JANUARY 23, 2007, MEETING

RECOMMENDATION:

That the Board of Directors:

1. receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports (Attachment A); and
2. ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on January 23, 2007 (Attachments B - D).

Budget Impact

None.

DISCUSSION:

Quarterly Reports

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV, Museum, and Carrizo have provided the attached quarterly reports of their operations during the fourth quarter of calendar year 2006 (Attachment A).



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.

SD&AE Property Matters

Under its adopted policy for dealing with the SD&AE Railway, the MTS Board of Directors must review all property matters acted on by the SD&AE Board. At its meeting of January 23, 2007, the SD&AE Board approved:

- License Agreements with NextG Networks of California, Inc. (Attachment B);
- Easements for SDG&E's Silvergate Substation (Between Cesar Chavez Parkway and Sampson Street) and Otay Mesa Power Purchase Agreement Transmission Projects (Harbor Drive at Schley [26th Street] in San Diego) (Attachment C); and
- Summary of SD&AE Documents Issued Since October 24, 2006 (Attachment D).



Paul C. Jablonski
Chief Executive Officer

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

FEB15-07.6.SDAEREPORTS.TLOREN

Attachments: A. Operators' Quarterly Reports
B. SD&AE Agenda Item No. 6a
C. SD&AE Agenda Item No. 6b
D. SD&AE Agenda Item No. 6c

Agenda

Item No. 3

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

SDAE 710.1 (PC 50771)

January 23, 2007

SUBJECT:

REPORT ON SAN DIEGO AND IMPERIAL VALLEY (SD&IV) RAILROAD OPERATIONS

RECOMMENDATION:

That the SD&AE Board of Directors receive this report for information.

Budget Impact

None.

DISCUSSION:

An oral report will be given during the meeting.

JGarde
3-SDIVOPS
1/12/07

Attachment: Periodic Report for the 4th Quarter of 2006



January 23, 2007

SD&AE Board
C/O MTS
1255 Imperial Avenue, Suite 1000
San Diego, California 92101

Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company; activities of interest for the 4th Quarter of 2006 are listed as follows:

1. Labor

At the end of Dec. 31, 2006 the San Diego & Imperial Railroad had 15 employees:

- 1 General Manager
- 1 Trainmaster
- 1 Manager - Marketing & Sales
- 1 Office Manager
- 1 Mechanical Employee
- 2 Maintenance of Way Employees
- 8 Transportation Specialists

2. Marketing

In the 4th Quarter of 2006 versus 2005, total carloads were lower. Lumber and paper decreased substantially, while LPG slightly increased due to an additional LPG customer.

3. Reportable Injuries/Environmental

Through year to date, Dec. 31, 2006, there were no FRA Reportable injuries on the SDIY Railroad.

Days FRA Injury Free: 2511

Days FRA Incident Free: 2491

4. Summary of Freight

	2006	2005	2004
Total rail carloads that moved by SDIY Rail Service in the quarter.	1,908	2,156	2,181
Total railroad carloads Terminating/Originating Mexico in the quarter.	1,509	1,533	1,505
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	399	623	676
Total customers directly served by SDIY in the quarter	12	12	12
Regional Truck trips that SDIY Railroad Service replaced in the quarter	12,593	14,230	14,394

Respectfully,

Pete Jespersen
General Manager

Agenda

Item No. 4

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

SDAE 710.1 (PC 50771)

January 23, 2007

SUBJECT:

REPORT ON PACIFIC SOUTHWEST RAILWAY MUSEUM

RECOMMENDATION:

That the SD&AE Board of Directors receive the report for information.

Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting.

JGarde/4-PSRM
1/8/07

Attachment: A. Fourth Quarter Report for 2006

Pacific Southwest Railway Museum

4695 Nebo Drive
La Mesa, CA 91941-5259

January 4, 2007

SD&AE Board
C/O MTS
1255 Imperial Av #1000
San Diego, CA 92101

FOURTH QUARTER REPORT FOR 2006

The year 2006 represented the Museum's 45th anniversary year, our 26th year at Campo and our 21st year operating passenger trains on the San Diego & Arizona Railway. Here are the highlights for this quarter:

1. Using all volunteer crews, we ran 44 passenger trains and carried 4,305 passengers, with no accidents or incidents. Our check for the 4th quarter 2006 revenue is being sent under separate cover.
2. We had a terrific experience with our evening North Pole Express trains this year. We ran eight sold out trains and all had a fun time. Our thanks to our corporate sponsors this year – Golden Acorn, Qualcomm and Pitney-Bowes for their support. Our partnership with the Mount Empire High School went well again. We continue to plan to expand and improve the event for next year, with ticket requests already coming in. There was a nice article in the San Diego Union-Tribune paper on the train operation.
3. Admicarga continues to ask us for money for the Tecate trains. CZRy tells us to continue to pay CZRy. I hope resolution comes between all affected parties sometime soon.

A California Non-Profit, Public Benefit Corporation, IRS Tax # 95-2374478

Owners and operators of the Campo Railroad Museum,
San Diego & Arizona Railway and the La Mesa Depot Museum

4. On December 30th, we ran a special passenger train to HiPass for the volunteers, complete with an outstanding dinner prepared and served by the volunteers. All had a GREAT time. We look forward to being able to offer this trip to paying customers and would like to explore with the SD&AE Board how to do this. We appreciate the permission of SD&AE to make this trip possible.
5. In working with Tim Alison, CZRy and the Museum, we have conceptually discussed a property trade between PSRM and the SD&AE, whereby PSRM gives the access road to the Campo depot to SD&AE and the SD&AE gives the Campo Depot parking lot, structures and property 10 feet away from the existing tracks to existing museum Campo Junction switch to the Museum. This trade allows the SD&AE highway access to their property at Campo, and, brings the historic Campo Depot and Section House into the ownership of the railroad museum, thereby saving this historic area for future generations. This swap of property would require an easement from Forrest Gate Road to the Campo Depot parking lot to be granted. In speaking with CZRy, they have suggested that they grant access to Sheridan Road on leased private property, which would allow the Museum to not use the new easement through their yard. In addition, the MTS would gain legal access to the existing bus parking site. This entire proposal appears to be a win-win-win-win situation for all parties involved – the SD&AE, PSRM, CZRy and MTS. We continue to look forward to meaningful discussion of this proposal with the SD&AE.
6. CZRy and PSRM have jointly requested the operation of a motorcar event over the SD&AE from Campo to Plaster City and return sometime in the Spring. Details of the event have been passed along via email to the SD&AE. We understand that consideration of this event is awaiting the inspection of the SD&AE by an outside company. We would hope that the SD&AE approves this joint cooperative effort.
7. The new public bathrooms with funding from Supervisor Dianne Jacob of the County of San Diego are currently in the permit phase. During the next quarter, we hope that construction would be well underway.
8. Rehabilitation of the Campo Depot continues, with the upstairs 99% completed. Remaining work is installation of a railing for the stairs, ramp and deck.
9. For the past several years, the Museum has had a project funded by the SD&AE waiting for CZRy cooperation to install a brick platform. This effort requires a cooperative effort between the Museum and CZRy as we need to install new ties and

SD&AE

January 4, 2007

rail on the house track in front of the depot, and new ties on the main, with a slight regrading of the tracks to fall away from the depot. The current condition of the ties and the rail on the house track remains critical and we hope this project can start very soon.

10. We were asked to contact Jim Linthicum to finalize an MOU with CZRy. I made many attempts to complete this task for the past six months, with no results. It appears that the parties involved, including Jim Linthicum, have lost interest in this effort. On a positive front, as I reported last meeting, we have greatly improved our relationship with CZRy by forming a working group between Ken Kahan, VP at CZRy and Jim Lundquist, President, PSRM. It is my opinion that the MOU is not required and should not be pursued at this time.

We appreciate the support of everyone and every organization in our efforts to save the railway history of San Diego and our region. We would love to entertain the SD&AE or the MTS Board anytime at Campo.

Sincerely,

Jim Lundquist

Jim Lundquist, President
Pacific Southwest Railway Museum

Agenda

Item No. 5

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

SDAE 710.1 (PC 50771)

January 23, 2007

SUBJECT:

REPORT ON THE DESERT LINE

RECOMMENDATION:

That the SD&AE Board of Directors:

- a. receive a report for the 4th quarter of 2006;
- b. receive an update on the mediation; and
- c. receive an update on the fire hazard abatement assessment.

Budget Impact

None.

JGarde
JAN23-07.5
1/16/07

Attachment: Periodic Report - 4th Quarter 2006



to the San Diego & Arizona Eastern Railway Company

4th Quarter 2006



Periodic Report

to the San Diego & Arizona Eastern Railway Company

4th Quarter 2006

**The *Periodic Report to the SD&AE Railway Company*
is produced quarterly by the *Carrizo Gorge Railway*
for the SD&AE Board, in fulfilment of contractual requirements
and to document activity in the restoration of the line to regional service
along with its ongoing improvement for future generations.**

Cover photo is County Disaster Preparedness Drill at Campo Station.

**© 2007
Carrizo Gorge Railway, Inc.**

CONTENTS

4th QUARTER 2006 ACTIVITY

Appendix A– MOW Summary

**Appendix B– Desert Line Track Rehabilitation
Offset Financial Summary**

**Appendix C- Desert Line Freight Revenues
Financial Summary**



CARRIZO GORGE RAILWAY, INC.

2295 Fletcher Parkway, Suite No. 101 El Cajon, CA 92020
Phone (619) 938-1943
Fax (619) 561-4367

January 12, 2007

Metropolitan Transit Development Board
San Diego & Arizona Eastern Railway Board
1255 Imperial Avenue
San Diego, California 92101

Pursuant to reporting agreement, here is the summary of 4th Quarter activity for 2006.

PERIODIC REPORT

1. Labor

As of December 31, 2006, the *Carrizo Gorge Railway* had 19 employees to cover operations in the U.S. on the Desert Line.

- 1 Vice President of Operations
- 1 Trainmaster (Safety and Training)
- 1 Marketing/Station Agent
- 1 Office Manager/ Accounting
- 2 Revenue Freight Administrators
- 1 Superintendent MOW
- 5 Maintenance-of-Way Employees
- 2 Mechanical Employees
- 4 Train Service Employees
- 1 Railroad Police Chief

2. Marketing

The marketing Team, consisting of Leslie Bazo, Sergio Reyes, Ken Kahan, and Alex Ventura, continues to work on expanding business from both ends of the railroad. Business from the BNSF route has increased 12% this quarter, while revenue freight from the UP business fell off due to a large customer changing suppliers. This business is expected to come back in the 1st quarter of 2007. Overall non-sand freight is up. Sand sales have been slow due to a sagging construction market during the winter, a normal pattern for this time of year.

3. Mexican Railroad

Carrizo Gorge Railway is the rail freight operator for the State of Baja California, México and interchanges railcars with the *San Diego & Imperial Valley Railroad (SD&IV)* at San Ysidro. *Carrizo Gorge Railway's* Subsidiary, *Ferrocarriles Peninsulares del Noroeste (FPN)*, employs the following 26 personnel dedicated to freight service south of the border:

- 1 Manager
- 1 Trainmaster
- 3 Agents
- 6 Train Service Employees
- 1 Carman
- 1 General Track Engineer
- 13 Maintenance-of-Way Employees

4. Desert Line

The Desert Line has been operating on a reduced schedule because of slow sand and freight sales. There was one incident, a partial derailment at MP 98.4, that involved 3 cars due to sharp flanges on a 20 degree curve, but was not FRA reportable. There have been no weather or geological related incidents. U.S. Gypsum at Plaster City has been severely depressed during the home building decline and is running at only 30% of normal volume. This has put a strain on car storage and track space for interchange in the Imperial Valley, with over 100 of USG cars needing storage. CGRy has agreed to store some of the cars on the Desert Line, since there would be no interchange track space left open at Plaster City or Seeley, if we didn't. We are pleased to report that all railroads and agencies that we work with in the U.S.A. are cooperating well for each other's benefit. In addition to rail operations cooperation, CGRy has worked with other regional agencies in two major events during the quarter.

County-wide Disaster Preparedness Drill. On October 21st CGRy's Railroad Police joined with participants from State and County fire and law enforcement, other emergency agencies, and communications personnel gathered with CERT Teams from throughout the County at Carrizo Gorge Railway's Campo yard and Port of Entry compound to test disaster preparedness skills. The scenario was a mock wreck between a school bus and a commuter train designed to present the real ambiance of a real disaster. The day long event involved 300 professionals and trainees in the Community Emergency Response Teams (CERT). Suitably made up victims (portrayed by the Mountain Empire High School Drama Department and Key Club) were rescued from the CGRy's bi-level commuter cars and the bus provided by the school district. CERT Teams traded off in morning and afternoon sessions to give all a chance to deal with the injured and mentally stressed victims in both vehicles. The event was capped at day's end with the landing of an emergency response helicopter and some formal training in safe support of such

units in the field. County Emergency Operations Center personnel involved monitoring the event were favorably impressed with the safe handling of the drill by the railroad and the Mountain Empire Disaster Preparedness Committee who organized the day's activities, as well as the level of expertise exhibited by the citizen volunteers on the CERT Teams. Carrizo Gorge Railway is proud to have provided the venue and participated in preparation for effective handling of future disaster incidents, when they strike.

10th Annual Christmas/Tres Reyes Train. Preparation and execution of the 10th running of this celebration of volunteerism and heartfelt giving, to the children of Tecate, México, went off smoothly on January 7, the traditional 12th day of Christmas gift giving in México. It was the culmination of a year in planning and preparation. The event is a program of the International Border Rail Institute with major sponsorship by the Pacific Southwest Railway Museum, Carrizo Gorge Railway, the Campo Kumeyaay Nation, and the National Latino Peace Officers' Association (San Diego Chapters) in cooperation with the D.I.F. family services division of the Municipality of Tecate, BC. The 200-plus U.S. volunteers, 3 Kings, and Santa boarded the PSRM consist at Campo Depot and proceeded to Tecate with railroad museum and CGRy/FPN crews. 5300 children were waiting at the Tecate stadium to receive their gifts of toys, school supplies, and health care items. Others in outlying villages and unable to come to Tecate Stadium will have special mini fiestas and receive their gifts throughout January. CGRy has been an enthusiastic supporter of the program through the years and is pleased to be on the production team this year to help smooth the binational dimension of this rail collaboration.

5. Reportable Injuries / Environmental Incidents

There were no reportable injuries during the 4th Quarter of 2006.

There were no reportable accidents in the 4th Quarter of 2006

There were no environmental incidents during the 4th Quarter of 2006.

The railroad has been accident/injury free for 152 days

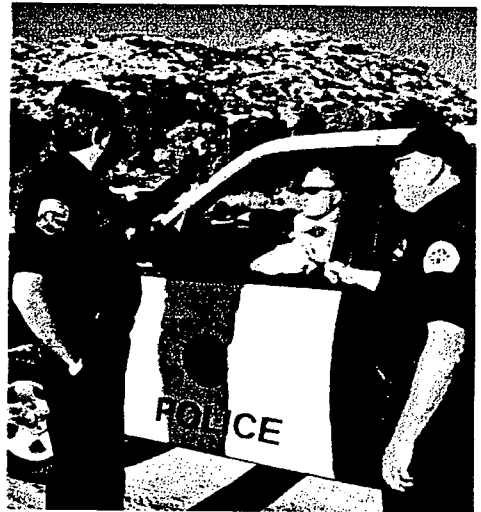


Scenario: TRAIN-SCHOOL BUS COLLISION

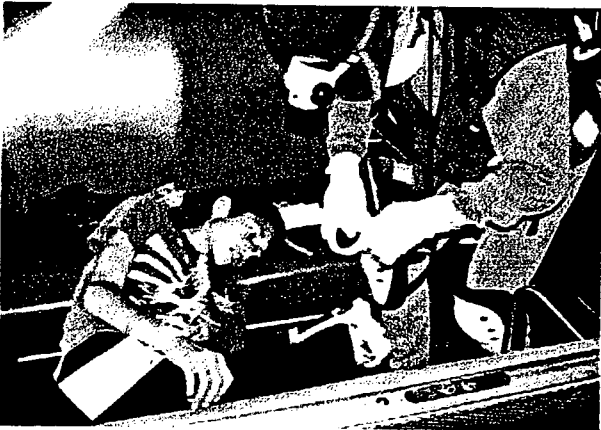


Instruction

Cooperation



Triage



Analysis



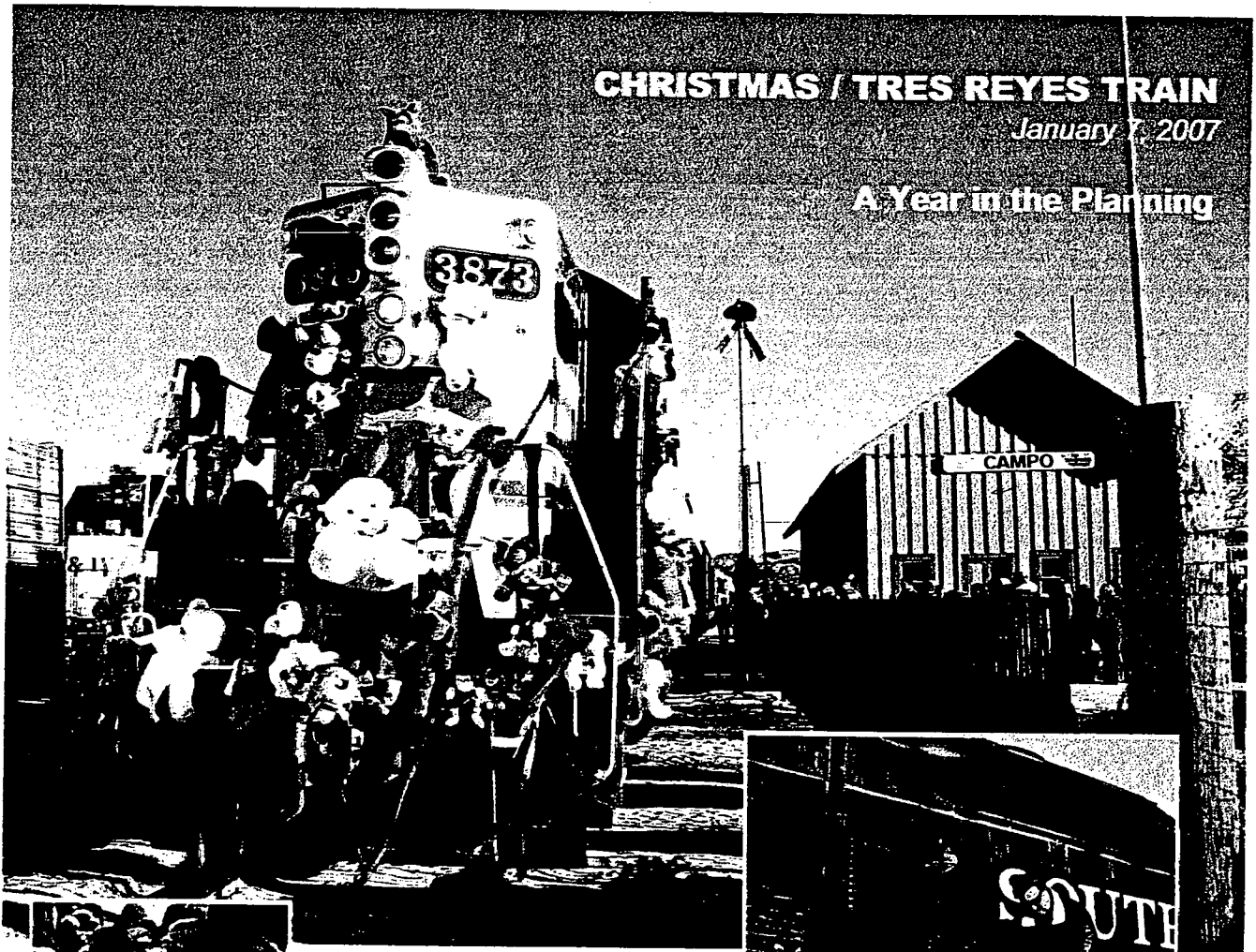
Interview



IMAGES

DISASTER PREPAREDNESS DRILL

October 23, 2006



CHRISTMAS / TRES REYES TRAIN

January 7, 2007

A Year in the Planning



Campo Boarding

Something New and
Breakfast Too

Mayor Sandoval Intros



IMAGES

DISASTER PREPAREDNESS DRILL

October 23, 2006

Photos to come with hard copy at SD&AE Board Meeting

CHRISTMAS / TRES REYES TRAIN 2007

Photos to come with hard copy at SD&AE Board Meeting

Appendix A
M.O.W. SUMMARY



DESERT LINE

October, November, December of 2006

TRACK

Ties Installed (6" x 6" x 8')	627 each
(7" x 9" x 9")	125 each
90 lb. Rail Change Out	198 ft.
113 lb. Rail Change Out	339 ft.
Repair Open Joints	5 each
Track Regaging	805 ft.
Separator Rails (4" x 8" x 20')	45 each
Replace Missing Track Bolts	83 each
Rail Anchors Replaces	86 each
Repair broken angle bars (75 lb.)	25 each
(90 lb.)	10 each
Track Surfaced	675 ft.
Track Spikes Used (new)	9 Kegs
Switch Ties Installed	10 each

BRIDGE & TUNNEL

Bridges- Walkway Repairs	320 ft.
Inspection walkway planks	210 each
Inspection- walkway handrails	150 each
Nails	400 (carton)

GENERAL RIGHT-OF-WAY

Weed and Brush Control	3.9 miles
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Appendix B
OFFSET FINANCIAL SUMMARY



DESERT LINE REHABILITATION

October, November, December of 2006

There was no production or commercial sale of sand from M.O.W. activity on the Desert Line during 4th Quarter 2006.

October, November, December of 2006

Total 292

87 cars

Interchange freight to / from *UPRR* over Desert Line

SD&AE / MTS 1% payment	\$183.75
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<i>SD&IV / RailAmerica diversion payment</i>	\$9,267.88
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Revenue Sand from Dixie to Campo

SD&AE / MTS 1% payment	\$1,164.31
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SD&IV / RailAmerica payment (217 cars at \$50 each) \$10,850.00

Agenda

Item No. 6a

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

SDAE 710.1 (PC 50771)

January 23, 2007

SUBJECT:

LICENSE AGREEMENTS WITH NEXTG NETWORKS OF CALIFORNIA, INC

RECOMMENDATION:

Action would approve granting license agreements (Attachments A and B) to NextG Networks of California, Inc. to construct fiber-optic facilities above the tracks at 36th and 69th Streets in San Diego.

Budget Impact

If approved, the initial income to SD&AE would be \$3,000 per year. NextG Networks would also reimburse MTS for processing fees incurred in the preparation and processing of the license agreements.

DISCUSSION:

The proposed improvements would be constructed significantly above the tracks and would not affect trolley or freight services.

JAN23-07.6a.NEXTG NETWORKS
LICENSE AGMTS.TALLISON

Attachments: A. Draft License Agreement (MTS Doc. No. S200-07-327 at 69th Street)
B. Draft License Agreement (MTS Doc. No. S200-07-328 at 36th Street)

LICENSE TO PLACE PERMANENT IMPROVEMENTS
IN MTS/SD&AE RIGHT-OF-WAY

THIS LICENSE is made this _____ day of _____ 2006 between the San Diego & Arizona Eastern (SD&AE) Railway Company, a Nevada, nonprofit corporation and wholly owned subsidiary of the San Diego Metropolitan Transit System (MTS) (hereinafter referred to as "LICENSOR"), and NextG Networks of California, Inc. (hereinafter referred to as "LICENSEE").

WITNESSETH, that LICENSOR and LICENSEE, in consideration \$600.00 paid to MTS for the processing of this LICENSE, and in further consideration of \$1,500 per year, subject to a 3% annual increase (the "LICENSE FEE"), both paid by LICENSEE to LICENSOR, covenant and agree as follows:

1. LICENSOR hereby licenses LICENSEE to use, subject to the rights and easements hereinafter excepted and reserved and upon the terms and conditions hereinafter set forth, the area above the Railway (PREMISES) as is more particularly described on Exhibits "A-1" and "A-2" attached hereto and made a part hereof, for the exclusive purpose of:

Construction, use, operation, and ownership of an aerial crossing of one fiber-optic cable, 78' minimum above top of rail, between existing service pole numbers P735962 and 731871 (the IMPROVEMENTS) and for uses normally incident to that purpose.

The exact location and description of the IMPROVEMENTS identified above are described on Exhibits "A-1" and "A-2" attached hereto and made a part hereof.

2. LICENSEE shall not use or permit the PREMISES to be used for any other purpose whatsoever without the prior written consent of LICENSOR.
3. ADDRESS FOR PAYMENTS TO LICENSOR: Checks payable to the Metropolitan Transit System shall be mailed to 1255 Imperial Avenue, Suite 1000, San Diego, California, 92101-7490, Attn: Real Estate Asset Manager, or to such other address as LICENSOR or LICENSOR's agent may designate by written notice to LICENSEE.
4. LICENSEE shall, at its own cost and subject to the supervision and control of LICENSOR'S appointed representative, engineer, locate, construct, and maintain the IMPROVEMENTS in such a manner and of such material that they will not at any time be a source of danger or interference with the present or future operation of any facilities owned and/or operated by LICENSOR or with LICENSOR's right-of-way. Any damage to LICENSOR's railroad tracks, track structure or ballast caused from the existence or maintenance of the IMPROVEMENTS shall be repaired by LICENSOR at LICENSEE's expense.
5. LICENSEE shall reimburse LICENSOR for any expenses incurred by LICENSOR during the installation, construction, or maintenance of the IMPROVEMENTS identified herein.
6. LICENSEE shall indemnify and hold LICENSOR and the property of LICENSOR free and harmless from any and all liabilities, claims, losses, damages, or expenses, including attorneys'

fees and costs, resulting from LICENSEE's occupation and use of the right-of-way, specifically including, without limitation, any liability, claim, loss, damage, or expense arising by reason of:

The death or injury of any person, including LICENSEE or any person who is an employee, contractor, or agent of the LICENSEE, or by reason of the damage to or destruction of any property, including property owned by LICENSEE or by any person who is an employee, contractor, or agent of LICENSEE, from any cause whatever while such person or property is in or on the right-of-way or in any way connected with the right-of-way or with any of the improvements or personal property on the right-of-way.

Any work performed on the right-of-way or materials furnished to the right-of-way at the request of the LICENSEE or any person or entity acting for or on behalf of the LICENSEE.

7. LICENSEE shall, at LICENSEE's own cost and expense, promptly secure (after execution of this LICENSE), and maintain during the entire term of this LICENSE a broad form of comprehensive coverage policy of public liability insurance acceptable to LICENSOR and issued by an entity authorized to issue liability insurance in California, insuring LICENSEE and LICENSOR against loss or liability caused by or connected with LICENSEE's occupation and use of the right-of-way under this LICENSE in the amounts not less than:

One million dollars (\$1,000,000) for injury to or death to one or more persons as a result of any accident or incident; and

One million dollars (\$1,000,000) for damages to or destruction of any property of others.

LICENSEE will include the contract number on all insurance-related correspondence; i.e., the insurance certificate itself.

All policies required shall be issued by companies who are licensed to do business in the State of California and hold a current policyholder's alphabetic and financial-size category rating of not less than A-VI, in accordance with A.M. Best.

All policies and coverages shall contain a provision for 30 days' written notice by the insurer(s) to the MTS Contracts Specialist of any cancellation or material reduction of coverage. A ten-day notice is required for nonpayment of premium.

All such policies shall name the San Diego Metropolitan Transit System (MTS), San Diego Trolley, Inc. (SDTI), San Diego and Arizona Eastern (SD&AE) Railway Company, San Diego and Imperial Valley (SD&IV) Railroad, and San Diego Transit Corporation (SDTC), their directors, officers, agents, and employees as additional insureds as their interests may appear.

LICENSEE agrees that all general liability coverages required under this insurance section are PRIMARY and that any insurance of MTS, SDTI, SD&AE, SD&IV, and SDTC shall be excess and noncontributory (endorsement required).

8. The LICENSEE shall, within 120 days after receiving written notice from LICENSOR, remove and relocate the IMPROVEMENTS constructed pursuant to this LICENSE if LICENSOR determines that the IMPROVEMENTS interfere with LICENSOR's current or future use of its property for public transit purposes. The IMPROVEMENTS may be relocated within LICENSOR's right-of-way if it is feasible to do so. The expense of relocating the IMPROVEMENTS shall be borne by LICENSEE.

9. If at any time LICENSEE fails or refuses to comply with or carry out any or all of the covenants herein, LICENSOR may, at its election, revoke this LICENSE upon 30 days' written notice to LICENSEE.
10. THIS LICENSE is given by LICENSOR and accepted by LICENSEE upon the express condition that the same may be terminated at any time by either party upon 30 days' notice in writing to be served upon the other party stating therein the date that such termination shall take place, and that upon the termination of this LICENSE in this or any other manner herein provided, LICENSEE, upon demand of LICENSOR, shall abandon the use of the IMPROVEMENTS and remove the same and restore the right-of-way and any other improvements or facilities within said right-of-way whether owned by LICENSOR or others to their original condition in which they were prior to the installation of the IMPROVEMENTS. In case LICENSEE fails to restore LICENSOR'S right-of-way and improvements or facilities as aforementioned within ten (10) days after the effective date of termination, LICENSOR may proceed with such work at the expense of LICENSEE. No termination hereof shall release LICENSEE from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions, or events happening prior to the date the IMPROVEMENTS are removed and the right-of-way of LICENSOR restored as above provided.
11. In the event that two or more parties execute this instrument as LICENSEE, all the covenants and agreements of LICENSEE in this LICENSE shall be the joint and several covenants and agreements of such parties.
12. In the case of eviction of LICENSEE by anyone owning or obtaining title to the right-of-way on which the IMPROVEMENTS are located, or the sale or abandonment by LICENSOR of said right-of-way, LICENSOR shall not be liable to LICENSEE for any damage of any nature whatsoever or refund any payment made by LICENSEE to LICENSOR hereunder, except the proportionate part of any recurring rental charge which may have been paid hereunder in advance.
13. All notices to be given hereunder shall be given in writing, by depositing same in the United States mail duly registered or certified, with postage prepaid, and addressed to the LICENSEE or LICENSOR as the case may be at the addresses shown on the signature page hereof, or addressed to such other address as the parties hereto, may from time to time designate.
14. All the covenants and provisions of this instrument shall be binding upon and inure to the benefit of the successors, legal representatives, and assigns of the parties to the same extent and effect as the same are binding upon and inure to the benefit of the parties hereto, but no assignment hereof by LICENSEE, its successors, legal representatives or assigns, or any subsequent assignee, shall be binding upon LICENSOR without the written consent of LICENSOR in each instance. LICENSOR understands that LICENSEE may sell or otherwise transfer its property during the term of this LICENSE and is agreeable to such assignment or transfer, subject to LICENSOR's written consent. Such written consent shall not be unreasonably withheld.
15. Any work performed on LICENSOR'S right-of-way by LICENSEE or LICENSEE'S contractor shall be done in a satisfactory workmanlike manner and in accordance with plans and specifications approved by LICENSOR, and no work shall be permitted until said plans and specifications have been approved by LICENSOR.

16. LICENSEE shall obtain a valid right of entry permit from LICENSOR as a part of this LICENSE prior to entering upon LICENSOR'S right-of-way at any time whether to install, inspect, maintain, or remove the IMPROVEMENTS and shall comply with the terms, conditions, and requirements of said permit, including the insurance requirements, as a part of this LICENSE.

THIS LICENSE DOES NOT GRANT UNLIMITED ACCESS TO LICENSOR'S RIGHT-OF-WAY. FAILURE TO OBTAIN AND COMPLY WITH THE REQUIREMENTS OF A VALID RIGHT OF ENTRY PERMIT WILL BE SUFFICIENT REASON FOR LICENSOR TO TERMINATE THIS LICENSE.

17. Any contractor or subcontractor performing work on or in connection with the IMPROVEMENTS shall for the purpose of this agreement, and particularly for the purposes of Paragraph 6 of this instrument, be conclusively deemed to be the servant and agent of LICENSEE acting on behalf and within the scope of such contractor's or subcontractor's employment for LICENSEE.
18. It is an express condition of this LICENSE that said LICENSE shall not be complete or effective until signed by either the LICENSEE's President/CEO or her authorized designee on behalf of LICENSEE and by LICENSOR.

AGREED TO AND ACCEPTED:

LICENSEE: SAN DIEGO AND
ARIZONA EASTERN RAILWAY
COMPANY
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490

LICENSOR: NEXTG NETWORKS OF
CALIFORNIA, INC.
Attn: Todd Schultz, Vice President
2216 O'Toole Avenue
San Jose, California 95131
(408) 954-1580 Ext. 159

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

Tiffany Lorenzen
Office of General Counsel

Date: _____

JAN23-07.6a.AttA.NEXTG AGRMT.36thST.TALLISON

Attachments: Exhibits A-1 and A-2

TOMKINS ST
3569

(A)

HILLSIDE
↑

60'

PROPOSED NEXTG

North
↑

BRIDGE #N/A

36TH STREET

FENCE (R/W)

TRACK 1

TRACK 2

FENCE (R/W)

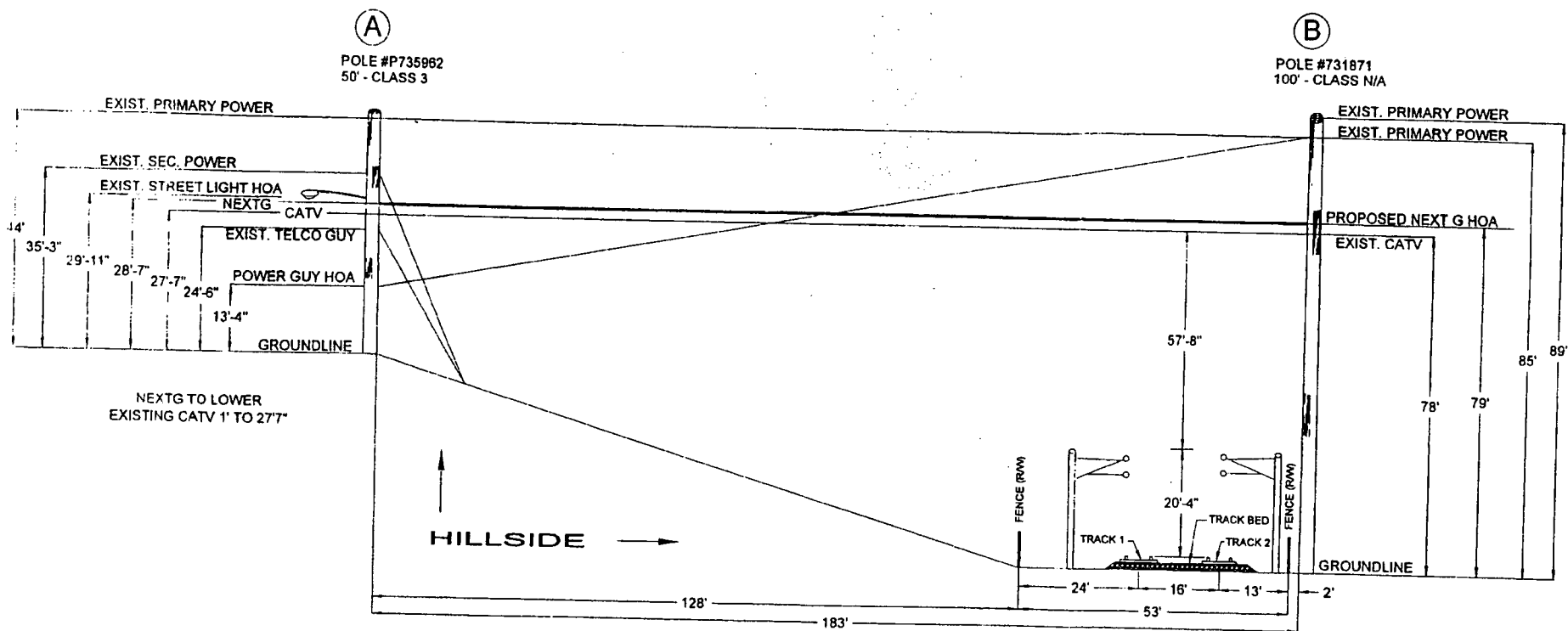
3570

MP 3.75

(B)

IMPERIAL AVE

36TH STREET



WEST ELEVATION

SCALE: ~~1" = 10'~~ NTS

36TH STREET

MP 3.75

ATTACHMENT B

MTS Doc. No. S200-07-328
ADM 160.1

LICENSE TO PLACE PERMANENT IMPROVEMENTS
IN MTS/SD&AE RIGHT-OF-WAY

THIS LICENSE is made this _____ day of _____ 2006 between the San Diego & Arizona Eastern (SD&AE) Railway Company, a Nevada, nonprofit corporation and wholly owned subsidiary of the San Diego Metropolitan Transit System (MTS) (hereinafter referred to as "LICENSOR"), and NextG Networks of California, Inc. (hereinafter referred to as "LICENSEE").

WITNESSETH, that LICENSOR and LICENSEE, in consideration \$600.00 paid to MTS for the processing of this LICENSE, and in further consideration of \$1,500 per year, subject to a 3% annual increase (the "LICENSE FEE"), both paid by LICENSEE to LICENSOR, covenant and agree as follows:

1. LICENSOR hereby licenses LICENSEE to use, subject to the rights and easements hereinafter excepted and reserved and upon the terms and conditions hereinafter set forth, the area above the Railway (PREMISES) as is more particularly described on Exhibits "A-1" and "A-2" attached hereto and made a part hereof, for the exclusive purpose of:

Construction, use, operation, and ownership of an aerial crossing of one fiber-optic cable, 39' minimum above top of rail, between existing service pole numbers Z974988 and Z370479 (the IMPROVEMENTS) and for uses normally incident to that purpose.

The exact location and description of the IMPROVEMENTS identified above are described on Exhibits "A-1" and "A-2" attached hereto and made a part hereof.

2. LICENSEE shall not use or permit the PREMISES to be used for any other purpose whatsoever without the prior written consent of LICENSOR.
3. ADDRESS FOR PAYMENTS TO LICENSOR: Checks payable to the Metropolitan Transit System shall be mailed to 1255 Imperial Avenue, Suite 1000, San Diego, California, 92101-7490, Attn: Real Estate Asset Manager, or to such other address as LICENSOR or LICENSOR's agent may designate by written notice to LICENSEE.
4. LICENSEE shall, at its own cost and subject to the supervision and control of LICENSOR's appointed representative, engineer, locate, construct, and maintain the IMPROVEMENTS in such a manner and of such material that they will not at any time be a source of danger or interference with the present or future operation of any facilities owned and/or operated by LICENSOR or with LICENSOR's right-of-way. Any damage to LICENSOR's railroad tracks, track structure or ballast caused from the existence or maintenance of the IMPROVEMENTS shall be repaired by LICENSOR at LICENSEE's expense.
5. LICENSEE shall reimburse LICENSOR for any expenses incurred by LICENSOR during the installation, construction, or maintenance of the IMPROVEMENTS identified herein.
6. LICENSEE shall indemnify and hold LICENSOR and the property of LICENSOR free and harmless from any and all liabilities, claims, losses, damages, or expenses, including attorneys'

fees and costs, resulting from LICENSEE's occupation and use of the right-of-way, specifically including, without limitation, any liability, claim, loss, damage, or expense arising by reason of:

The death or injury of any person, including LICENSEE or any person who is an employee, contractor, or agent of the LICENSEE, or by reason of the damage to or destruction of any property, including property owned by LICENSEE or by any person who is an employee, contractor, or agent of LICENSEE, from any cause whatever while such person or property is in or on the right-of-way or in any way connected with the right-of-way or with any of the improvements or personal property on the right-of-way.

Any work performed on the right-of-way or materials furnished to the right-of-way at the request of the LICENSEE or any person or entity acting for or on behalf of the LICENSEE.

7. LICENSEE shall, at LICENSEE's own cost and expense, promptly secure (after execution of this LICENSE), and maintain during the entire term of this LICENSE a broad form of comprehensive coverage policy of public liability insurance acceptable to LICENSOR and issued by an entity authorized to issue liability insurance in California, insuring LICENSEE and LICENSOR against loss or liability caused by or connected with LICENSEE's occupation and use of the right-of-way under this LICENSE in the amounts not less than:

One million dollars (\$1,000,000) for injury to or death to one or more persons as a result of any accident or incident; and

One million dollars (\$1,000,000) for damages to or destruction of any property of others.

LICENSEE will include the contract number on all insurance-related correspondence; i.e., the insurance certificate itself.

All policies required shall be issued by companies who are licensed to do business in the State of California and hold a current policyholder's alphabetic and financial-size category rating of not less than A-VI, in accordance with A.M. Best.

All policies and coverages shall contain a provision for 30 days' written notice by the insurer(s) to the MTS Contracts Specialist of any cancellation or material reduction of coverage. A ten-day notice is required for nonpayment of premium.

All such policies shall name the San Diego Metropolitan Transit System (MTS), San Diego Trolley, Inc. (SDTI), San Diego and Arizona Eastern (SD&AE) Railway Company, San Diego and Imperial Valley (SD&IV) Railroad, and San Diego Transit Corporation (SDTC), their directors, officers, agents, and employees as additional insureds as their interests may appear.

LICENSEE agrees that all general liability coverages required under this insurance section are PRIMARY and that any insurance of MTS, SDTI, SD&AE, SD&IV, and SDTC shall be excess and noncontributory (endorsement required).

8. The LICENSEE shall, within 120 days after receiving written notice from LICENSOR, remove and relocate the IMPROVEMENTS constructed pursuant to this LICENSE if LICENSOR determines that the IMPROVEMENTS interfere with LICENSOR's current or future use of its property for public transit purposes. The IMPROVEMENTS may be relocated within LICENSOR's right-of-way if it is feasible to do so. The expense of relocating the IMPROVEMENTS shall be borne by LICENSEE.

9. If at any time LICENSEE fails or refuses to comply with or carry out any or all of the covenants herein, LICENSOR may, at its election, revoke this LICENSE upon 30 days' written notice to LICENSEE.
10. THIS LICENSE is given by LICENSOR and accepted by LICENSEE upon the express condition that the same may be terminated at any time by either party upon 30 days' notice in writing to be served upon the other party stating therein the date that such termination shall take place, and that upon the termination of this LICENSE in this or any other manner herein provided, LICENSEE, upon demand of LICENSOR, shall abandon the use of the IMPROVEMENTS and remove the same and restore the right-of-way and any other improvements or facilities within said right-of-way whether owned by LICENSOR or others to their original condition in which they were prior to the installation of the IMPROVEMENTS. In case LICENSEE fails to restore LICENSOR'S right-of-way and improvements or facilities as aforementioned within ten (10) days after the effective date of termination, LICENSOR may proceed with such work at the expense of LICENSEE. No termination hereof shall release LICENSEE from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions, or events happening prior to the date the IMPROVEMENTS are removed and the right-of-way of LICENSOR restored as above provided.
11. In the event that two or more parties execute this instrument as LICENSEE, all the covenants and agreements of LICENSEE in this LICENSE shall be the joint and several covenants and agreements of such parties.
12. In the case of eviction of LICENSEE by anyone owning or obtaining title to the right-of-way on which the IMPROVEMENTS are located, or the sale or abandonment by LICENSOR of said right-of-way, LICENSOR shall not be liable to LICENSEE for any damage of any nature whatsoever or refund any payment made by LICENSEE to LICENSOR hereunder, except the proportionate part of any recurring rental charge which may have been paid hereunder in advance.
13. All notices to be given hereunder shall be given in writing, by depositing same in the United States mail duly registered or certified, with postage prepaid, and addressed to the LICENSEE or LICENSOR as the case may be at the addresses shown on the signature page hereof, or addressed to such other address as the parties hereto, may from time to time designate.
14. All the covenants and provisions of this instrument shall be binding upon and inure to the benefit of the successors, legal representatives, and assigns of the parties to the same extent and effect as the same are binding upon and inure to the benefit of the parties hereto, but no assignment hereof by LICENSEE, its successors, legal representatives or assigns, or any subsequent assignee, shall be binding upon LICENSOR without the written consent of LICENSOR in each instance. LICENSOR understands that LICENSEE may sell or otherwise transfer its property during the term of this LICENSE and is agreeable to such assignment or transfer, subject to LICENSOR's written consent. Such written consent shall not be unreasonably withheld.
15. Any work performed on LICENSOR'S right-of-way by LICENSEE or LICENSEE'S contractor shall be done in a satisfactory workmanlike manner and in accordance with plans and specifications approved by LICENSOR, and no work shall be permitted until said plans and specifications have been approved by LICENSOR.

16. LICENSEE shall obtain a valid right of entry permit from LICENSOR as a part of this LICENSE prior to entering upon LICENSOR'S right-of-way at any time whether to install, inspect, maintain, or remove the IMPROVEMENTS and shall comply with the terms, conditions, and requirements of said permit, including the insurance requirements, as a part of this LICENSE.

THIS LICENSE DOES NOT GRANT UNLIMITED ACCESS TO LICENSOR'S RIGHT-OF-WAY. FAILURE TO OBTAIN AND COMPLY WITH THE REQUIREMENTS OF A VALID RIGHT OF ENTRY PERMIT WILL BE SUFFICIENT REASON FOR LICENSOR TO TERMINATE THIS LICENSE.

17. Any contractor or subcontractor performing work on or in connection with the IMPROVEMENTS shall for the purpose of this agreement, and particularly for the purposes of Paragraph 6 of this instrument, be conclusively deemed to be the servant and agent of LICENSEE acting on behalf and within the scope of such contractor's or subcontractor's employment for LICENSEE.
18. It is an express condition of this LICENSE that said LICENSE shall not be complete or effective until signed by either the LICENSEE's President/CEO or her authorized designee on behalf of LICENSEE and by LICENSOR.

AGREED TO AND ACCEPTED:

LICENSEE: SAN DIEGO AND
ARIZONA EASTERN RAILWAY
COMPANY
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490

LICENSOR: NEXTG NETWORKS OF
CALIFORNIA, INC.
Attn: Todd Schultz, Vice President
2216 O'Toole Avenue
San Jose, California 95131
(408) 954-1580 Ext. 159

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

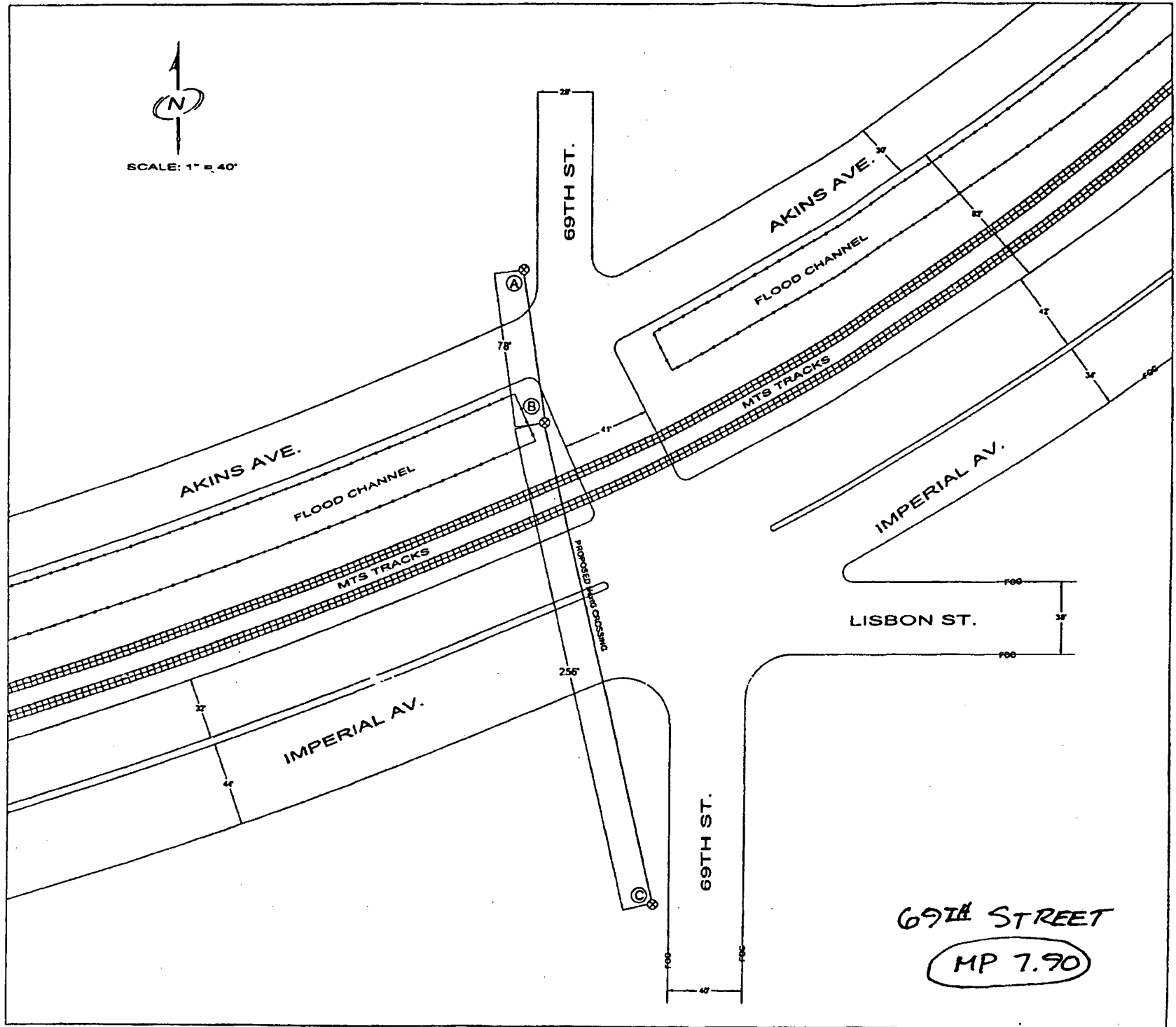
Approved as to form:

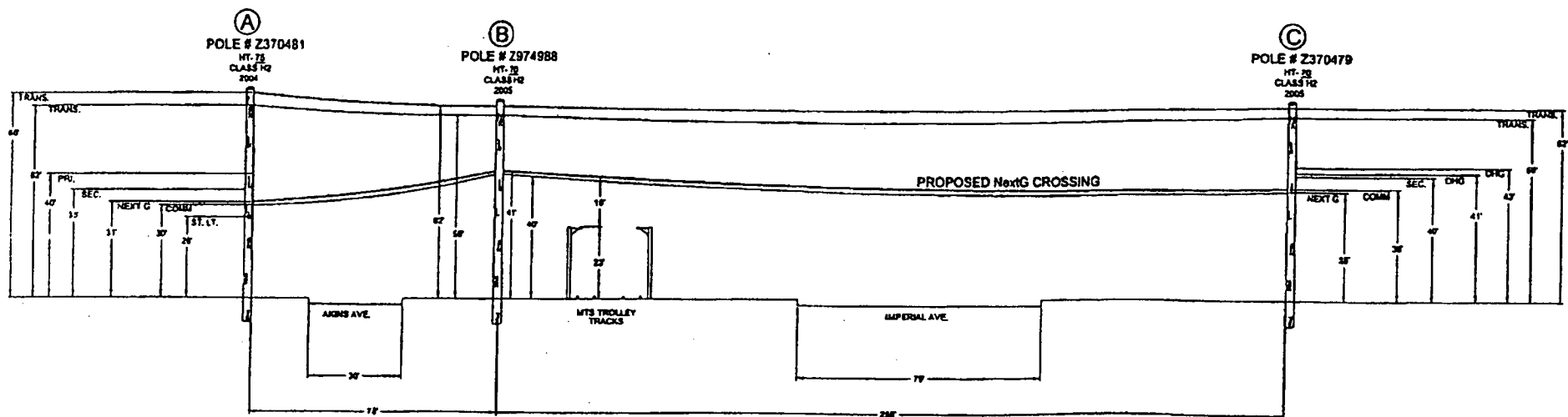
Tiffany Lorenzen
Office of General Counsel

Date: _____

JAN23-07.6a.AttB.NEXTG AGRMT.69thSt.TALLISON

Attachments: Exhibits A-1 and A-2





WEST ELEVATION
(SCALE: 1"=30')

69TH STREET

MP 7.90

Agenda

Item No. 6b

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

SDAE 710.1 (PC 50771)

January 23, 2007

SUBJECT:

EASEMENTS FOR SDG&E'S SILVERGATE SUBSTATION (BETWEEN
CESAR CHAVEZ PARKWAY AND SAMPSON STREET) AND OTAY MESA POWER
PURCHASE AGREEMENT TRANSMISSION PROJECTS (HARBOR DRIVE AT
SCHLEY (26TH STREET) IN SAN DIEGO, CALIFORNIA

RECOMMENDATION:

That the SD&AE Board of Directors approve granting easement agreements to
San Diego Gas and Electric (SDG&E) to construct underground electric lines below
SD&AE tracks generally located at Sampson and Schley Streets in San Diego.

Budget Impact

If approved, SDG&E would pay the appraised value for the easements as determined by
a Member of the Appraisal Institute (MAI) appraisal approved by MTS staff.

DISCUSSION:





The proposed improvements would be constructed significantly below the tracks and
would not affect trolley or freight service.

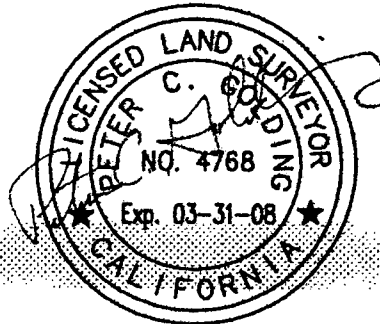
JAN23-06.6b.SDG&E EASEMTS.TALLISON

Attachments: A. Silvergate Plats
B. Otay Mesa Plats

ATTACHMENT A

LEGEND

- INDICATES FOUND BRASS DISC IN CONCRETE PLATFORM STAMPED "LS 6000" CONTROL POINT #39 AS SHOWN ON ROS 15692
- ▲ INDICATES FOUND BRASS DISC STAMPED "LS 6000" CONTROL POINT #38 AS SHOWN ON ROS 15692
-  INDICATES PROPOSED PARCEL-A, UGE EASEMENT,
AREA = 1189 SQ. FT.,
= 0.027 ACRE
-  INDICATES PROPOSED PARCEL-B, UGE EASEMENT,
AREA = 2007 SQ. FT.,
= 0.046 ACRE
-  INDICATES PROPOSED PARCEL-C, UGE EASEMENT,
AREA = 1192 SQ. FT.,
= 0.027 ACRE
-  INDICATES PROPOSED PARCEL-D, UGE EASEMENT,
AREA = 2007 SQ. FT.,
= 0.046 ACRE



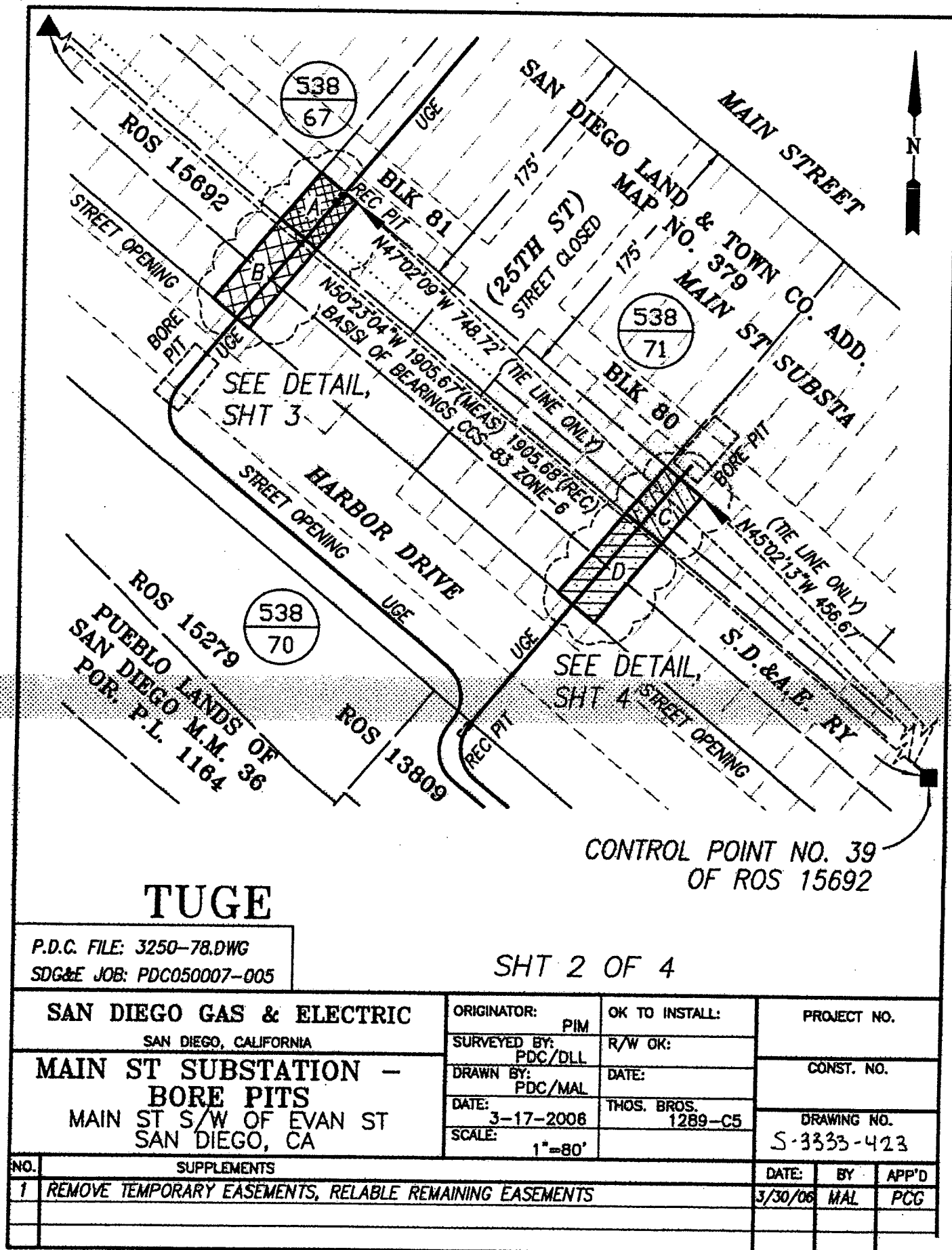
TUGE

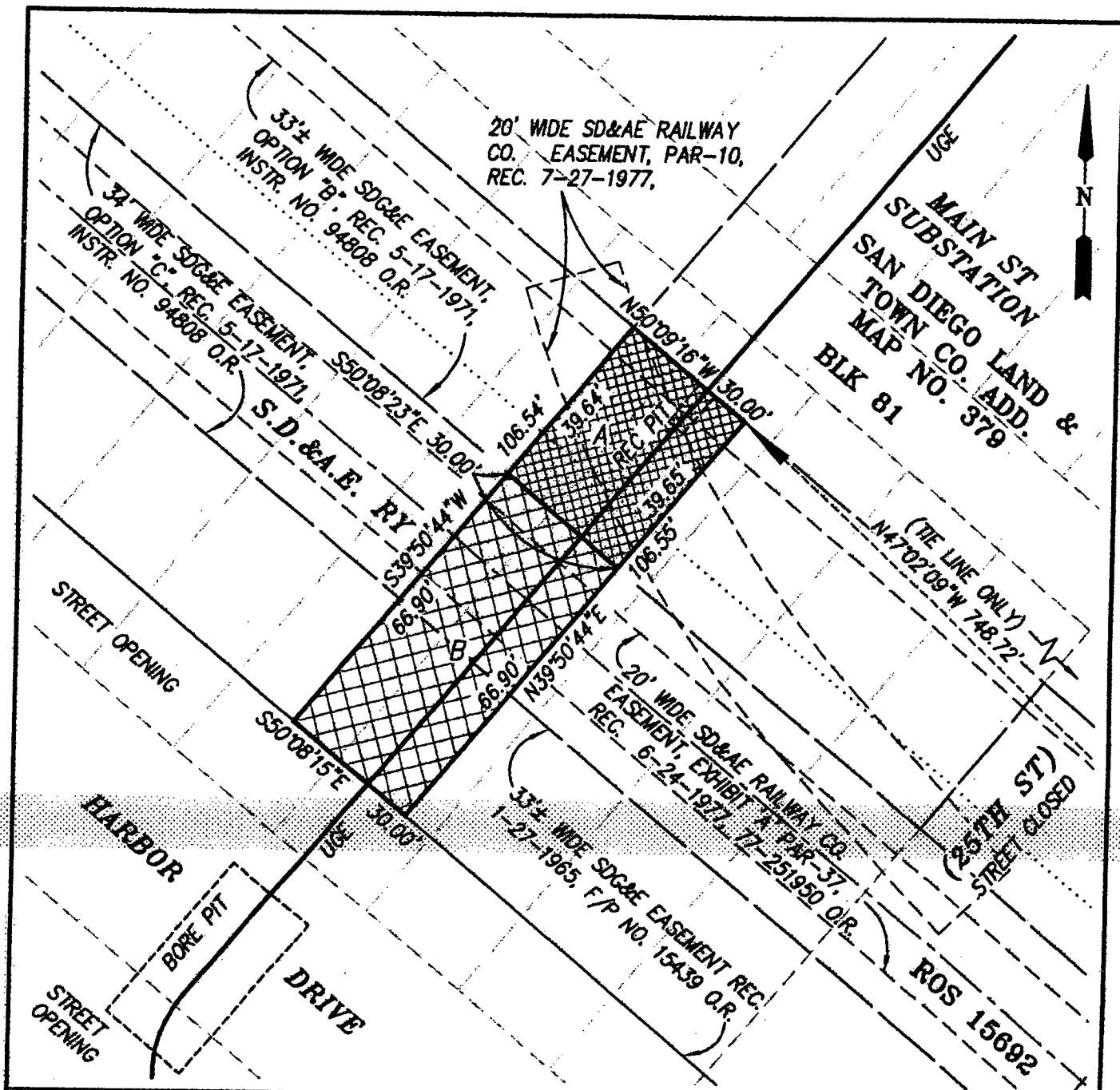
REF: ROS 15692
ROS 15279
ROS 13809

P.D.C. FILE: 3250-78.DWG
SDG&E JOB: PDC050007-005

SHT 1 OF 4

SAN DIEGO GAS & ELECTRIC SAN DIEGO, CALIFORNIA MAIN ST SUBSTATION -- BORE PITS MAIN ST S/W OF EVAN ST SAN DIEGO, CA		ORIGINATOR:	OK TO INSTALL:	PROJECT NO.	
		SURVEYED BY:	R/W OK:	CONST. NO.	
		DRAWN BY:	DATE:	DRAWING NO.	
		DATE:	THOS. BROS.	S-3333-423	
		PDC/DLL	1289-C5		
		PDC/MAL			
		3-17-2006			
		SCALE:	1"=80'		
NO.	SUPPLEMENTS	DATE:	BY:	APP'D	
1	REMOVE TEMPORARY EASEMENTS, RELABLE REMAINING EASEMENTS	3/30/06	MAL	PCG	



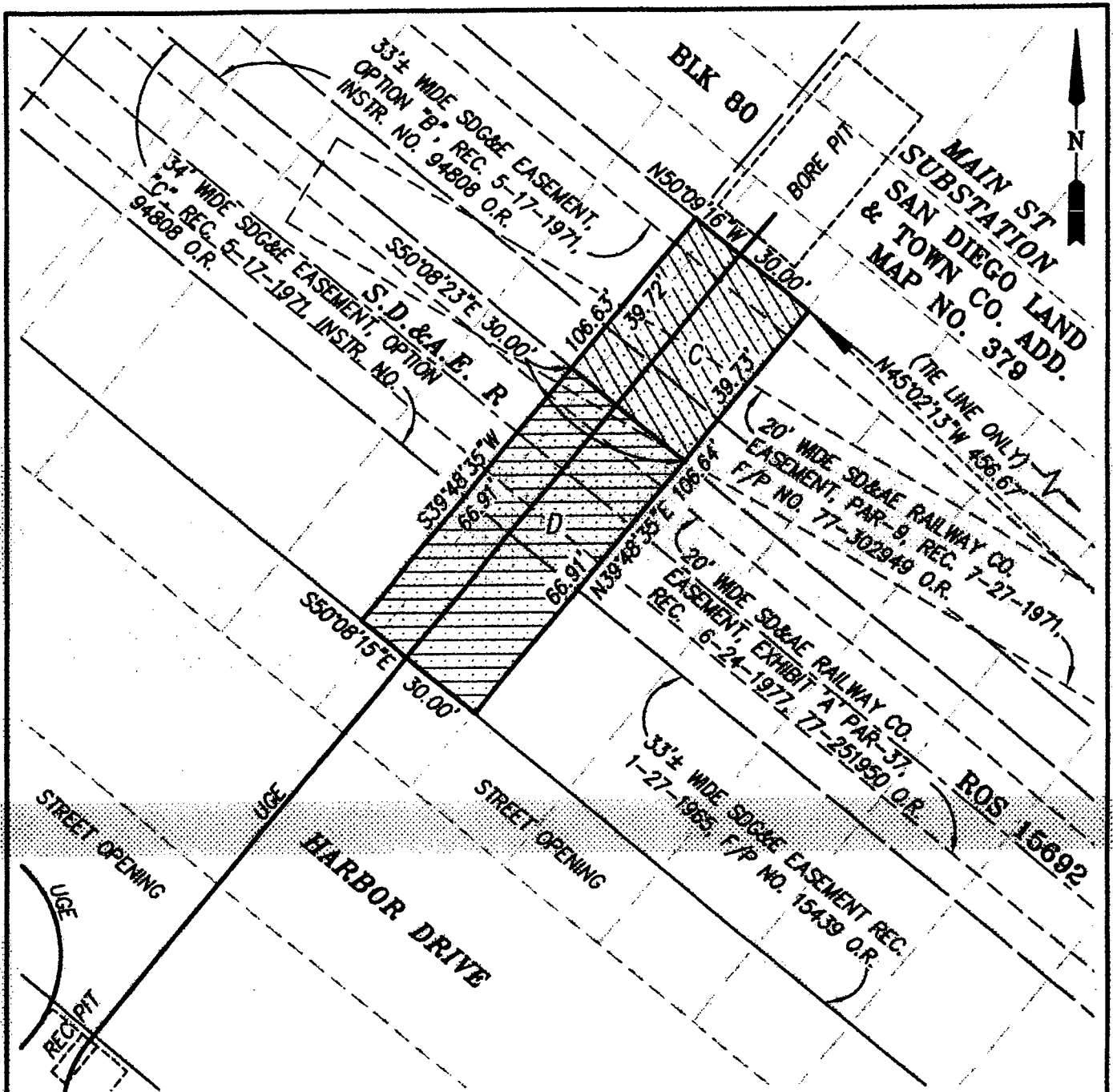


P.D.C. FILE: 3250-78.DWG
SDG&E JOB: PDC050007-005

TUGE

SHT 3 OF 4

SAN DIEGO GAS & ELECTRIC SAN DIEGO, CALIFORNIA		ORIGINATOR: PIM	OK TO INSTALL:	PROJECT NO.
MAIN ST SUBSTATION - BORE PITS MAIN ST S/W OF EVAN ST SAN DIEGO, CA		SURVEYED BY: PDC/DLL	R/W OK:	CONST. NO.
		DRAWN BY: PDC/MAL	DATE:	DRAWING NO. S-3333-423
		DATE: 3-17-2006	THOS. BROS. 1289-C5	
		SCALE: 1"=30'		
NO.	SUPPLEMENTS			DATE:
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				BY
				MAL
				APP'D
				PCG

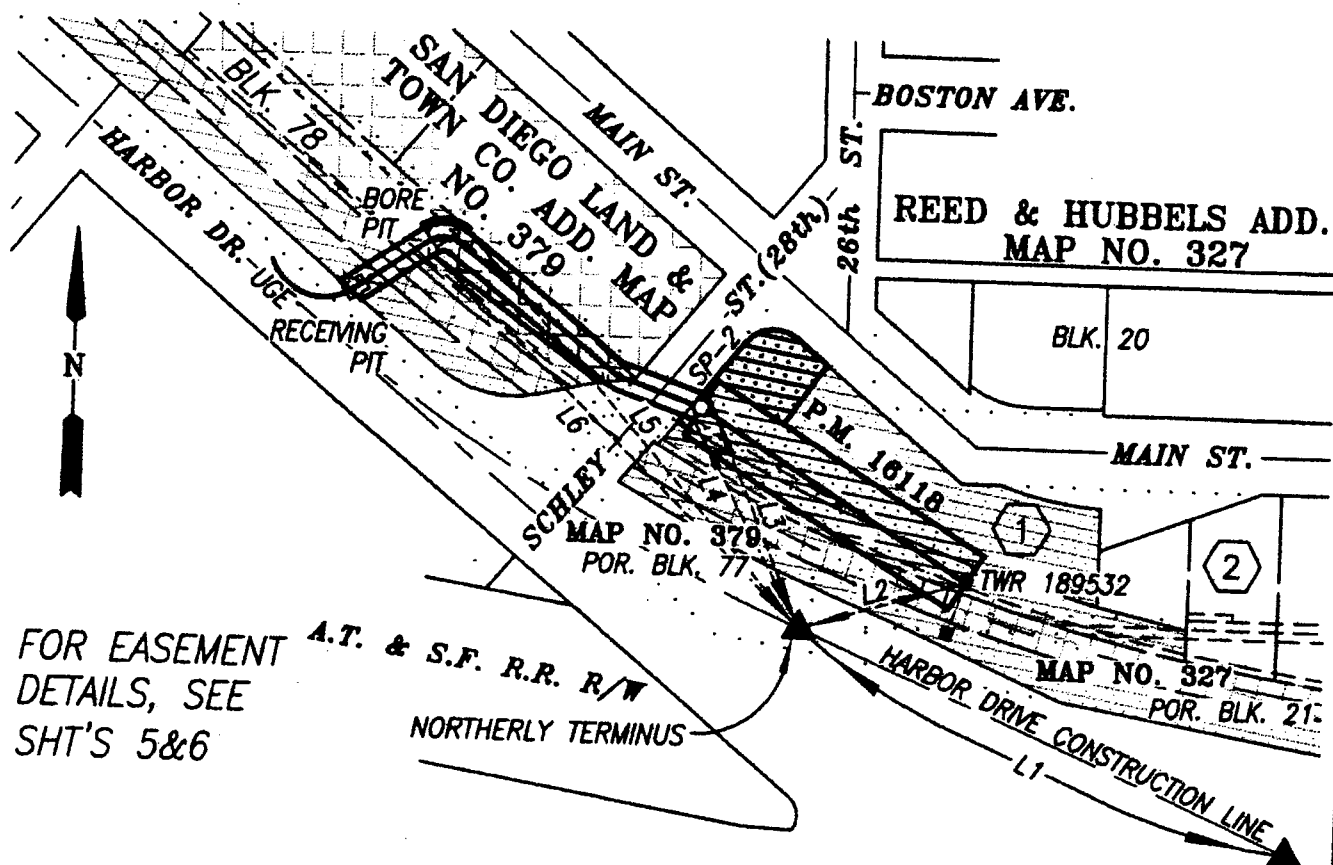


P.D.C. FILE: 3250-78.DWG
SDG&E JOB: PDC050007-005

TUGE

SHT 4 OF 4

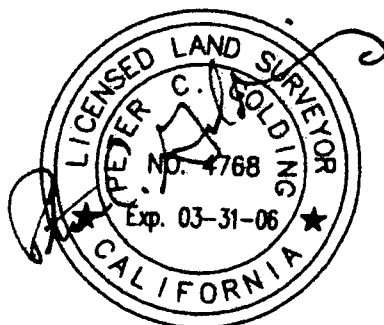
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MAIN ST SUBSTATION - BORE PITS MAIN ST S/W OF EVAN ST SAN DIEGO, CA		SURVEYED BY: PDC/DLL	R/W OK:	CONST. NO.	
		DRAWN BY: PDC/MAL	DATE:	DRAWING NO. S-3333-423	
		DATE: 3-17-2006	THOS. BROS. 1289-C5	DATE:	
		SCALE: 1"=80'		BY:	APP'D
NO.	SUPPLEMENTS				
1	REMOVE TEMPORARY EASEMENTS, RELABLE REMAINING EASEMENTS	3/30/06 MAL PCG			



FOR EASEMENT
DETAILS, SEE
SHT'S 5&6

A.T. & S.F. R.R. R/W
NORTHERLY TERMINUS

FOR LINE AND
CURVE DATA
SEE SHT 2



TUGE

P.D.C. FILE: 2950-74-P.DWG
SDG&E JOB: PDC050016-000

REF: ROS 6230
ROS 15136
ROS 15692
ROS 16631
P.M. 13223
P.M. 16118

SHT 1 OF 6

SAN DIEGO GAS & ELECTRIC SAN DIEGO, CALIFORNIA			ORIGINATOR: C. ECK	OK TO INSTALL:	PROJECT NO.
SICARD TRANSITION HARBOR DR. @ 26th ST. SAN DIEGO, CA			SURVEYED BY: PDC/DLL	R/W OK:	CONST. NO.
			DRAWN BY: PDC/MAL	DATE:	DRAWING NO. S-3333-426
			DATE: 11-29-2005	THOS. BROS. 1289-D6	
			SCALE: 1"=200'		
NO.	SUPPLEMENTS				
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3	REVISED PROPOSED TEMPORARY EASEMENT				
2	ADDED SP-2, REVISED PROPOSED EASEMENT				
		DATE:	BY:	APP'D	
		11/29/05	MAL	PCG	
		10/26/05	MAL	PCG	
		7/28/05	MAL	PCG	

LINE DATA	
BASIS OF BEARINGS	
L1	N66°47'31"W PER CONTROL BY McGEE SURVEY, 586.97'(Meas) (N66°47'47"W 587.09'(Rec) PER ROS 15692)
L2	N72°48'54"E 188.31' (TIE LINE ONLY)
L3	N22°48'46"W 273.59' (TIE LINE ONLY)
L4	N28°25'10"W 257.09' (TIE LINE ONLY)
L5	N41°34'04"W 565.35' (TIE LINE ONLY)
L6	N46°02'33"W 570.88' (TIE LINE ONLY)
L7	N31°57'41"E 19.63'
L8	S70°41'53"E 7.75'
L9	S31°57'41"W 11.40'
L10	N39°42'08"E 9.33'
L11	S70°41'53"E 12.17'
L12	N34°05'29"W 5.00'
L13	N55°54'31"E 6.51'
L14	S51°36'33"E 217.97'
L15	N53°51'35"W 225.72'

CURVE DATA			
No.	Radius	Delta	Length
C1	25.00'	19°05'20"	8.33'
C2	25.00'	72°28'56"	31.63'
C3	60.00'	03°54'33"	4.09'
C4	40.00'	90°10'08"	62.95'
C5	1859.91'	00°24'17"	13.14'
C6	40.00'	71°43'17"	50.07'
C7	45.00'	71°48'21"	56.40'
C8	10.00'	72°28'56"	12.65'
C9	350.00'	00°57'22"	5.84'

TUGE

P.D.C. FILE: 2950-74-P.DWG
SDG&E JOB: PDC050016-000

SHT 2 OF 6

SAN DIEGO GAS & ELECTRIC SAN DIEGO, CALIFORNIA		ORIGINATOR: C. ECK	OK TO INSTALL:	PROJECT NO.
		SURVEYED BY: PDC/DLL	R/W OK:	
SICARD TRANSITION HARBOR DR. @ 26th ST. SAN DIEGO, CA		DRAWN BY: PDC/MAL	DATE:	CONST. NO.
		DATE: 11-29-2005	THOS. BROS. 1289-D6	DRAWING NO. S-3333-426
SCALE: 1"=200'				
NO.	SUPPLEMENTS	DATE:	BY	APP'D
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3	REVISED PROPOSED TEMPORARY EASEMENT	10/28/05	MAL	PCG
2	ADDED SP-2, REVISED PROPOSED EASEMENT	7/28/05	MAL	PCG

LEGEND

▲ INDICATES FOUND P.K. AND DISC
STAMPED "CITY ENGINEER DEPT"
AS SHOWN ON ROS 15692.



= SAN DIEGO CALIFORNIA
PROPERTIES CO.

A.P.N. 538-790-04,
538-790-05 &
538-790-10



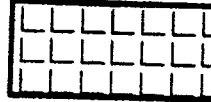
= NATIONAL STEEL &
SHIPBUILDING CO.

A.P.N. 538-790-08,
538-812-12 &
538-812-17



= SAN DIEGO & ARIZONA
RAILROAD CO.

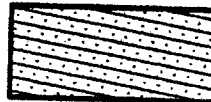
A.P.N. 538-790-11 &
538-812-10



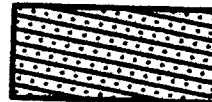
= PROPOSED EASEMENT AREA
WITHIN SAN DIEGO
CALIFORNIA PROPERTIES CO.
A.P.N. 538-790-04,
538-790-10



= PROPOSED TEMPORARY
CONSTRUCTION EASEMENT
AREA WITHIN SAN DIEGO
CALIFORNIA PROPERTIES CO.
A.P.N. 538-790-04
538-790-10



= PROPOSED EASEMENT AREA
WITHIN NATIONAL STEEL &
SHIPBUILDING CO.
A.P.N. 538-790-08,
538-812-12 &
538-812-17



= PROPOSED TEMPORARY
CONSTRUCTION EASEMENT
AREA WITHIN NATIONAL
STEEL & SHIPBUILDING CO.
A.P.N. 538-812-17



= PROPOSED EASEMENT AREA
WITHIN SAN DIEGO AND
ARIZONA RAILROAD CO.
A.P.N. 538-790-11 &
538-812-10

(OHE) OVERHEAD ELECTRIC
EASEMENT-PROPOSED

(UGE) UNDERGROUND ELECTRIC
EASEMENT-PROPOSED

TUGE

P.D.C. FILE: 2950-74-P.DWG
SDG&E JOB: PDC050016-000

SHT 3 OF 6

SAN DIEGO GAS & ELECTRIC SAN DIEGO, CALIFORNIA SICARD TRANSITION HARBOR DR. @ 26th ST. SAN DIEGO, CA		ORIGINATOR: C. ECK	OK TO INSTALL:	PROJECT NO. CONST. NO. DRAWING NO. 5-3333-426
		SURVEYED BY: PDC/DLL	R/W OK:	
		DRAWN BY: PDC/MAL	DATE:	
		DATE: 11-29-2005	THOS. BROS. 1289-D6	
		SCALE: 1"=200'		
NO.	SUPPLEMENTS	DATE:	BY:	APP'D
4	REVISED OHE EASEMENT AREA	11/29/05	MAL	PCG
3	REVISED PROPOSED TEMPORARY EASEMENT	10/28/05	MAL	PCG
2	ADDED SP-2, REVISED PROPOSED EASEMENT	7/28/05	MAL	PCG

SDG&E OPTION AREA NOTE

OPTION AREAS AS NOTED ARE PER:

OPTION A: INSTR. NO. 15439 REC. 1-27-1965 O.R.

OPTIONS B AND C: INSTR. NO. 94808 REC. 5-7-1971 O.R.

EASEMENTS NOT PLOTTED

1. MEMORANDUM OF EASEMENT, REC. 2-21-1992, INSTRUMENT NO. 1992-0094302 O.R.
2. SDG&E EASEMENTS, REC. 10-10-1980, INSTR. NO. 80-335873 O.R., AND REC. 5-3-1983, INSTR. NO. 83-144101 O.R.
3. ENCROACHMENT REMOVAL AGREEMENT, DOC. NO. 1999-0461636, REC. 7-1-1999 O.R., EXHIBIT 'C'
4. COASTAL DEVELOPMENT PERMIT 98-0399 SOUTHWEST MARINE PARKING LOT, REC. 6-30-1999, DOC. NO. 1999-0456820 O.R.
5. SDG&E EASEMENT REC. 1-27-1965, INSTR. NO. 15438 O.R.
6. SDG&E EASEMENT REC. 8-7-1980, INSTR. NO. 80-250365 O.R.
7. SDG&E EASEMENT REC. 5-29-1981, INSTR. NO. 81-168269 O.R.

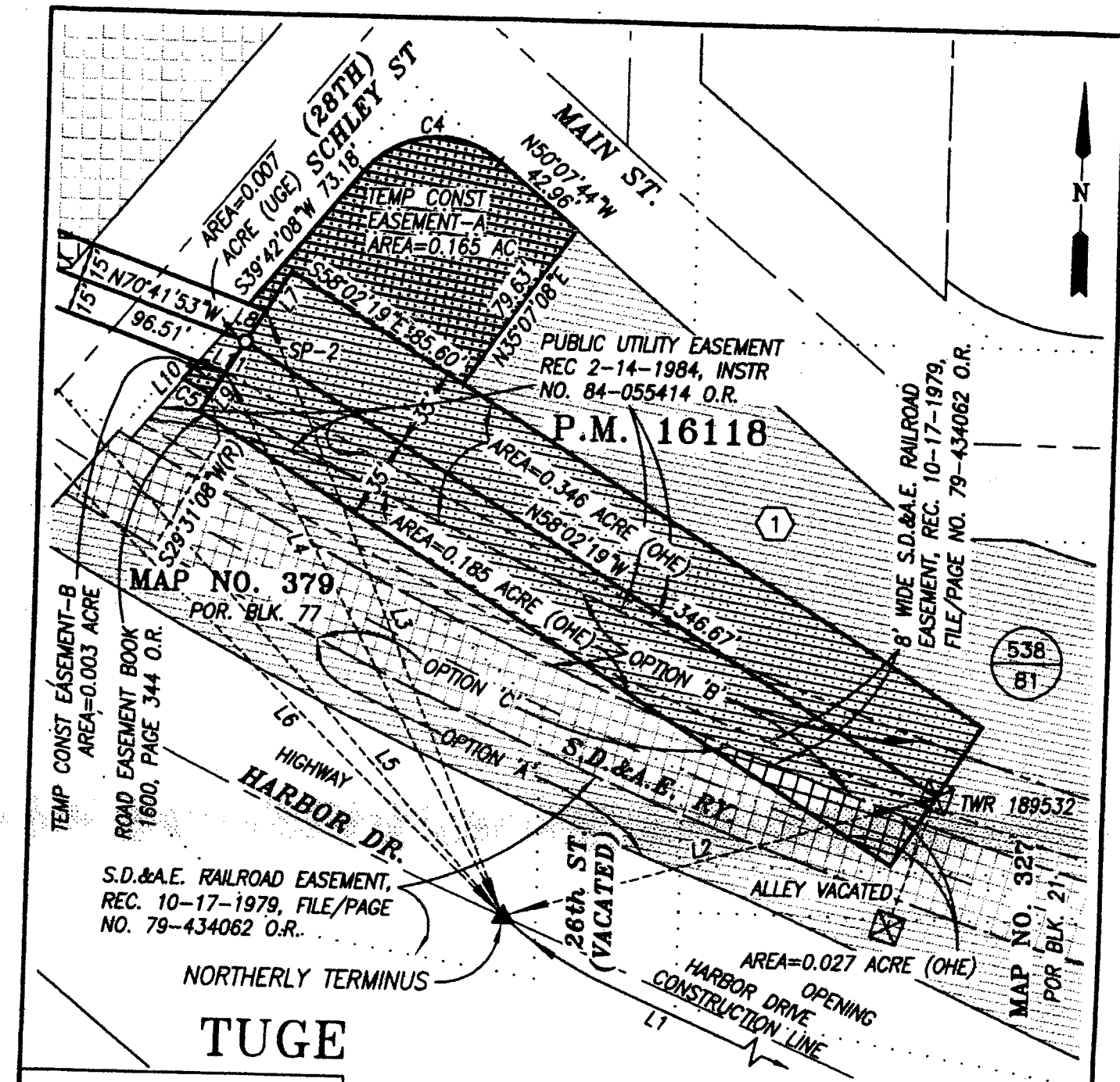
TUGE

P.D.C. FILE: 2950-74-P.DWG

SDG&E JOB: PDC050016-000

SHT 4 OF 6

SAN DIEGO GAS & ELECTRIC SAN DIEGO, CALIFORNIA		ORIGINATOR: C. ECK	OK TO INSTALL:	PROJECT NO.		
		SURVEYED BY: PDC/DLL	R/W OK:			
		SICARD TRANSITION HARBOR DR. @ 26th ST. SAN DIEGO, CA		DRAWN BY: PDC/MAL	DATE:	CONST. NO.
				DATE: 11-29-2005	THOS. BROS. 1289-D6	DRAWING NO. 5-3333-426
		SCALE: 1"=200'				
NO.	SUPPLEMENTS			DATE:	BY	APP'D
4	REVISED OHE EASEMENT AREA			11/29/05	MAL	PCG
3	REVISED PROPOSED TEMPORARY EASEMENT			10/26/05	MAL	PCG
2	ADDED SP-2, REVISED PROPOSED EASEMENT			7/28/05	MAL	PCG



P.D.C. FILE: 2950-74-P.DWG
SDG&E JOB: PDC050016-000

SHT 5 OF 6

SAN DIEGO GAS & ELECTRIC SAN DIEGO, CALIFORNIA		ORIGINATOR: C. ECK	OK TO INSTALL:	PROJECT NO.		
		SURVEYED BY: PDC/DLL	R/W OK:			
SICARD TRANSITION HARBOR DR. @ 26th ST. SAN DIEGO, CA		DRAWN BY: PDC/MAL	DATE:	CONST. NO.		
		DATE: 11-29-2005	THOS. BROS. 1289-D6			
		SCALE: 1"=60'				
		DRAWING NO. 5-3333-426				
NO.	SUPPLEMENTS			DATE:	BY	APP'D
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3	REVISED PROPOSED TEMPORARY EASEMENT			10/26/05	MAL	PCG
2	ADDED SP-2, REVISED PROPOSED EASEMENT			7/28/05	MAL	PCG

Agenda

Item No. 6C

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

SDAE 710.1 (PC 50771)

January 23, 2007

SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE OCTOBER 24, 2006

RECOMMENDATION:

That the SD&AE Board of Directors receive this report for information.

Budget Impact

None.

DISCUSSION:

Since the October 24, 2006, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-02-186.1: Right of entry permit amendment to SDG&E to remove overhead wires along Commercial Street.
- S200-06-278: An agreement with 9Jay, LLC to exchange easements north of Sampson Street.
- S200-06-302.1: Lease amendment with Hanson Aggregates at 12th and McKinley Streets in National City.
- S200-06-305: Right of entry permit to Ninyo & Moore for soil borings on the Coronado Branch east of 13th Street in the South Bay.
- S200-07-315: Right of entry permit to SC Valley Engineering for a sewer line bore at Allison Avenue in La Mesa.
- S200-07-319: Right of entry permit to NextG Networks to install aerial fiber optics at 36th and 69th Streets in the City of San Diego.
- S200-07-320: Right of entry permit to Jesse Fence to construct a fence at the Marshall Avenue team track parcel in the City of El Cajon.

- S200-07-323: Right of entry permit to NTC Development, Inc. to install fencing west of El Cajon Boulevard in the City of La Mesa.
- S200-07-324: Right of entry permit to HP Communications, Inc. to remove overhead wires at 25th and Commercial in the City of San Diego.
- S200-07-325: Right of entry permit to SDG&E to modify a power pole south of Massachusetts Avenue in the City of Lemon Grove.
- S200-07-326: Right of entry permit to URS Corporation for soils investigations.
- S200-07-329: Right of entry permit to SDG&E for a gas main replacement on Commercial Street in the City of San Diego.
- S200-07-332: Easement from 9Jay, LLC for railroad purposes north of Sampson Street in the City of San Diego.

JGarde
JAN23-07.6c.DOCSISSUED.TALLISON
1/16/07



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

Agenda

Item No. 7

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

FIN 340.2 (PC 50601)

February 15, 2007

SUBJECT:

MTS: STATE TRANSIT ASSISTANCE CLAIM AMENDMENT

RECOMMENDATION:

That the MTS Board of Directors adopt Resolution No. 07-1 (Attachment A) amending the Fiscal Year (FY) 2007 State Transit Assistance (STA) claims.

Budget Impact

This action would result in the receipt of an additional \$216,297 in STA funds.

DISCUSSION:

On September 14, 2006, the MTS Board passed Resolution No. 06-12 amending the FY 2007 STA claim of \$28,446,839. The actual amount that MTS has available in STA is \$28,633,136. The attached Resolution No. 07-1 authorizes the claim of the remaining STA funding totaling \$216,297.

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

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Larry Marinesi, 619.557.4542, larry.marinesi@sdmts.com

FEB8-07.7.STA AMDMT.AGOTTWIG

Attachment: A. Resolution No. 07-1



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. 07-1

Resolution Approving the MTS-Area FY 07 STA Claim Amendment

WHEREAS, California Public Utilities Code Sections 99313.3 and 99313.6 established a State Transit Assistance (STA) fund and grants the Metropolitan Transit System (MTS) authority to allocate monies from this fund; and

WHEREAS, MTS Policy No. 20 established procedures for allocating these STA funds; and

WHEREAS, MTS, San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contracted Services, Chula Vista, National City, and La Mesa (claimants), qualify for STA monies under the provision of Public Utilities Code Section 99260 et seq.; and

WHEREAS, the sum of the claimants' allocations of STA and Transportation Development Act (TDA) funds do not exceed the amounts that they are eligible to receive during the fiscal year; and

WHEREAS, the claimants are receiving the maximum of allowable amounts from the local transportation fund; and

WHEREAS, the San Diego Association of Governments (SANDAG) has determined the claimants have participated in efforts to define transit productivity recommendations and have made a reasonable effort toward implementing these recommendations in FY 07; and

WHEREAS, the claimants are operating in conformance with Policy No. 17, "Transportation Development Act Rules and Regulations;" and

WHEREAS, the claimants' proposed expenditures of STA monies are in conformance with the *Regional Transportation Plan* and *Transportation Improvement Program*; and

WHEREAS, priority consideration has been given to claims to offset reductions in federal operating assistance and the unanticipated increase in the cost of fuel, to enhance existing public transportation services and to meet high-priority, areawide public transportation needs; and

WHEREAS, the claims are consistent with the requirements of Public Utilities Code Section 99314.5, California Code of Regulations Title 21, Section 6754, and MTS Policy No. 20; and

WHEREAS, the claimants are not precluded by any contract or administrative code entered into on or after June 28, 1979, from employing part-time drivers or from contracting with common carriers or persons operating under a franchise or license; and

WHEREAS, no full-time employee of the claimants on June 28, 1979, has had his or her employment terminated or regular hours of employment reduced, excluding drivers or contracting with common carriers; NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board does hereby direct and empower MTS staff to prepare and transmit allocation instructions to the County Auditor to disburse to MTS the FY 07 additional amounts totaling \$216,297, shown in the FY 07 STA Claims Summary (attached) to this resolution.

PASSED AND ADOPTED by the Board of Directors this ____ day of _____ 2007,
by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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

Office of the General Counsel
San Diego Metropolitan Transit System

FEB15-07.7.AttA.STA RESO 07-1.AGOTTWIG

Attachment: FY 07 STA Claims Summary

FY 07 STA CLAIMS SUMMARY

Original Estimate from the State Controller	\$11,026,100
Additional Claim presented to the County on September 15, 2006	<u>\$17,420,739</u>
FY 07 STA Claim already Approved by the MTS Board	<u>\$28,446,839</u>
Current Estimate from the State Controller	<u>\$28,663,136</u>
 Increase in STA claim allocation	 <u>\$ 216,297</u>



Procurement Department
100 16th Street
P.O. Box 12251
San Diego, CA 92112-2511
619.231.1466. FAX: 619.234.3407

Agenda

Item No. 8

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

OPS 970.6

February 15, 2007

SUBJECT:

SDTI: RIGHT-OF-WAY VEGETATION CONTROL SERVICES CONTRACT
AMENDMENT

RECOMMENDATION:

That the Board of Directors authorize the San Diego Trolley, Inc. President to approve Contract Amendment No. 5 to SDTI Doc. No. C.O.008.0-04 (Attachment A) with Allied Weed Control for right-of-way vegetation control services using chemical applications on 190 acres and ratify all previous contract amendments for a total contract value of \$126,180.62.

Budget Impact

A total of \$35,009.40 for Amendment No. 5 would be encumbered to the SDTI FY-07 operating budget (Vegetation Control).

DISCUSSION:

On January 25, 2004, SDTI awarded a one-year base contract with 3 one-year options to Allied Weed Control for vegetation control of SDTI track and substation right-of-way. The work scope included proper application of chemicals using appropriate equipment on 140 acres of track and other right-of-way and follow-up application. Subsequently, 34 acres were added by Amendment No. 1 for a total coverage of 174 acres. Contract Amendment No. 2 exercised a contract option to extend the contract for one more year. Contract Amendment No. 3 added 16 more acres for weed spraying on Mission Valley



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.

East. Contract Amendment No. 4 also exercised a contract option extension for one more year.

The unit cost for additional acreage would remain the same as the original contract unit price. Allied Weed Control agreed to keep the same unit price as in the original contract year for the new extension year.



Paul S. Jablonski
Chief Executive Officer

Key Staff Contact: Marco Yniquez, 619.595.6494, marco.yniguez@sdmts.com

FEB15-07.8.VEG CONTROL.MYNIGUEZ

Attachments: A. Draft SDTI Doc. No. C.O.008.5-04
B. Memo dated 1/8/07

San Diego Trolley, Inc.

An Operator in the Metropolitan Transit System



1255 Imperial Avenue
Suite 900
San Diego, CA 92101-7492
(619) 595-4949
Telefax: (619) 238-4182

DRAFT

Att. A, AI 8, 2/15/07, OPS 970.6

February 15, 2007

SDTI Doc. No. C.O.008.5-04
OPS 970.6 (37153710)

Mr. Carl Ahrendes
Allied Weed Control
P.O. Box 127
Clovis, CA 93613-0127

Dear Mr. Ahrendes:

Subject: AMENDMENT NO. 5 TO SDTI DOC. NO. C.O.008.0-04: SDTI RIGHT-OF-WAY
VEGETATION CONTROL

This letter will serve as Amendment No. 5 to SDTI Doc. No. C.O.008.0-04.

SCOPE OF WORK

Continue to provide vegetation control of SDTI track and substation right-of-way. This includes proper application of chemicals using appropriate equipment on 190 acres of track and substation right-of-way and follow-up application.

SCHEDULE

This is the final one-year option of this contract. This amendment covers the period of January 26, 2007, to January 25, 2008.

PAYMENT

Payment for this amendment shall not exceed \$35,009.40 and will be encumbered the last week of February through March 2007 to the SDTI FY 07 operating budget line item Vegetation Control. The total value of this contract including this amendment is \$126,180.62.

If you agree with the above, please sign in the space provided below and return one document marked "original" to Traci Bergthold, Contracts Specialist, at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Carl Ahrendes
Allied Weed Control

FEB15-07.8.A1A.VEGETATION AMDMT.MYNIGUEZ

Date: _____



100 16th Street
P.O. Box 122511
San Diego, CA 92112-2511
(619) 283-0100
Purchasing Fax (619) 696-7084

Att. B, AI 8, 2/15/07, OPS 970.6

Memorandum

DATE: January 8, 2007
TO: Procurement
FROM: Marco Yniguez
SUBJECT: Determination of Fair and Reasonable Cost for Right-of-Way Vegetation Control

Background

San Diego Trolley, Inc. (SDTI) has awarded a contract to Allied Weed Control for chemical applications on 190 acres. The chemical application is estimated in the amount of \$35,009.40.

Cost Justification

The Procurement Department has received a cost quotation from Allied Weed Control for chemical applications for right-of-way vegetation control of 190 acres. Procurement has completed a cost comparison with Davey Tree of San Diego's submitted quote of \$48,500.00 and has determined that Allied Weed Control's quote of \$35,009.40 is fair and reasonable.

Conclusion

The Procurement Department has determined that the cost of chemical applications from Allied Weed Control is fair and reasonable.

FEB15-07.8.AttB.VEGET MEMO.MYNIGUEZ



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

Agenda

Item No. 9

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

OPS 980.5 (PC 30117)

February 15, 2007

SUBJECT:

MTS: TRAPEZE SOFTWARE GROUP, INC. – CONTRACT AMENDMENT

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute a contract amendment (MTS Doc. B0399.4-03), in substantially the same format as attached (Attachment A), to establish a reimbursement schedule for maintenance fees to Trapeze Software Group, Inc. (Trapeze).

Budget Impact

Annual maintenance fees totaling \$54,170 would be funded from the Americans with Disabilities Act (ADA) Paratransit Project line item (30117-53910) over the next three fiscal years.

DISCUSSION:

Trapeze scheduling software has been used by MTS Paratransit since 1997. Laidlaw Transit Services, Inc. (Laidlaw) operates these transportation services under contract with MTS and utilizes Trapeze scheduling software. Annual fees are paid to Trapeze and are due on April 1 each year. The MTS Board authorized a three-year contract amendment in March 2004, which has expired. A new three-year amendment is recommended to maintain efficient administration of this contract. The structure of the agreement and basis of payment would remain unchanged.



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


MTS staff recommends retaining the services of Trapeze for maintenance of the scheduling software for a number of reasons. Trapeze scheduling software has performed well, and there are no known products on the market that could provide the same value to MTS's ADA Paratransit operation. This software has contributed to a substantial increase in productivity in the operation. Since 2002, Paratransit productivity has increased from 1.8 to 2.1 passengers carried per hour. This increased productivity translates into a substantial cost savings for the agency, since every 1/10th of a passenger increase saves an estimated \$300,000.

The approval of a new amendment with Trapeze constitutes a sole-source contract. MTS Policy No. 52 requires Board approval of all sole-source procurements. Policy No. 52, section 52.4F provides:

Provisions in any federally funded contract concerning DBEs shall not be subject to negotiation with the successful bidder.

Staff has conducted a price analysis to justify the current pricing offered by Trapeze. A review of peer agencies demonstrates that the cost for maintenance is reasonable and in line with similar scheduling products (Attachment B). Trapeze has a corporate standard for maintenance fees that applies to all users.

While staff is recommending the software based on its value, it should be noted that changing the scheduling software carries a substantial risk that passenger data may be lost, which would cause disruption of service. Therefore, staff is requesting that the Board authorize the CEO to sign a contract with Trapeze for software maintenance fees.


Paul C. Jablonski
Chief Executive Officer

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

FEB15-07.9.TRAPEZE AMDMT.MCALDER

Attachments: A. Draft MTS Doc. No. B0339.4-03 (with Exhibit A)
B. Peer Comparison Chart

DRAFT

**AMENDMENT
SOFTWARE MAINTENANCE AGREEMENT**

THIS AGREEMENT is made effective this _____ day of _____ 2007 between:

1. **Trapeze Software Group, Inc.** with its place of business at 8360 East Via de Ventura, Scottsdale, Arizona, 85258 ("Trapeze"); and
2. **San Diego Metropolitan Transit System** with its place of business at 1255 Imperial Avenue, Suite 1000, San Diego, California, 92101-7490, ("Licensee").

WHEREAS Trapeze and Licensee intend to amend the Software Maintenance Agreement dated November 28, 1997, previously amended by agreements dated August 7, 2003 and March 11, 2004 (the "Agreement"), in order to reflect agreement on the amount of maintenance fees for the Trapeze PASS application;

NOW, THEREFORE, Trapeze and Licensee agree as follows:

- (a) Exhibit A of the Agreement is deleted in its entirety and replaced with the Exhibit A attached hereto.
- (b) All remaining terms, conditions, and covenants of the Agreement remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment to be signed by their duly authorized representatives as of the date above.

TRAPEZE SOFTWARE GROUP, INC.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

By: _____

By: _____

Name: Colin McKenzie

Name: Paul C. Jablonski

Title: Chief Financial Officer

Title: Chief Executive Officer

FEB15-07.9.AHA.TRAPEZE B0399.4-03.MCALDER

Attachment: Exhibit A

EXHIBIT A

Item	Licensed Product	Maintenance Fee (April 1/07 to March 31/08)	Maintenance Fee (April 1/08 to March 31/09)	Maintenance Fee (April 1/09 to March 31/10)
1.	TRAPEZE-PASS	\$16,906	\$18,089	\$19,175
2.	TRAPEZE- Malteze	Included	Included	Included

For all subsequent years, the annual fee will be the License Fee percentage multiplied by the current price of the License Fee.

SITE	CITY	OPERATIONAL CHARACTERISTICS	PERIOD	VALUE
MTS	San Diego	799 booked trips & 10 workstations	April 1, 2007 – March 31, 2008	\$16,906
COTA	Columbus, OH	500 Trips booked & 8 workstations	January 1, 2007 – December 31, 2007	\$13,600
MMTS	Madison, WI	679 booked trips & 5 workstations	January 1, 2007 – December 31, 2007	\$14,700
MATA	Memphis, TN	600 booked trips & 6 workstations	November 1, 2006 – October 31, 2007	\$12,994
San Mateo	San Carlos, CA	664 booked trips & 10 workstations	December 1, 2006 – November 31, 2007	\$15,794
RTC	Reno, NV	780 booked trips & 18 workstations	November 1, 2006 – October 31, 2007	\$23,730

FEB15-07.9.AttB.PRICE COMPARE.MCALDER

Att. B, AI 9, 2/15/07, OPS 980.5



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

Agenda

Item No. 10

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

FIN 300 (PC 50601)

February 15, 2007

SUBJECT:

MTS: INVESTMENT REPORT

RECOMMENDATION:

That the Board of Directors receive a report for information.

DISCUSSION:

The attached schedule (Attachment A) is a report of MTS investments as of December, 2006. The report is broken into two columns: the first 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 primarily 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 payroll and payments to vendors for goods and services.

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

Paul G. Jablonski
Chief Executive Officer

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

FEB8-07.10.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
December 31, 2006**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Avg. Rate of Return</u>
<u>Cash and Cash Equivalents</u>			
Metropolitan Transit System	\$ -	\$ 10,714,558	N/A
San Diego Transit Corporation	-	3,338,769	N/A
San Diego Trolley, Inc.	-	2,141,995	N/A
	<hr/>	<hr/>	
Total Cash and Cash Equivalents	-	16,195,321	
	<hr/>	<hr/>	
<u>Investments - Working Capital</u>			
Metropolitan Transit System	-	10,932,058	4.96%
San Diego Transit Corporation	-	-	N/A
San Diego Trolley, Inc.	-	-	N/A
	<hr/>	<hr/>	
Total Investments - Working Capital	-	10,932,058	
	<hr/>	<hr/>	
<u>Cash - Restricted for Capital Support</u>			
Metropolitan Transit System	5,764,306	-	N/A
	<hr/>	<hr/>	
Total Cash - Restricted for Capital Support	5,764,306	-	
	<hr/>	<hr/>	
<u>Investments - Restricted for Debt Service</u>			
Metropolitan Transit System	142,492,200	-	4.66%
	<hr/>	<hr/>	
Total Investments - Restricted for Debt Service	142,492,200	-	
	<hr/>	<hr/>	
Total Cash and Investments	\$ 148,256,506	\$ 27,127,379	
	<hr/>	<hr/>	

Controller: _____

Date: _____



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

Agenda

Item No. 11

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

MKPC 620.9 (PC 50551)

February 15, 2007

SUBJECT:

MTS: CREATIVE DEVELOPMENT AND IMAGE ADVERTISING SERVICES

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute Option Two of two 1-year option extensions (MTS Doc. No. G0919.3-04 – Attachment A) with Wash Creative, Inc., for continuation of creative development and image advertising services.

Budget Impact

\$400,000 would come from the Marketing and Communications line item (Project Code 50551) over a 12-month period beginning immediately (sharing part of the FY 06 and FY 07 budgets).

DISCUSSION:

MTS secured creative development and image advertising services with Wash Creative, Inc., on January 20, 2004, as part of a two-year contract with two 1-year option extensions for a total value of \$1.6 million. The first option year expires in February, and the MTS Marketing and Communications Department is seeking to extend this contract by exercising the second of two 1-year options, not to exceed \$400,000.



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The extension would continue ongoing creative and image advertising services, as outlined in the original Scope of Work, to further enhance the system's image, increase public awareness, increase ridership, and build confidence in MTS.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Rob Schupp, 619.557.4511, rob.schupp@sdmts.com

FEB15-07.11.AD SVCS.RSCHUPP

Attachment: A. Draft MTS Doc. No. G0919.3-04



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

Att. A, AI 11, 2/15/07, MKPC 620.9

DRAFT

February 15, 2007

MTS Doc. No. G0919.3-04
MKPC 620.9 (PC 50551)

Mr. Allan Wash
President
Wash Creative, Inc.
2121 Fifth Avenue, Suite D
San Diego, CA 92101

Dear Mr. Wash:

Subject: AMENDMENT NO. 3 TO MTS DOC. NO. G0919.0-04; CREATIVE DEVELOPMENT AND
ADVERTISING SERVICES

This letter shall serve as Amendment No. 3 to MTS Document No. G0919.0-04. MTS hereby exercises the second of 2 one-year options.

SCOPE OF WORK

Continue the ongoing advertising campaign to increase awareness of MTS image and transit services consistent with the original Scope of Work.

SCHEDULE

This second one-year option extension will begin immediately and expire within 12 months.

PAYMENT

The total value of the second year option shall not exceed \$400,000. The total value of the entire contract including this amendment shall not exceed \$1,600,000.00. Additional authorization is contingent upon MTS approval.

If the above is acceptable, please sign, date, and return the copy marked "original" to Traci Bergthold, Contracts Specialist, at MTS. The other copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Allan Wash
Wash Creative, Inc.

FEB15-07.11.AttA.AD CONTRACT.RSCHUPP

Date: _____

Attachment: Cost Proposal

A-1

ADVERTISING AND MARKETING COST PROPOSAL

The following is a cost proposal demonstrating one option as to how Wash Creative Inc. will allocate its budget to promote and increase ridership and farebox revenues. This cost proposal leverages MTS investments made in Fiscal Year 2007 to launch a "Smart Move" campaign and its new beach routes, 15-minute network, and limited-stop services.

MTS reserves the right to modify the tactics outlined in this cost proposal as well as to lower the total expenditure to any amount below \$400,000 as allowed in the contract. MTS is under no obligation to select any or all of the tactics outlined below.

TACTIC	ELEMENTS	ESTIMATED COSTS
Marketing Plan	Develop 12-month marketing plan with spending options	\$ 10,000
30-Minute Television Commercial	Revise existing television spot and purchase two flights to coincide with summer and fall campaigns	\$ 175,000
Smart Move Creative	Develop Smart Move print templates to communicate transit messages to all audiences, including riders, potential riders, visitors, seniors, and students	\$ 15,000
Print Support	Billboards, transit shelters, and street banners to help launch summer and fall campaigns	\$ 75,000
Radio Promotions	Two four-week campaigns to coincide with summer and fall promotions	\$ 50,000
Direct Mail	To promote routes in specific geographic regions	\$ 50,000
Awareness Research & Report	To test awareness of MTS services and campaigns	\$ 25,000
GRAND TOTAL		\$ 400,000



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

Agenda

Item No. 12

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

CIP 11210

February 15, 2007

SUBJECT:

MTS: SDTI YARD SECURITY PROJECT – CONTRACT WORK ORDER

RECOMMENDATION:

That the Board of Directors approve Work Order No. 07.06 to MTS Doc. No. L0606.6-02 (Attachment A) for design and construction support services for San Diego Trolley, Inc. (SDTI) Yard security hardening.

Budget Impact

\$131,921.32 for SDTI Yard security hardening project design and construction support services would come from Capital Improvement Project (CIP) No. 11210 (SDTI Yard Fence and Other Security Measures).

DISCUSSION:

In FY 07, MTS applied for and received a grant from the Transit Security Administration, for \$1,260,000 to tighten security in the SDTI Yard and maintenance facilities. The project funded by this grant will address the following three major areas of concern:

1. Improve physical security of MTS property in the SDTI Yard area by adding additional fencing, gates, signs, vehicle barriers, etc.
2. Add a closed-circuit television system for monitoring MTS property, including facilities, light rail vehicles parked in both yards, substations, and other equipment stored in the yard area.



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3. Enhance security by controlling and limiting access to MTS buildings and property to authorized persons only.

The system proposed shall eventually be implemented throughout MTS's system and all properties.

In order to begin the project, staff needs to engage the services of its General Engineering Consultant (Berryman & Henigar) to design the improvements and support the construction contract. The current work order will implement the system in the SDTI Yard and three maintenance facilities.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Russ Desai, 619.595.4908, russ.desai@sdmts.com

FEB15-07.12.SDTI YARD SECURITY.RDESAI

Attachment: A. Work Order No. 07.06



Att. A, AI 12,
2/15/07, CIP 11210

Metropolitan Transit System

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

DRAFT

February 15, 2007

MTS Doc. No. L0606.6-02
Work Order No. 07.06
CIP 11210-0600

Mr. Stephen K. Smith
Program Manager
Berryman & Henigar, Inc.
11590 West Bernardo Court, Suite 100
San Diego, CA 92127

Dear Mr. Smith:

Subject: MTS DOC. NO. L0606.6-02, WORK ORDER NO. 07.06, GENERAL ENGINEERING
SERVICES FOR THE TROLLEY YARD SECURITY SYSTEM – PHASE 1

This letter shall serve as our agreement for professional services under the General Engineering
Consultant Agreement, as further described below.

SCOPE OF SERVICES

Provide general engineering services in accordance with the attached Scope of Services.

SCHEDULE

The Scope of Services, as described above, shall extend through September 1, 2007.

PAYMENT

Payment shall be based on actual costs, not to exceed \$131,921.32 without prior authorization.

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

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Stephen K. Smith
Berryman & Henigar, Inc.

FEB15-07.12.SDTI YARD SECURITY.ATTA.RDESAI

Date: _____

Attachment: Scope of Services

A-1

ATTACHMENT A
SCOPE OF SERVICES
GENERAL ENGINEERING
FOR THE TROLLEY YARD SECURITY SYSTEM PROJECT
PHASE 1

MTS DOC. NO. L0606.6-02 – WORK ORDER NO. 07.06

DESCRIPTION

The Metropolitan Transit System (MTS) proposes to provide additional security features to the existing rail yard, maintenance facilities, and administrative offices located in downtown San Diego. The entire project area consists of approximately nine acres on a single contiguous property, and is currently provided with limited access restrictions. The project proposed herein is funded via a grant that dictates a completion of the project by December 2007.

The overall project will require a multiphase approach that will propose improvements to utilize the current grant funding available as well as future phases to address access control and security in other MTS facilities. This task order will only address the Phase 1 improvements utilizing existing funding while considering for future integrated improvements, and will include investigations, interviews, recommendations, and ultimately design bid-ready construction documents. Thereafter, bidding, construction contract negotiation, and construction administration services will be required to assure compliance with construction documents.

EXPECTED RESULTS

Assistance to MTS to plan a security system, prepare construction documents for the Phase 1 improvements, and provide construction administration services for the construction of an access control and security system. Construction needs are to be completed by the end of December 2007.

SCOPE OF WORK

The Basic Services will include an investigation and recommendations for limiting access onto the property by a combination of physical barriers where practical and video surveillance. To accomplish this, the work will be divided into six tasks, as follows:

1. Site Planning;
2. Concept Design;
3. Design Development;
4. Construction Documents;
5. Bidding and Negotiations; and
6. Construction Support Services.

1. Site Planning

This Task is dedicated to investigations through observation, interviews with MTS stakeholders, and responsible parties for the movement of materials and personal at the site. These facets will be memorialized and ultimately included in a report along with a formal presentation to the Client.

Attend site planning team meetings with the Client to fully understand the systems currently in use in the facility. This will include discussions with the contractor responsible for installation and servicing of the systems currently in place. Included will be an Analysis Report with recommendations related to security issues. Consultant will provide valuable information relevant to the overall protection of employees and assets. The achievement of this will include the following:

- a. Analyze the site pedestrian and vehicular traffic with emphasis on walkway, driveways, staging areas, delivery methods, and note the same during meetings.
- b. Analyze the access to building, with the intention of limiting the access as necessary.
- c. Be available to participate in "white board" and user group meetings on the placement, design, and distribution of a security system that would meet the long-term and short-term goals of the project.
- d. Prepare a probable project budget that will include physical and electronic systems in a form acceptable to the Client.
- e. Prepare and submit information when requested by the Client that may be included in the Draft Analysis Report to be submitted to the Client.
- f. Include Client review comments, and include in the Final Analysis Report as necessary.

2. Concept Design

Attend team meetings with the Client to aid in the concept design. The culmination will be a Design Intent Report to include information and recommendations related to security issues. The achievement of this will include the following:

- a. Assist MTS in the research and selection of emerging technologies that may benefit the overall project, by reducing manpower and cost.
- b. Again, be available to participate in "white board" and user group meetings on the placement, design, and distribution of a security system that would meet the long-term and short-term goals of the project.
- c. Prepare and submit information when requested by the Client that may be included in the final concept designs.
- d. Include earlier comments and alter the dynamic probable project budget as necessary, and submit for review and further comments.
- e. Be available for presentations when called upon.
- f. Prepare and deliver a Draft Design Intent Report to the Client.
- g. Upon review, submit to the Client a Final Design Intent Report.

3. Design Development

Prepare Design Development documents to incorporate the Design Intent. Review comments at the 50 percent and 100 percent submission periods, as follows:

- a. Based on MTS approval of the concept design, proceed with the design development phase.
- b. Develop preliminary surveillance, access control, and physical barrier system device drawings that would depict the locations of components.
- c. Provide recommended locations for automatically controlled access gates that will be included in the overall access control system.
- d. Provide recommendations for fence and or gate materials on drawings in conjunction with electronic security apparatus when necessary.
- e. Provide estimated electrical load requirements and/or dedicated security requirements for the development of a mission-critical infrastructure.
- f. Provide functional parameters for enabled MTS server that would allow customized flexibility to privileged security personnel from multiple locations in the facility. Further, coordinate a dedicated/redundant security network with the MTS's information technology representatives for the transmission of data over a potential distributed network.
- g. Be available to raise liability concerns in regards to camera placement as well as functional parameters of access control. Where it should be used and where it should not be used will also be considered.
- h. Coordinate locations for equipment rooms and a security command and control room console with multiple operator stations, where and if applicable. Determine raised floor requirements, if required, and develop a hypothetical approach to access control and alarm monitoring as well as closed-captioned television (CCTV) monitoring from a centralized location.
- i. If applicable, develop preliminary control console design layout outlining functionality and usage. Be available to discuss design criteria for enhancing monitoring effectiveness.
- j. Determine and coordinate equipment rack space for all related security head-end equipment.
- k. Work with the MTS and develop compartmentalized protection programs utilizing security devices for sensitive areas.
- l. Offer recommendations to the MTS parameters for code compliance as it relates to access control (ADAAG, NEC, NFPA, etc.).
- m. Provide value engineering alternatives including infrastructure design, equipment, and space requirements including power, back-up power, and space layout for closets, equipment rooms, reception desks, and security desks. Provide design solutions and revise in accordance with the project budget.
- n. Develop preliminary electrical UPS perceived power requirements for the proposed systems.
- o. Develop preliminary construction specifications incorporating the MTS's design criteria.
- p. Develop on-going security system engineering and updating cost estimates as required to meet the probable project budget.

4. Construction Documents

Prepare Construction Documents to incorporate Design Development review comments at the 100 percent submission period as follows:

- a. After receiving MTS's approval of Design Development, prepare complete coordinated, correct, and cost effective Construction Documents and project Specifications for Security/Access control and CCTV Systems. This should encompass the work necessary to bid, award, and construct all of the systems and provide necessary support to verify that systems are installed in accordance with the construction documents.
- b. Develop finalized details and functional block diagrams, or matrices describing system usage, integration, and communication.
- c. Attend telecom, electrical, and door hardware coordination meetings.
- d. Finalize system device locations for all access control system devices and camera locations and attend a final review with the MTS to verify device location accuracy.
- e. Finalize equipment locations and rack requirements.
- f. Finalize all locations requiring access control and graphical user interface control.
- g. Finalize control console location, usage, and functionality.
- h. Finalize all relevant specifications, system materials, and equipment in a form which is competitive, cost effective, compatible, and consistent with the MTS's requirements.
- i. Provide drawing with 110 VAC power requirements for all access control devices and cameras to MTS for implementation of electrical circuits to support the security system.
- j. Prior to the 100 percent project submission, perform a final value engineering revision to the documents as required, completing the 100 percent construction documents.
- k. Provide 100 percent construction documents and submit to MTS for competitive bidding.

5. Bidding and Negotiations

- a. Attend a prebid contractor's meeting.
- b. When requested, assist MTS and contractor during the bidding process. Review bid requisition proposals for completeness and correctness, answer bidders' questions, and assist in the evaluation of bids and recommendation of contract award. Assist MTS in reviewing bids from contractors and establishing the most qualified and cost effective bid. Provide bid review summary and report findings.

6. Construction Support Phase

- a. Attend preconstruction conference, if required.
- b. Review a single submission of shop drawings, submittals, and final as-built drawings for compliance with the specifications.
- c. Provide periodic project site observations during the construction process and verify that the means and methods from which the contractor is performing the work are in accordance with

the contract documents. Prepare a written field report for each visit informing MTS, the Program Manager, and Project Team of all relevant changes to the contractor or work observed.

- d. Provide on-going communication to MTS and Program Manager regarding RFI's, coordination letters, discussions with contractors, in-progress coordination, shop drawing status, and changes to the contract and punch list items.
- e. Respond to a maximum of ten (10) requests for information.
- f. Attend four (4) construction site surveys for compliance with construction documents.
- g. Witness the final acceptance tests of the electronic security and barrier systems and prepare a report identifying punch-list items.
- h. Conduct final review of the security system Record Drawings, and prepare a report identifying deficiencies.

DELIVERABLES

- 1e Draft Analysis Report: 3 hardcopies
- 1f Final Analysis Report: 3 hardcopies, 1 electronic copy (Microsoft Excel)
- 2d Probable Budget: 3 hardcopies
- 2f Draft Design Intent Report: 3 hardcopies
- 2g Final Design Intent Report: 3 hardcopies, 1 electronic copy (Microsoft Word)
- 3o Preliminary Construction Specifications: 3 hardcopies, 1 electronic copy (Microsoft Word)
- 3p Design Development construction Budget: 3 hardcopies, 1 electronic copy (Microsoft Word)
- 4k 100% construction documents: 3 hardcopies, 1 electronic copy (drawings in Autocad, Specifications in Microsoft Word, and estimates in Microsoft Excel)
- 5b Bid review Summary: 3 hardcopies, 1 electronic copy (Microsoft Word)
- 6g Punch List Report: 3 hardcopies, 1 electronic copy (Microsoft Word)
- 6h Final Record Drawing deficiency Report: 3 hardcopies, 1 electronic copy (Microsoft Word)

SCHEDULE OF SERVICES/MILESTONES/DELIVERABLES

Tasks Schedule

Task	Begin/End Dates
1 – Site Planning	Within 21 days of Notice to Proceed (NTP)
2 – Concept Design	Within 21 days of receipt of acceptance of the final Analysis report
3 – Design Development	Within 40 days of receipt of approval of the Concept Design
4 – Construction Documents	Within 28 days of receipt of approval of the Design Development Documents
5 – Bidding and Negotiations	During Bidding and Negotiations
6 – Construction Administration	During Construction

MATERIALS TO BE PROVIDED BY MTS AND/OR THE LOCAL AGENCY

MTS shall provide consultant with all drawings, including architectural, structural, mechanical, electrical, and other information pertaining to the design of the project. These drawings are for consultant's use in preparing the reports and conducting drawing reviews. It is understood that consultant may rely on the accuracy of all documents and electronic data furnished. Drawings shall be submitted at no cost to consultant.

SPECIAL CONDITIONS

Any condition listed below applies solely to this Task Order and does not otherwise alter the Agreement or other Task Orders.

ADDITIONAL SERVICES

This Proposal contemplates a Scope of Service based upon one project scheme. Major revisions outside consultant's control or responsibility that will require rework of contemplated work or more extensive work than originally agreed upon will be considered Additional Services.

Additional Services also includes all work (such as additional consultation, meetings, or revisions) not specifically outlined in the Scope of Work, such as but not limited to the following:

- a. Attendance at weekly design team meetings, other than those specified above.
- b. Alternate phases structures, or additional phases.
- c. Finished hardware consulting.
- d. Meetings with the Authorities Having Jurisdiction and/or project team/Client beyond those included in the Scope of Work.

FEB15-07.12.SDTI YARD SECURITY.ATTA.RDESAI



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 970.6

February 15, 2007

SUBJECT:

MTS: KOBAY CORPORATION MASTER CONCESSIONNAIRE CONTRACT
EXTENSION

RECOMMENDATION:

That the Board of Directors authorize a four-month extension of the existing Master Concessionaire contract with Kobay Corporation (SDTI Doc. No. C.A.007.1-02 – Attachment A).

Budget Impact

None—this would be a no-cost contract, and revenue generated over the four-month period is expected to be approximately \$9,196.00.

DISCUSSION:

San Diego Trolley, Inc. (SDTI) retained the Kobay Corporation under contract as the master concessionaire on February 7, 2002. Kobay provides oversight and outreach to the business community for revenue-generating business activities at trolley stations. Currently Kobay has 12 vendor businesses active on the system ranging from ticket sales at San Ysidro, food carts at various stations, and tour operations for Old Town Trolley Tours. The contract is for five years with no options to renew beyond that term.

SDTI is currently rebidding this contract and will issue a Request for Proposals (RFP) shortly with the intention of expanding additional revenue opportunities and generating an increased revenue share for commercial activities at MTS stations. The process to issue an RFP was not initiated within sufficient time to finalize a new Master



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Concessionaire contract before the expiration date of February 7, 2007. The MTS Procurement Department is actively engaged in preparation of the RFP, and it is anticipated that the entire process will be concluded within the four-month extension time being requested.

Pursuant to Policy No. 52, section 52.2 (A) (iii), Board approval is required for any purchases that deviate from MTS's competitive procurement policies. Staff is requesting the Board authorize the CEO to execute a four-month extension of the existing Master Concessionaire agreement.



Paul C. Jablonski
Chief Executive Officer

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

FEB15-07.30.KOBEY CONTRACT.PTERESCHUCK

Attachment: A. Draft SDTI Doc. No. C.A.007.1-02



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Att. A, AI 30, 2/15/07, OPS 970.6

DRAFT

February 15, 2007

SDTI Doc. No. C.A.007.1-02
OPS 970.6

Ms. Kimberly K. Pretto
President
Kobey Corporation
3350 Sports Arena Boulevard
San Diego, CA 92110

Dear Ms. Pretto:

Subject: AMENDMENT NO. 1 TO SDTI DOC. NO. C.A.007.0-02 – MASTER CONCESSIONAIRE SERVICES CONTRACT

This letter will serve as our agreement for an extension of the subject contract between San Diego Trolley, Inc. (SDTI) and Kobey Corporation for a period not to exceed four (4) months from the expiration date of the existing agreement (February 15, 2007).

Scope of Services

The scope of services shall include providing management oversight for defined revenue generating business opportunities at SDTI light rail stations subject to certain limitations and restrictions contained in the attachment hereto. This extension shall provide for the retention of all existing revenue-generating business activities for a period covering this extension. All contractual provisions will remain in effect for the extended period.

Schedule

The schedule of this extension shall be subject to approval by the MTS Board of Directors and shall encompass four (4) additional months beyond the February 15, 2007, expiration of the existing agreement between SDTI and Kobey Corporation.

Payment of Revenues

The contractor shall agree to retain the existing revenue split-fee schedule that exists at the date of signing the extension and also to conform to all existing provisions contained in the aforementioned contract. Kobey agrees to remit revenue generated for the period covering the extension to SDTI on a monthly basis and in accordance with the time frame established as part of the Master Concessionaire contract in force at the time of this extension.

Sincerely,

Agreed:

Paul C. Jablonski
President

Kimberly K. Pretto
Kobey Corporation

FEB15-07.30.AttA.KOBEY CONTRACT.PTERESCHUCK

Date: _____

Attachment

A-1

MASTER CONCESSIONAIRE SERVICES

SCOPE OF WORK

The Master Concessionaire will review the existing concession operations at nine Trolley and four Coaster stations. They will also look at the remaining trolley and coaster stations for the possibility of developing and implementing concession services at as many stations as possible. The comprehensive proposed plan shall include improvement or changes to the existing concession services as well as implementing services at new locations. The program will also be designed to ensure maximum revenue to San Diego Trolley, Inc. (SDTI) and North San Diego County Transit Development Board (NSDCTDB) consistent with the economic success of the various entrepreneurs and the program as a whole. It is further expected that the program will provide transit information and assistance. The soda vending machines and public telephones will not be part of this contract, and even though transit ticket selling is not part of this agreement, the Master Concessionaire and/or their individual vendors are strongly encouraged to enter into an agreement (independent of this contract) with MTDB for selling transit tickets and monthly passes at high volume stations such as San Ysidro, Old Town and El Cajon. The information on sales commissions can be obtained from MTDB.

The specific task will include but not limited to:

1. Inventorying all current trolley and coaster stations as to both the physical characteristics/ facilities and demographic make up of the patrons.
2. Review and propose improvements, if any, at the existing stations where concessionaires are operating.
3. Develop a program for the operation and licensing of various concessions consistent with the local marketplace, facilities available, and field of qualified vendors at stations where these services are not currently provided.
4. Advertise and expand the program over the five-year life of the contract. Prepare a management plan to manage all concession operation over the life of contract.
5. Where reasonable, develop and implement a uniform carts / stands as approved by MTDB / SDTI / NSDCTDB for concessionaire use.
6. Identify all permits and governmental approvals necessary for the licensees and assist licensees in obtaining the same.

7. Establish and implement such accounting and auditing procedures as necessary to administer the financial aspect of the program.

The Master Concessionaire will designate a project manager who will be responsible for the administration of the contract. It is expected that the master concessionaire will provide expert personnel who will perform comprehensive and timely services. Any change in the project manager requires approval by SDTI / NSDCTDB, which approval should not be unreasonably withheld.

Attached is a sample License Agreement to be used by the Master Concessionaire for individual vendor for each site.



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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.

OPS 970

February 15, 2007

SUBJECT:

SDTI: CHARGERS FOOTBALL 2006 YEAR-END SUMMARY

RECOMMENDATION:

That the Board of Directors receive this report for information.

Budget Impact

None.

DISCUSSION:

The 2006 season represented the ninth complete year that San Diego Trolley, Inc. (SDTI) has provided special service to Chargers games at Qualcomm Stadium. Service was also provided to the final three games of the 1997 season after the opening of the Mission Valley West extension in November 1997.

Season Highlights

The 2006 season was significant in several respects and, overall, staff believes service for the 2006 Chargers season was very successful. 2006 marked the second season for Green Line operations to Qualcomm Stadium providing direct service to the games from East County locations as well as from points west.



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Attendance and Ridership Recap

2006 figures represent record numbers in the following areas:


	2005	2006	
	(10 games)	(11 games)	
Overall Attendance	634,154	709,531	(up 12%)
Attendance per Game	63,415	64,503	(up 2%)
Overall Ridership	149,370	178,922	(up 20%)
Average Ridership	14,937	16,266	(up 9%)
Average Gate %	23.6%	25.2%	
Overall Manual Sales	\$392,101	\$451,406	(up 15%)
Average Manual Sales	\$39,210	\$41,037	(up 5%)

Additional record numbers were achieved in the following areas:

- Single-game ridership - 19,623 (Chargers vs. Steelers)
- Single-game gate percentage - 29% (Chargers vs. Steelers)

Some of the other noteworthy highlights for the exhibition, regular season, and playoff games include the following:

- All 11 games, including exhibitions, exceeded the 11,000 mark in ridership.
- All 8 regular season games resulted in ridership levels in excess of 15,000.
- Ridership averaged over 17,055 through the eight regular season games, improving on the previous regular season average high of 16,100 set in 2005.
- Ridership split between west of Qualcomm Stadium Station and east of Qualcomm Stadium Station for Chargers games is approximately 75% and 25%, respectively.
- Special passenger channeling (serpentine fencing) allowed for more orderly passenger flow toward Qualcomm Stadium Station and thus more efficient passenger processing.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Tom Doogan, 619.595.4984, tom.doogan@sdti.sdmts.com

Attachment: A. Attendance/Ridership Summary

SAN DIEGO TROLLEY, INC.

CHARGERS 2006 SEASON

DAY		DATE	TEAM	GAME ATT (GATE)	CUMULATIVE ATTENDANCE 2006	CUMULATIVE ATTENDANCE 2005	% CHANGE ATTENDANCE 05 - 06	NUMBER RIDERS TO GAME	% OF GAME ATT	CUMULATIVE TOTAL RIDERS	2005 CUMULATIVE TOTAL RIDERS	% DIFFER 05 - 06	RIDERS FROM GAME	GAME TOTAL RIDES	COMMENTS
SAT	1	8/12	GREEN BAY	57,777	57,777	54,421	6.2%	14,110	24.4%	14,110	10,002	41.1%	13,167	27,277	7:00PM Pre-Season
SAT	2	8/26	SEATTLE	51,878	109,655	104,238	5.2%	11,172	21.5%	25,282	20,222	25.0%	11,206	22,378	8:00PM Pre-Season
SUN	3	9/17	TENNESSEE	64,344	173,999	171,917	1.2%	16,390	25.5%	41,672	36,569	14.0%	15,263	31,653	1:15PM Home Opener
SUN	4	10/8	PITTSBURGH	67,837	241,836	237,290	1.9%	19,623	28.9%	61,295	53,740	14.1%	17,097	36,720	5:15PM
SUN	5	10/29	ST. LOUIS	66,598	308,434	305,827	0.9%	16,213	24.3%	77,508	72,808	6.5%	14,259	30,472	1:05PM
SUN	6	11/5	CLEVELAND	65,593	374,027	371,577	0.7%	16,737	25.5%	94,245	88,207	6.8%	14,972	31,709	1:15PM
SUN	7	11/26	OAKLAND	66,105	440,132	437,179	0.7%	15,488	23.4%	109,733	103,073	6.5%	13,861	29,349	1:05PM
SUN	8	12/10	DENVER	67,514	507,646	503,615	0.8%	17,595	26.1%	127,328	119,511	6.5%	16,669	34,264	1:15PM
SUN	9	12/17	KANSAS CITY	66,583	574,229	568,641	1.0%	17,353	26.1%	144,681	134,862	7.3%	16,069	33,422	5:15PM
SUN	10	12/31	ARIZONA	66,492	640,721	634,154	1.0%	17,041	25.6%	161,722	149,370	8.3%	16,114	33,155	1:15PM
SUN	11	1/14	NEW ENGLAND	68,810	709,531	634,154	11.9%	17,200	25.0%	178,922	149,370	19.8%	15,419	32,619	1:30PM Divisional Playoffs
			GRAND TOTAL	709,531				178,922	25.2%		149,370		164,096	343,018	
2005 Totals				634,154				149,370	23.6%				135,705	285,075	
05-06 Difference				75,377	11.9%			29,552	1.7%				28,391	57,943	
2006 Averages				64,503				16,266	25.2%				14,918	31,183	
2005 Averages				63,415				14,937	23.6%				13,571	28,508	
05-06 Difference				1,087	1.7%			1,329	1.7%				1,347	2,676	

Chargers Football

2006 Year-End Summary

Board of Directors Meeting
February 15, 2007



LRT Service Overview

- Second year of Green Line service to the stadium
- Green Line operated 4-car trains for each game (except S-70 consists which operated as 3-car trains)
- Special event shuttle service (augmenting the regular Green Line schedule) operated between Old Town and Qualcomm Stadium and between SDSU and Old Town
- Mid-line trips operated as needed beginning at the Hazard Center station
- Additional trains were dispatched from the yard for post-game service

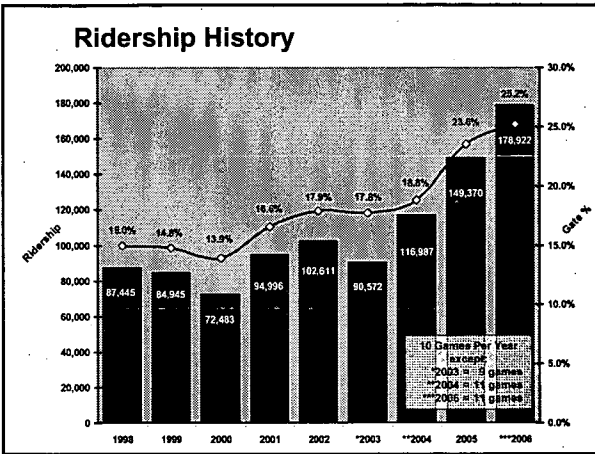


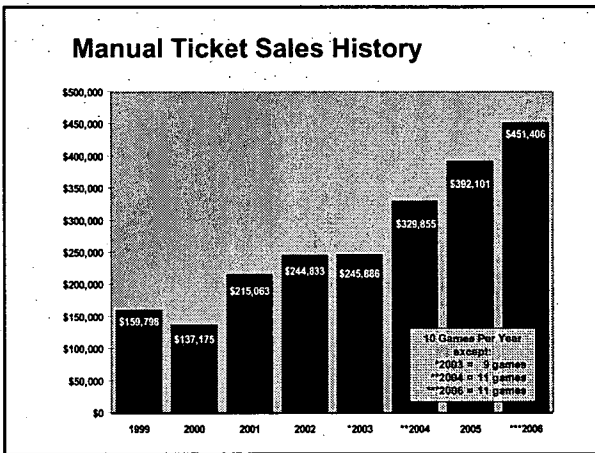
Attendance & Ridership

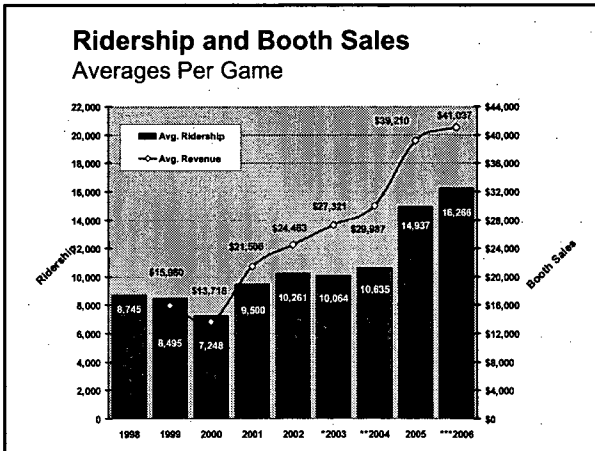
2006 figures compared to 2005 Season
(11 games in 2006 vs. 10 games in 2005)

- Overall Stadium attendance up 12% (709,531)
 - Average attendance up 2% (64,503)
- Overall Trolley ridership up 20% (178,922)
 - Average ridership up 9% (16,266)
- Gate percentage = 25.2% (vs. 23.6% in 2005)









Ticket Booth Revenue

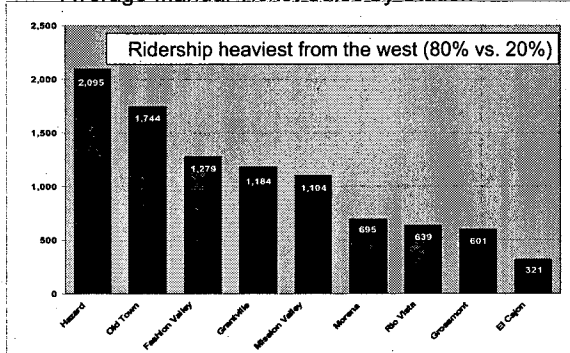
Season Summary

- Manual tickets sales were conducted at 10 locations between Old Town and El Cajon (vs. 12 in 2005)
- Sales were discontinued at Amaya and Santee stations as the new Cubic fare machines were deemed adequate to handle the sales volume
- Ticket booth revenue increased 15% over 2005
- Average amount collected increased 5% (\$41,037)



Ridership Trends

Average Manual Ticket Sales by Station

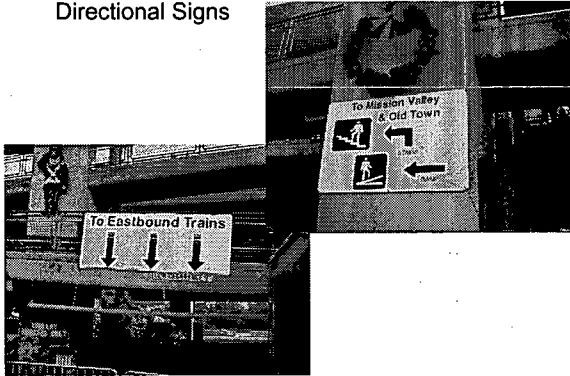


Grantville Station Overflow Parking

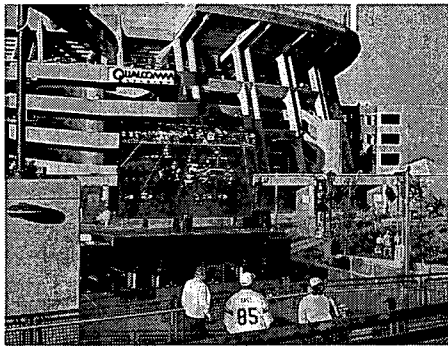


Grantville became increasingly popular with fans due to parking capacity, freeway access & visibility.

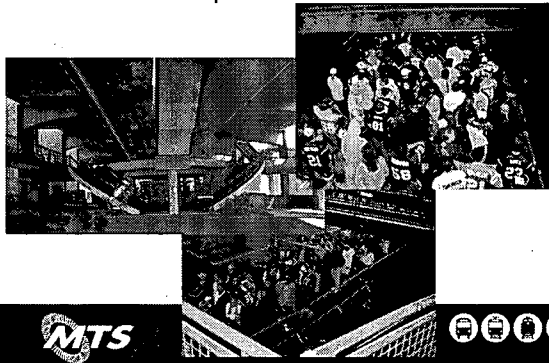
Post-Game Customer Service Elements
Directional Signs



Post-Game Customer Service Elements
Video Screen Truck

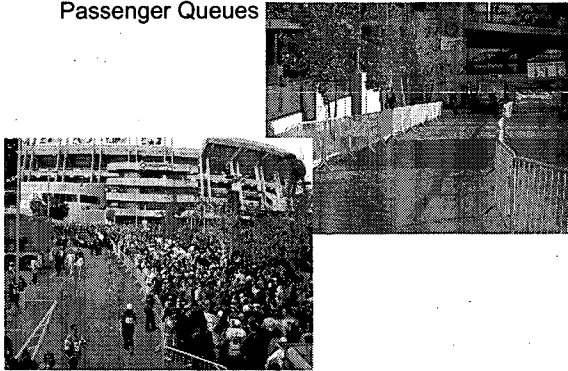


Post-Game Customer Service Elements
Eastbound "Express" Lane



Post-Game Customer Service Elements

Passenger Queues



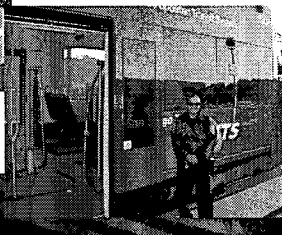
Post-Game Customer Service Elements

Security & Code Compliance



Fare inspection at turnstiles

Crowd control on platform



MTS

2006 Season Summary

New Records Established in:

- Season ridership **178,922**
- Gate percentage **25.2%**
- Manual sales **\$451,406**
- Single-game ridership **19,623**
- Single-game gate % **28.9%**

MTS





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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)

February 15, 2007

SUBJECT:

MTS: YEAR-TO-DATE OPERATIONS BUDGET STATUS REPORT THROUGH
DECEMBER 2006

RECOMMENDATION:

That the Board of Directors receive the MTS Year-to-Date Operations Budget Status
Report through December 2006.

Budget Impact

None at this time.

DISCUSSION:

This report summarizes MTS's year-to-date operating results through December 2006. Attachment A-1 combines the operations, administration, and other activities results through December 2006. Attachment A-2 details the year-to-date December 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 December 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 year-to-date December 2006 MTS net-operating subsidy favorable variance totaled \$2,337,000 (3.3%). Operations produced a



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\$2,613,000 (4.1%) favorable variance, and the administrative areas contributed a \$276,000 (-3.6%) unfavorable variance.

MTS COMBINED RESULTS

Operating Revenues

Year-to-date combined operating revenues through December 2006 were \$38,961,000 compared to the year-to-date budget of \$38,160,000, representing a \$801,000 (2.1%) favorable variance. Farebox revenues and other operating revenues represent \$200,000 and \$601,000, respectively, of the total favorable variance.

The favorable farebox revenues represent higher-than-anticipated ridership and average fares in the Multimodal Operations areas offset by lower-than-anticipated average fares in rail operations. Transit services are essentially on target on a net basis with ridership slightly above budget and average fares slightly below.

The favorable variance in other operating income stems from higher-than-anticipated rental and investment income across rail operations, transit services, and the general fund.

Expenses

Year-to-date combined expenses through December 2006 were \$117,003,000 compared to the year-to-date budget of \$118,538,000, resulting in a \$1,536,000 (1.3%) favorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$47,916,000 compared to a year-to-date budgetary figure of \$47,088,000, producing an unfavorable variance of \$827,000 (-1.8%). This relates to higher-than-anticipated costs for sick and vacation payoffs, higher-than-expected operator overtime, as well as higher-than-expected pension costs primarily within transit services.

Outside Services and Purchased Transportation. Total outside services for the first six months of the fiscal year totaled \$32,994,000 compared to a budget of \$33,597,000, resulting in a year-to-date favorable variance of \$603,000 (1.8%). 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 \$3,443,000 compared to a budgetary figure of \$3,646,000, resulting in a favorable expense variance of \$203,000 (5.6%).

Energy – Year-to-Date December 2006. Total year-to-date energy costs were \$12,767,000 compared to the budget of \$14,039,000 resulting in a year-to-date favorable variance of \$1,273,000 (9.1%). Year-to-date compressed natural gas (CNG) prices averaged \$1.126 per therm compared to the midyear-adjusted budgetary rate of \$1.50 per therm, which produced a favorable variance of \$1,319,000. Traction power within rail operations showed an unfavorable variance of \$286,000 driven primarily by a

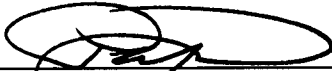
greater-than-anticipated number of kilowatts used.

Risk Management. Year-to-date expenses for risk management were \$88,000 (3.2%) under budget totaling \$2,644,000 compared to the year-to-date budgetary figure of \$2,733,000.

General and Administrative. Year-to-date general and administrative costs, including vehicle and facilities leases, were \$191,000 (80.6%) under budget totaling \$46,000 through December 2006 compared to a year-to-date budget of \$237,000.

YEAR-TO-DATE SUMMARY

The December 2006 year-to-date net-operating subsidy totaled a favorable variance of \$2,337,000 (3.3%) 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

FEB15-07,46.OPS BUDGET DEC.LMARINESI

Attachment: A. Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Att. A, AI 46,
2/15/07, FIN 310

MTS CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2007

DECEMBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 36,737	\$ 36,536	\$ 200	0.5%
Other Revenue	2,224	1,624	601	37.0%
Total Operating Revenue	\$ 38,961	\$ 38,160	\$ 801	2.1%
Subsidy	\$ 63,546	\$ 64,168	\$ (623)	-1.0%
Other Non Operating Income	8,473	8,473	-	0.0%
Total Non Operating Revenue	\$ 72,019	\$ 72,641	\$ (623)	-0.9%
Total Revenue	\$ 110,980	\$ 110,801	\$ 179	0.2%
Wages	\$ 30,556	\$ 30,515	\$ (40)	-0.1%
Fringes	17,360	16,573	(787)	-4.7%
Services	7,730	7,770	39	0.5%
Purchased Transportation	25,264	25,827	564	2.2%
Materials	3,443	3,646	203	5.6%
Energy	12,767	14,039	1,273	9.1%
Risk Management	2,644	2,733	88	3.2%
General and Administrative	(79)	71	150	211.3%
Debt Service	17,193	17,199	6	0.0%
Vehicle/Facility Lease	125	166	41	24.7%
Total Costs	\$ 117,003	\$ 118,538	\$ 1,536	1.3%
Overhead Allocation	(0)	(0)	-	0.0%
Total Revenue Less Total Costs	\$ (6,023)	\$ (7,737)	\$ 1,715	-22.2%
Net Operating Subsidy	\$ (69,568)	\$ (71,906)	\$ 2,337	3.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONSOLIDATED OPERATIONS

COMPARISON TO BUDGET - FISCAL YEAR 2007

DECEMBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 36,737	\$ 36,536	\$ 200	0.5%
Other Revenue	1,100	647	452	69.9%
Total Operating Revenue	\$ 37,836	\$ 37,184	\$ 653	1.8%
Subsidy	\$ 59,296	\$ 60,053	\$ (757)	-1.3%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 59,296	\$ 60,053	\$ (757)	-1.3%
Total Revenue	\$ 97,132	\$ 97,237	\$ (105)	-0.1%
Wages	\$ 27,069	\$ 27,242	\$ 173	0.6%
Fringes	16,826	16,147	(679)	-4.2%
Services	6,315	6,527	212	3.3%
Purchased Transportation	25,264	25,827	564	2.2%
Materials	3,442	3,631	188	5.2%
Energy	12,649	13,920	1,271	9.1%
Risk Management	2,365	2,427	62	2.6%
General and Administrative	157	280	124	44.1%
Debt Service	1,759	1,764	6	0.3%
Vehicle/Facility Lease	125	166	41	24.5%
Total Costs	\$ 95,971	\$ 97,932	\$ 1,961	2.0%
Overhead Allocation	3,459	3,459	-	0.0%
Total Revenue Less Total Costs	\$ (2,298)	\$ (4,154)	\$ 1,856	-
Net Operating Subsidy	\$ (61,594)	\$ (64,208)	\$ 2,613	4.1%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
INTERNAL BUS OPERATIONS
(SAN DIEGO TRANSIT CORPORATION)
COMPARISON TO BUDGET - FISCAL YEAR 2007
DECEMBER 31, 2006
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 11,056	\$ 11,113	\$ (57)	-0.5%
Other Revenue	613	505	108	21.3%
Total Operating Revenue	\$ 11,669	\$ 11,618	\$ 51	0.4%
Subsidy	\$ 23,114	\$ 23,114	\$ -	0.0%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 23,114	\$ 23,114	\$ -	0.0%
Total Revenue	\$ 34,783	\$ 34,732	\$ 51	0.1%
Wages	\$ 15,427	\$ 15,315	\$ (112)	-0.7%
Fringes	12,226	11,623	(602)	-5.2%
Services	899	1,019	121	11.9%
Purchased Transportation	-	-	-	-
Materials	2,021	2,176	154	7.1%
Energy	3,818	4,610	792	17.2%
Risk Management	1,029	1,007	(21)	-2.1%
General and Administrative	54	73	19	26.5%
Debt Service	1,759	1,764	6	0.3%
Vehicle/Facility Lease	25	39	14	36.1%
Total Costs	\$ 37,257	\$ 37,627	\$ 370	1.0%
Overhead Allocation	1,637	1,637	-	0.0%
Total Revenue Less Total Costs	\$ (4,111)	\$ (4,532)	\$ 421	-
Net Operating Subsidy	\$ (27,225)	\$ (27,646)	\$ 421	1.5%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RAIL OPERATIONS (SAN DIEGO TROLLEY, INC.)

COMPARISON TO BUDGET - FISCAL YEAR 2007

DECEMBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 14,076	\$ 14,639	\$ (563)	-3.8%
Other Revenue	416	142	274	192.6%
Total Operating Revenue	\$ 14,492	\$ 14,781	\$ (289)	-2.0%
Subsidy	\$ 8,609	\$ 8,609	\$ -	0.0%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 8,609	\$ 8,609	\$ -	0.0%
Total Revenue	\$ 23,101	\$ 23,390	\$ (289)	-1.2%
Wages	\$ 10,439	\$ 10,635	\$ 196	1.8%
Fringes	4,275	4,181	(94)	-2.2%
Services	4,059	4,211	152	3.6%
Purchased Transportation	-	-	-	-
Materials	1,366	1,357	(10)	-0.7%
Energy	4,780	4,430	(350)	-7.9%
Risk Management	1,164	1,211	47	3.9%
General and Administrative	82	99	17	17.2%
Debt Service	-	-	-	-
Vehicle/Facility Lease	40	46	6	12.9%
Total Costs	\$ 26,206	\$ 26,170	\$ (35)	-0.1%
Overhead Allocation	1,351	1,351	-	0.0%
Total Revenue Less Total Costs	\$ (4,456)	\$ (4,132)	\$ (324)	-
Net Operating Subsidy	\$ (13,065)	\$ (12,741)	\$ (324)	-2.5%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACT SERVICES

FIXED ROUTE

COMPARISON TO BUDGET - FISCAL YEAR 2007

DECEMBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 8,724	\$ 8,079	\$ 644	8.0%
Other Revenue	63	-	63	100.0%
Total Operating Revenue	\$ 8,787	\$ 8,079	\$ 708	8.8%
Subsidy	\$ 17,665	\$ 18,175	\$ (510)	-2.8%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 17,665	\$ 18,175	\$ (510)	-2.8%
Total Revenue	\$ 26,453	\$ 26,255	\$ 198	0.8%
Wages	\$ 180	\$ 206	\$ 26	12.4%
Fringes	-	-	-	-
Services	889	638	(251)	-39.3%
Purchased Transportation	18,051	18,314	263	1.4%
Materials	-	-	-	-
Energy	2,771	3,483	712	20.5%
Risk Management	-	-	-	-
General and Administrative	1	5	5	89.9%
Debt Service	-	-	-	-
Vehicle/Facility Lease	60	70	10	14.2%
Total Costs	\$ 21,952	\$ 22,717	\$ 765	3.4%
Overhead Allocation	346	346	-	0.0%
Total Revenue Less Total Costs	\$ 4,155	\$ 3,192	\$ 963	30.2%
Net Operating Subsidy	\$ (13,510)	\$ (14,983)	\$ 1,473	9.8%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACT SERVICES

PARA TRANSIT

COMPARISON TO BUDGET - FISCAL YEAR 2007

DECEMBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 817	\$ 712	\$ 104	14.6%
Other Revenue	8	-	8	100.0%
Total Operating Revenue	\$ 824	\$ 712	\$ 112	15.7%
Subsidy	\$ 5,435	\$ 5,683	\$ (247)	-4.4%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 5,435	\$ 5,683	\$ (247)	-4.4%
Total Revenue	\$ 6,260	\$ 6,395	\$ (136)	-2.1%
Wages	\$ 109	\$ 122	\$ 13	10.5%
Fringes	-	-	-	-
Services	84	134	49	36.7%
Purchased Transportation	4,736	4,935	200	4.1%
Materials	-	-	-	-
Energy	681	660	(20)	-3.1%
Risk Management	-	-	-	-
General and Administrative	1	2	1	55.4%
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	11	11	-
Total Costs	\$ 5,610	\$ 5,863	\$ 253	4.3%
Overhead Allocation	15	15	-	0.0%
Total Revenue Less Total Costs	\$ 634	\$ 517	\$ 117	-
Net Operating Subsidy	\$ (4,801)	\$ (5,166)	\$ 365	7.1%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CHULA VISTA TRANSIT - CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2007
DECEMBER 31, 2006
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 1,383	\$ 1,343	\$ 41	3.0%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 1,383	\$ 1,343	\$ 41	3.0%
Subsidy	\$ 2,800	\$ 2,800	\$ -	0.0%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 2,800	\$ 2,800	\$ -	0.0%
Total Revenue	\$ 4,183	\$ 4,143	\$ 41	1.0%
Wages	\$ 244	\$ 317	\$ 73	22.9%
Fringes	-	-	-	-
Services	2,485	2,614	129	4.9%
Purchased Transportation	-	-	-	-
Materials	-	5	5	-
Energy	390	532	141	26.6%
Risk Management	-	-	-	-
General and Administrative	11	12	1	8.6%
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 3,131	\$ 3,480	\$ 349	10.0%
Overhead Allocation	73	73	-	0.0%
Total Revenue Less Total Costs	\$ 979	\$ 589	\$ 389	-
Net Operating Subsidy	\$ (1,821)	\$ (2,211)	\$ 389	17.6%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
NATIONAL CITY TRANSIT
COMPARISON TO BUDGET - FISCAL YEAR 2007
DECEMBER 31, 2006
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 680	\$ 650	\$ 30	4.7%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 680	\$ 650	\$ 30	4.7%
Subsidy	\$ 1,245	\$ 1,245	\$ -	0.0%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 1,245	\$ 1,245	\$ -	0.0%
Total Revenue	\$ 1,925	\$ 1,895	\$ 30	1.6%
Wages	\$ 671	\$ 648	\$ (22)	-3.4%
Fringes	137	154	17	11.0%
Services	151	264	112	42.6%
Purchased Transportation	-	-	-	-
Materials	54	94	39	41.8%
Energy	209	205	(4)	-1.8%
Risk Management	172	209	37	17.6%
General and Administrative	8	88	80	90.9%
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 1,402	\$ 1,661	\$ 259	15.6%
Overhead Allocation	36	36	-	0.0%
Total Revenue Less Total Costs	\$ 487	\$ 198	\$ 290	-
Net Operating Subsidy	\$ (758)	\$ (1,047)	\$ 290	27.7%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CORONADO FERRY

COMPARISON TO BUDGET - FISCAL YEAR 2007

DECEMBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Subsidy	\$ 83	\$ 83	\$ -	0.0%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 83	\$ 83	\$ -	0.0%
Total Revenue	\$ 83	\$ 83	\$ -	0.0%
Wages	\$ -	\$ -	\$ -	-
Fringes	-	-	-	-
Services	(0)	(0)	-	0.0%
Purchased Transportation	70	70	-	0.0%
Materials	-	-	-	-
Energy	-	-	-	-
Risk Management	-	-	-	-
General and Administrative	-	-	-	-
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 70	\$ 70	\$ -	0.0%
Overhead Allocation	-	-	-	-
Total Revenue Less Total Costs	\$ 13	\$ 13	\$ -	0.0%
Net Operating Subsidy	\$ (70)	\$ (70)	\$ -	0.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATION PASS THRU
COMPARISON TO BUDGET - FISCAL YEAR 2007
DECEMBER 31, 2006
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Subsidy	\$ 344	\$ 344	\$ -	0.0%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 344	\$ 344	\$ -	0.0%
Total Revenue	\$ 344	\$ 344	\$ -	0.0%
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	-	-	-	-
Total Costs	\$ 344	\$ 344	\$ -	0.0%
Overhead Allocation	-	-	-	-
Total Revenue Less Total Costs	\$ -	\$ -	\$ -	-
Net Operating Subsidy	\$ (344)	\$ (344)	\$ -	0.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ADMINISTRATION CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2007

DECEMBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	954	797	157	19.7%
Total Operating Revenue	\$ 954	\$ 797	\$ 157	19.7%
Subsidy	\$ 3,656	\$ 3,521	\$ 135	3.8%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 3,656	\$ 3,521	\$ 135	3.8%
Total Revenue	\$ 4,610	\$ 4,318	\$ 292	6.8%
Wages	\$ 3,266	\$ 3,049	\$ (217)	-7.1%
Fringes	1,258	1,132	(125)	-11.1%
Services	1,346	1,183	(162)	-13.7%
Purchased Transportation	-	-	-	-
Materials	1	2	2	75.8%
Energy	113	113	(0)	-0.1%
Risk Management	238	259	21	8.0%
General and Administrative	175	191	15	8.1%
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 6,396	\$ 5,930	\$ (467)	-7.9%
Overhead Allocation	(3,472)	(3,472)	-	0.0%
Total Revenue Less Total Costs	\$ 1,685	\$ 1,860	\$ (175)	9.4%
Net Operating Subsidy	\$ (1,970)	\$ (1,661)	\$ (309)	-18.6%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OTHER ACTIVITIES CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2007

DECEMBER 31, 2006

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	171	179	(8)	-4.7%
Total Operating Revenue	\$ 171	\$ 179	\$ (8)	-4.7%
Subsidy	\$ 594	\$ 594	\$ -	0.0%
Other Non Operating Income	8,473	8,473	-	0.0%
Total Non Operating Revenue	\$ 9,067	\$ 9,067	\$ -	0.0%
Total Revenue	\$ 9,238	\$ 9,246	\$ (8)	-0.1%
Wages	\$ 221	\$ 224	\$ 3	1.6%
Fringes	(724)	(707)	17	-2.5%
Services	70	59	(11)	-18.2%
Purchased Transportation	-	-	-	-
Materials	0	13	13	97.7%
Energy	4	6	2	29.9%
Risk Management	41	46	6	12.1%
General and Administrative	(411)	(401)	11	-2.7%
Debt Service	15,434	15,434	-	0.0%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 14,635	\$ 14,677	\$ 42	0.3%
Overhead Allocation	13	13	-	0.0%
Total Revenue Less Total Costs	\$ (5,410)	\$ (5,443)	\$ 33	0.6%
Net Operating Subsidy	\$ (6,004)	\$ (6,037)	\$ 33	0.5%

Metropolitan Transit System FY 2007 - December 2006 Financial Review

MTS Board of Directors Meeting
February 15, 2007



SAN DIEGO METROPOLITAN TRANSIT SYSTEM



COMBINED OPERATIONS DECEMBER YEAR TO DATE HIGHLIGHTS (in 000's)

	YEAR TO DATE
COMBINED NET OPERATING SUBSIDY VARIANCE	
Operations	2,613
General Fund	(276)
Total Combined Net Operating Subsidy Variance	<u>2,337</u>



**COMBINED MTS TRANSIT OPERATORS
COMPARISON TO BUDGET - FY 2007
YEAR TO DATE, DECEMBER 31, 2006
(in \$000's)**

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR
Fare Revenue	\$36,737	\$36,536	\$200	0.5%
Other Revenue	1,100	647	452	69.9%
Total Operating Revenue	37,836	37,184	653	1.8%
Wages/Fringes	43,896	43,389	(507)	-1.2%
Purchased Transportation	25,264	25,827	564	2.2%
Energy	12,649	13,920	1,271	9.1%
Other Expenses	14,163	14,795	633	4.3%
Total Costs	95,971	97,932	1,961	2.0%
Net Operating Subsidy	(\$61,594)	(\$64,208)	\$2,613	4.1%

Metropolitan Transit System FY 2007 - December 2006 Financial Review

MTS Board of Directors Meeting
February 15, 2007





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.

ADM 110 (PC 50101)

February 15, 2007

SUBJECT:

MTS: LEON WILLIAMS STATION DEDICATION WORKING GROUP REPORT

RECOMMENDATION:

That the Board of Directors receive a report on the efforts to date in regard to dedicating the San Diego State University (SDSU) Station to former Board Chairman Leon Williams.

Budget Impact

None with this action.

Executive Committee Recommendation

At its meeting on January 11, 2007, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

On January 26, 2006, the Board of Directors instructed the Chief Executive Officer (CEO) to form a working group to dedicate the SDSU Station to former Chairman and Board Member Leon Williams. The Board further instructed the dedication to include a visual display and plaque commemorating Mr. Williams' achievements to be located at an appropriate, highly visible location at the station. The dedication would preclude



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.

honoring anyone else at the station, and the station name would remain the "SDSU Station."

A working group was formed of representatives from MTS staff, SDSU staff, and the community. The group gained input from the City of San Diego Commission for Arts and Culture, the artist who consulted with MTS in creating the SDSU Station art, other sculptors, friends and former colleagues of Mr. Williams, and various members of the community who have expressed an interest in assisting in funding the project. The group has developed a more specific proposal for location and design of the display and is currently seeking funding. Staff will provide a report on the proposal and seek the Board's comments.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, sharon.cooney@sdmts.com

FEB15-07.47.LEONWILLIAMS.SCOONEY



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

Agenda

Item No. 48

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

S RTP 805.1 (PC 20484)

February 15, 2007

SUBJECT:

MTS: COMPREHENSIVE OPERATIONAL ANALYSIS IMPLEMENTATION
UPDATE

RECOMMENDATION:

That the Board of Directors receive this report on the implementation and early results of the Comprehensive Operational Analysis (COA) service changes.

Budget Impact

Implementation of the COA Phase II Service Development Plan is expected to result in an FY 2007 operating subsidy savings of \$719,000 (\$5 million annualized).

DISCUSSION:

Changes to Metropolitan Transit System (MTS) 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 scheduled dates for implementing transit service changes are March 4 (Sunday) and March 5 (Monday).

On March 23, 2006, the MTS Board of Directors approved the COA Service Development Plan for implementation. This plan reflects a complete redesign of bus routes and schedules throughout the MTS area of jurisdiction (including MTS Bus, MTS Contract Services, Chula Vista Transit, and National City Transit).



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This plan is based on the following vision statements adopted by the Board as part of the COA.

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

Due to the complexity of the restructuring, the implementation is phased over four service changes on June 11, 2006, September 3, 2006, January 28, 2007, and March 4, 2007. The purpose of this report is to provide an evaluation of June and September changes, a glimpse into the first few weeks of January implementation, and to identify changes planned for March (final phase of COA implementation).

To help evaluate the June and September changes against the COA vision statements, the following set of performance criteria were used.

VISION	MEASUREMENT	CRITERIA
Customer-Focused Competitive	Productivity	<ul style="list-style-type: none"> • Passengers • Passengers/revenue hour
	Quality of Service	<ul style="list-style-type: none"> • On-time performance • Customer comments
Integrated	Connectivity	<ul style="list-style-type: none"> • Frequencies at major transfer points • Consistency in service span • Transfer opportunities
Sustainable	Efficiency	<ul style="list-style-type: none"> • In-service hours and miles • In-service hours/total hours • In-service miles/total miles • Peak bus requirement • System speed

For all criteria, the evaluation methodology used was to compare year-over-year weekly statistics. This method of analysis helps to identify the trend as the changes mature and riders become familiar with the new routes. In addition, COA changes were compared against the baseline change from last year to this year for measures, such as ridership and passengers per hour, to account for other factors influencing these statistics; e.g., if ridership has been increasing by 4 percent compared to last year absent COA changes, the effect of the changes was compared to the baseline 4 percent increase.

Develop a Customer-Focused and Competitive System

Measures of productivity and quality of service were used to evaluate how well the service changes improved the system's customer focus and competitiveness with the assumption that ridership will increase if services are provided where and when the demand warrants and service quality is improved. This report presents an evaluation of service quality while productivity of these changes will be presented at the February 15, 2007, Board meeting.

- Pacific Beach/Mission Beach/University City Services

For June, Routes 9, 30, and 34 were replaced by new Routes 8/9 and enhanced Route 30 service. In addition, Routes 30, 41, and 150 were streamlined through University City in September, and service levels were increased on Routes 41 and 150. Local service within University City was replaced with the new Route 48/49 circulator.

Quality of Service – On-time performance for this route grouping has improved as a result of the COA. Prior to the COA changes, this set of routes was operating at 25 percent late. Historically, on-time performance on the coastal Routes 9, 30, and 34 is heavily impacted by variable summer traffic to and from the beaches. Therefore, additional running time was added to both Routes 8/9 and 30. In addition, Route 41 and 150 running times were adjusted to reflect current operating conditions.

As a result, Automatic Vehicle Locator (AVL) data indicates that this group of routes improved from 25 percent late to only 12 percent late, excluding Route 48/49. (Route 48/49 is a contract route that does not have AVL capability). Based on manual counts, Route 48/49 is operating at 7 percent late.

- Point Loma/Ocean Beach

June 2006 changes included streamlining and standardizing Point Loma and Ocean Beach routes. Routes 26 and 28, with service along Rosecrans, were combined into one route operating at 30-minute frequencies. Route 35 was streamlined to provide fast service between Ocean Beach and Old Town. Finally the schedule and routing for Route 923 was standardized to provide 30-minute service between Ocean Beach and downtown San Diego with added weekend service.

Quality of Service – For June 2006, schedules for Routes 28, 35, and 923 were rewritten using current running-time analyses to address on-time performance issues. Based on manual checks, this set of routes improved from 14 percent late to 11 percent late as of the second quarter of FY 2007.

- Interstate 15 (I-15)

For June, Routes 70 and 210 were combined into new Route 210 to reduce costly peak-hour requirements.

Quality of Service – As with other route changes in June, running times, and schedules were completely rewritten for Route 210. Despite the changes, the route experienced schedule-adherence issues initially after implementation with 25 percent late based on AVL data. Indication from bus operators was that the downtown San Diego routing was being impacted by traffic. As a result, minor routing and schedule changes were made and codified in the September schedule to address these issues. While the route has improved to being 22 percent late as of December 2006, running times were increased by an additional 6.6 percent in January 2007 to further address the on-time performance of the route.

- Clairemont/Kearny Mesa/Linda Vista

In September, Routes 25 and 44 were restructured into a high-frequency urban Route 44, new limited stop Route 120, and neighborhood circulator Route 25. In addition, Route 927 was adjusted to replace local access on Aero Drive in Kearny Mesa previously served by Route 25.

Quality of Service – On-time performance on this set of routes has improved from 23 percent late prior to the COA changes to 17 percent late in December 2006. However, shortly after implementation, Route 44 experienced severe on-time performance issues ranging from 21 to 28 percent late between September and December 2006. Therefore, running time was increased by 9.2 percent in January to address schedule adherence on this route. In addition, Route 50 is still experiencing on-time performance issues at 17 percent late. Therefore, running times were increased by 4.8 percent in January 2007.

- Mission Valley/Fairmont Avenue

In September, Mission Valley services, consisting of Routes 6, 13, and 14, were consolidated into new Route 14. In addition, Route 13 service along Fairmont Avenue was streamlined and increased to 15-minute frequencies. Two neighborhood circulators, Routes 965 and 966, provide local service previously served by Route 13.

Quality of Service – As with other route changes in June, running times, and schedules were completely rewritten for Route 210. Despite the changes, the route experienced schedule-adherence issues initially after implementation with 25 percent late based on AVL data. Indication from bus operators was that the downtown San Diego routing was being impacted by traffic. As a result, minor routing and schedule changes were made and codified in the September schedule to address these issues. While the route has improved to being 22 percent late as of

December 2006, running times were increased by an additional 6.6 percent in January 2007 to further address the on-time performance of the route.

- University Avenue/El Cajon Boulevard

In September, services along University Avenue and El Cajon Boulevard were restructured to provide more evenly spaced, high-frequency service on Routes 1 and 7 as well as new limited-stop travel options on Routes 10 and 15.

Quality of Service – Overall, on-time performance has improved on both corridors. For University Avenue, Routes 7 and 10 have improved from 30 percent late, prior to the COA changes, to 22 percent late in December 2006. During the same time period, Routes 1 and 15 service along El Cajon Boulevard improved from 26 percent to 14 percent late. To continue refining on-time performance on Route 7, recently at 26 percent late, running times were increased by 6.2 percent in January 2007.

- Southeast San Diego

September service changes also included revisions to routes within Southeast San Diego. Routes 5 and 16, previously extending from the Euclid area to University City via downtown San Diego were bisected in downtown San Diego and consolidated. In addition, local service in the Euclid area was consolidated onto neighborhood circulator Route 916/917.

Quality of Service – On-time performance has improved dramatically as a result of the COA. Based on AVL data, the route group has improved from 19 percent late to 10 percent late as of December 2006, excluding contract Route 916/917. (Route 916/917 is a contract route that does not have AVL capability). Based on manual counts, Route 916/917 is operating at 9 percent late.

- I-5 South/SR-905

Service along the I-5 corridor south from downtown San Diego to San Ysidro and along SR 905 was improved as part of the September service changes. Service between 8th Street Station and downtown San Diego was consolidated onto a new Route 929 operating at 15-minute frequencies. Service from Iris Avenue Station to San Ysidro was also added to Route 929 making it the primary urban bus link between downtown San Diego and San Ysidro. In addition, Route 905 service between Otay Mesa border crossing and Iris Avenue Station was increased to all-day and weekend service.

Quality of Service – Based on manual counts, on-time performance has remained the same pre- and post-COA at 18 percent late for the route group. However, Routes 929 and 932 continue to operate at 25 percent late, primarily due to border traffic in San Ysidro; therefore, these two routes will be targeted for schedule adjustments in June 2007.

- Chula Vista Transit

Chula Vista Transit services were completely revamped in September. Highlights include high-frequency, streamlined service connecting the trolley at H Street and Palomar to Southwestern College. In addition, local routes west of I-805 were streamlined and consolidated. Finally, a new neighborhood circulator, Route 707, was implemented in Eastlake connecting residential neighborhoods and a senior community with retail and services along Eastlake Parkway and the new Otay Ranch Town Center.

Quality of Service – On-time performance continues to be good for Chula Vista Transit services with less than 10 percent late system wide. However, running times will continue to be refined in June to optimize service and adapt to changing travel conditions in the high-growth area of east Chula Vista.

- Customer Comments

The following are service adjustments that were implemented to address major concerns.

- Route 14 – A comment has been expressed about the safety of Routes 13 and 14 sharing a layover location on Crawford Street adjacent to Kaiser Permanente Hospital. To alleviate this concern, additional red curb was painted and separate layover locations were established for each of the two routes. To date, no operational issues have been reported.

A comment has also been expressed about improving Route 14 and trolley connections at Rio Vista Trolley Station. Route 14 currently serves six trolley stations, including Old Town, Fashion Valley, and San Diego State University (SDSU). The schedule for Route 14 is built around a timed transfer at Fashion Valley to the trolley and other bus routes. Various running times throughout the day dictate when the bus arrives and departs other trolley stations, including Rio Vista. Since the trolley running time is fairly constant throughout the day, and Route 14 running times vary, connections are different by time of day and location. However, given that Route 14 operates at 30-minute frequencies throughout most of the weekday and the trolley operates at 15-minute frequencies during this same period, transfers between Route 14 and the trolley are no more than 15 minutes during this period. Transfers may be longer during the evening when trolley frequencies are

reduced to 30 minutes and on weekends when Route 14 frequencies are reduced.

- Rerouting Off of Mackenzie Creek Road – Routes 707 and 709A service on Mackenzie Creek Road was discontinued and rerouted to Proctor Valley Road between Mt. Miguel Road and Lane Avenue due to low ridership on Mackenzie Creek Road (1 passenger per trip).
- Weekend Service on Routes 31/921 – Route 31 weekend service was replaced with a modified Route 921 to restore weekend service to Camino Ruiz and Gold Coast Drive and low productivity on weekend Route 31 service (6 passengers per trip).
- Early Successes – Comments and observations to date indicate that riders are particularly happy with the increased service in the coastal communities (Routes 8/9 and 30), limited-stop service on Routes 15 and 120, new Chula Vista service from Palomar Street Station to Southwestern College on Route 712, additional midday and weekend service from Iris Avenue Station to San Ysidro, and from Otay Mesa border crossing to Iris Avenue Station.

In addition, a recent San Diego Union-Tribune article complimented the efforts of the COA (Attachment A).

- Minor Service Adjustments – Services continue to be monitored and refined following COA implementation. Overall service levels are constant given additions on certain routes and reductions on others.
 - Relieve Overcrowding – Select trips were 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 were implemented on Routes 7, 8/9, 15, and 923 due to low ridership.
 - Schedule Improvements - Based on information collected for the AVL as well as manual checks, running time was added and schedules were adjusted on Routes 3, 4, 7, 20, 44, 50, 150, and 210 to improve on-time performance. In addition, Routes 89 and 844/845 have been rescheduled to better connect with the Coaster and service to Poway High School, respectively.

Develop an Integrated System

Network integration and connectivity were evaluated based on the frequencies at major transfer points as well as consistency in service spans on connecting

routes. The following are some of the key transit centers with improved connectivity. An important note is that regional transit hubs now provide convenient connectivity in all directions (north, south, east, and west), not just toward downtown San Diego.

- University Town Center (UTC) – Services were adjusted through UTC to provide direct connections between the UTC transfer hub and University of California San Diego (UCSD)/Veterans Administration Hospital via La Jolla Village Drive. In addition, the new neighborhood circulator Route 48/49 provides local feeder and distributor services for regional services at UTC.
- Old Town Transit Center – Improvements were made at Old Town Transit Center to enhance connectivity of the system. Route 8/9, which consists of portions of old Route 34 (15-minute frequencies) and Route 9 (30-minute frequencies), operates at 7.5-minute frequencies all day. As a result of discontinuing Route 34, Route 30, previously operating only during the peak hours on weekdays, has been increased to all-day and weekend service. Route 44 service through Linda Vista and Clairemont and Route 10 with limited-stop service along University Avenue were also upgraded to 15-minute, all-day service. Finally, adjusting Route 150 to serve Old Town provides an additional regional transfer opportunity to University City.
- Mid-City Transit Plazas – Rerouting Route 210 along I-15 through Mid-City instead of State Route 163 provides an opportunity for Mid-City residents to access the I-15 commuter service in addition to Route 960 serving Kearny Mesa and University City.
- Fashion Valley Transit Center – Connectivity was improved at Fashion Valley Transit Center with the frequency improvements on Route 6 through Mission Valley, Route 41 along Genesee Avenue to UTC and UCSD, and Route 120 providing limited-stop service every 15 minutes between downtown San Diego and Fashion Valley via Hillcrest and Uptown.
- Euclid Avenue Trolley Station – Euclid Avenue Station enjoys additional frequency on Route 13 along Fairmont Avenue providing additional north/south service through Southeast San Diego and Mid-City.
- H Street and Palomar Street Trolley Station – East/west service between Chula Vista trolley stations and Southwestern College were significantly enhanced with additional services, including express trips and frequency enhancements. These improvements provide greater flexibility for the high demand of patrons transferring between trolley and Chula Vista bus service.
- Iris Avenue Trolley Station – Connections through Iris Avenue Station have been improved with the extension of Route 929 to San Ysidro and new midday and weekend service on Route 905 between Iris Avenue

Station and Otay Mesa border crossing. These changes enhance the linkage between the trolley and activity near the Otay Mesa border crossing, as well as alleviating unnecessary transfers between Route 929 and service to San Ysidro for a significant amount of South Bay riders.

Develop a Sustainable System

As the goal of the COA was to reduce subsidies largely by reallocating existing services to increase revenue, the level of operating resources post-COA should not exceed the resource level prior to the changes.

- Service Hours and Miles

MTS Bus – Comparison of overall service levels for FY 2007 and projected FY 2008 shows an increase in both service hours and miles. In-service hours increase by 2.9 percent, and in-service miles increase by 1.6 percent. Much of this increase is due to increased running times to address schedule adherence as well as phasing of COA changes, which implemented service reductions earlier in the year and service improvements later in the year. In addition, FY 2008 is a leap year, adding one extra day of service. This projected increase, however, does not account for continued diligence in optimizing the system and reducing unproductive service, which will be the focus of next year's planning and scheduling efforts.

Efficiency of service provision can be measured by the ratio of in-service miles or hours compared with total miles or hours. Immediately prior to COA implementation, for every hour a bus was in operations, 77 percent of the time it was in revenue service, and 23 percent of the time it was out of service (including garage pulls, deadheads, and layovers). For FY 2008, in-service hours are projected to increase to 78 percent of the total hours. January 2006 schedules (pre COA implementation) also show that in-service miles accounted for 86 percent of the total miles for buses. This percentage is projected to increase to 91 percent in FY 2008.

MTS Contract Services – For 700, 800, and 900 series contract routes, cost is associated with the amount of revenue miles operated. Annual revenue miles are projected to decrease by 2.2 percent from FY 2007 to FY 2008. Although not a cost factor, in-service hours are also expected to remain fairly neutral at a 0.3 percent increase.

- Peak-Bus Requirement and System Speed

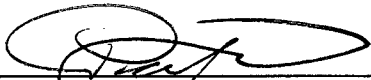
MTS Bus – In January 2006, prior to the COA changes, 205 peak buses were required to operate weekday services. For January 2007, this number has been reduced by nine buses to 196.

Pre- and post-COA average weekday in-service speed is expected to remain fairly constant at 14 miles per hour despite the elimination of

higher-speed routes, including Routes 40 and 70, and additional running time added to address on-time performance issues.

MTS Contract Services – For MTS Contract Services, including Chula Vista Transit, the weekday peak requirement increased by five buses from 221 to 226. Four of the five buses were for Chula Vista Transit who is providing additional peak trips on Route 712 to address overcrowding and has implemented Wage Order 9.

Average weekday in-service speed is expected to remain fairly constant at 14 miles per hour despite the elimination of higher speed routes, including Route 980/990.



Paul C. Jablonski
Chief Executive Officer

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FEB15-07.48.COA UPDATE.CCHEUNG

Attachment: A. San Diego Union-Tribune Article dated 2/6/07

Area transit system has improved

By David Smollar
February 6, 2007

Here's a question that most San Diegans would be hard-pressed these days to answer correctly: What public service – local, state or federal – actually improved during the past year?

Not library, post office, community police or recreation center hours, which have been slashed. Not road maintenance, as a drive on almost any city street proves, nor park upkeep, with withered grass and reduced care, nor street light replacements nor water/sewer line repair. Name a service and it's likely to have deteriorated in the face of money problems.

The big exception – and the answer to the question: public transit.

In the past six months, an overhaul of bus lines from Sorrento Valley south to San Ysidro has resulted in enhanced service. There are more direct routes on major streets and roads, faster travel times to popular destinations and better adherence to published schedules.

The massive effort by planners from the Metropolitan Transit Development Board, in the face of their own budget pressures, has gone almost unnoticed in the public arena. The vast majority of transit users are seniors, students and working poor whose livelihoods depend on decent bus and trolley service. They aren't the auto-addicted movers and shakers whose voices most often frame the civic debate over quality of life. But in this case, they have been well-served by the agency charged with husbanding their trust. The reformed public transit system could even prove convenient for many of the region's car commuters if they dared to venture a test ride.

MTDB implemented its revamping in three stages during the past half-year, following a year of study and feedback from riders. In some cases, planners altered routes that had been laid out along pre-World War II trolley lines and left untouched for a half-century despite the region's many new employment and retail locales. MTDB tweaked most of its 100-plus routes.

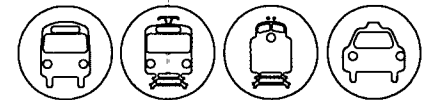
The system now features a backbone anchored by the three trolley (light-rail) lines and augmented by several new limited-stop and express trunk routes along major traffic corridors – both north-south and east-west – and upgraded local service on most commercial streets and roads. Bus service now intersects with trolley lines in an integrated pattern, and all ma

Metropolitan Transit System

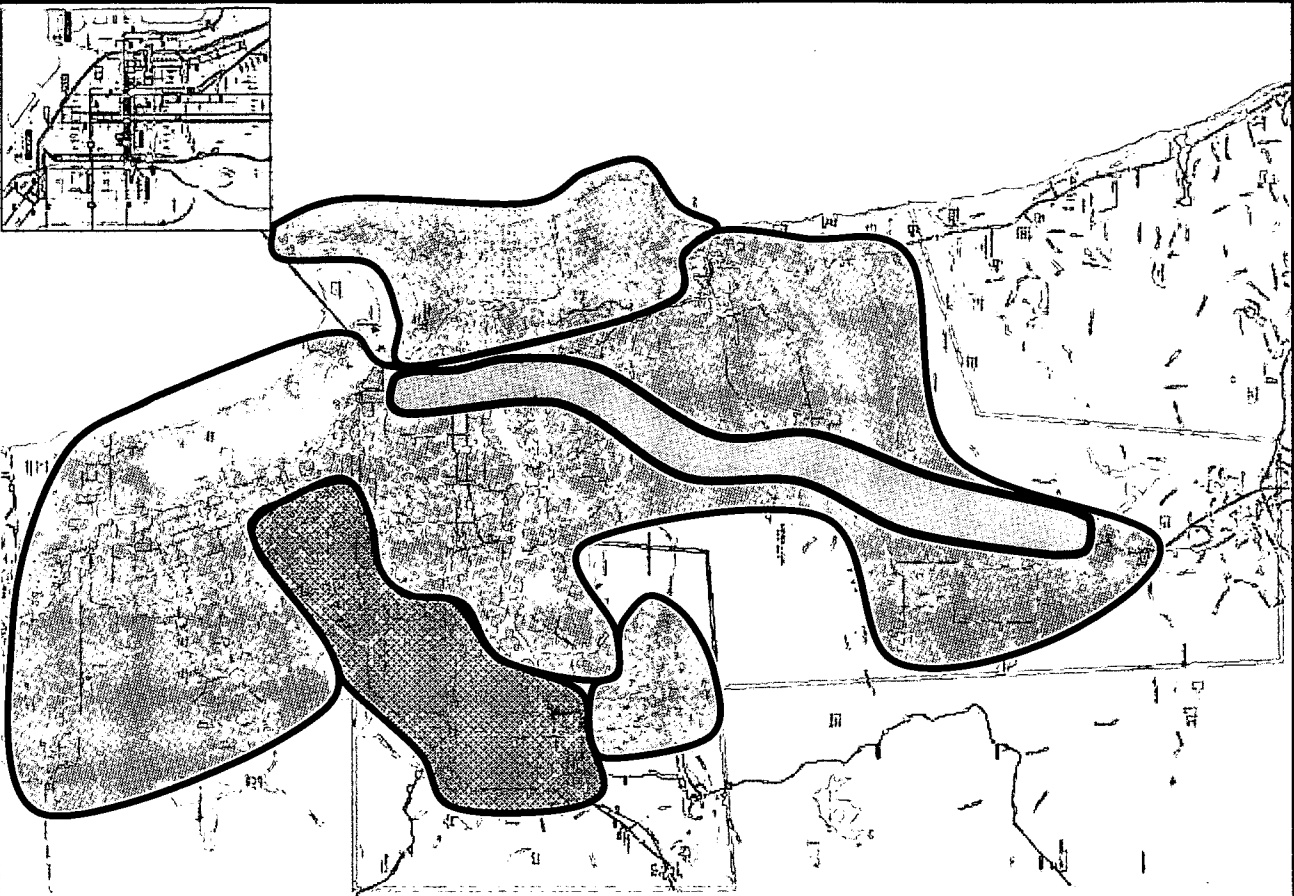
COA: IMPLEMENTATION UPDATE

February 15, 2007

Agenda Item No. 48
2/15/07

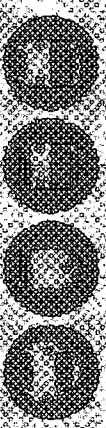


Regional Transit Map



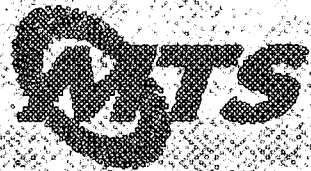
IMPLEMENTATION

- **June 11, 2006**
 - Improve beach routes
 - Service reductions (Santee and express services)
- **September 3, 2006**
 - Build network of frequent service in urban area
 - University City and College Area changes
 - I-15, Chula Vista and I-5 South corridor
- **January 28/March 4, 2007**
 - I-15 Services
 - El Cajon and National City
 - Optimize remaining routes

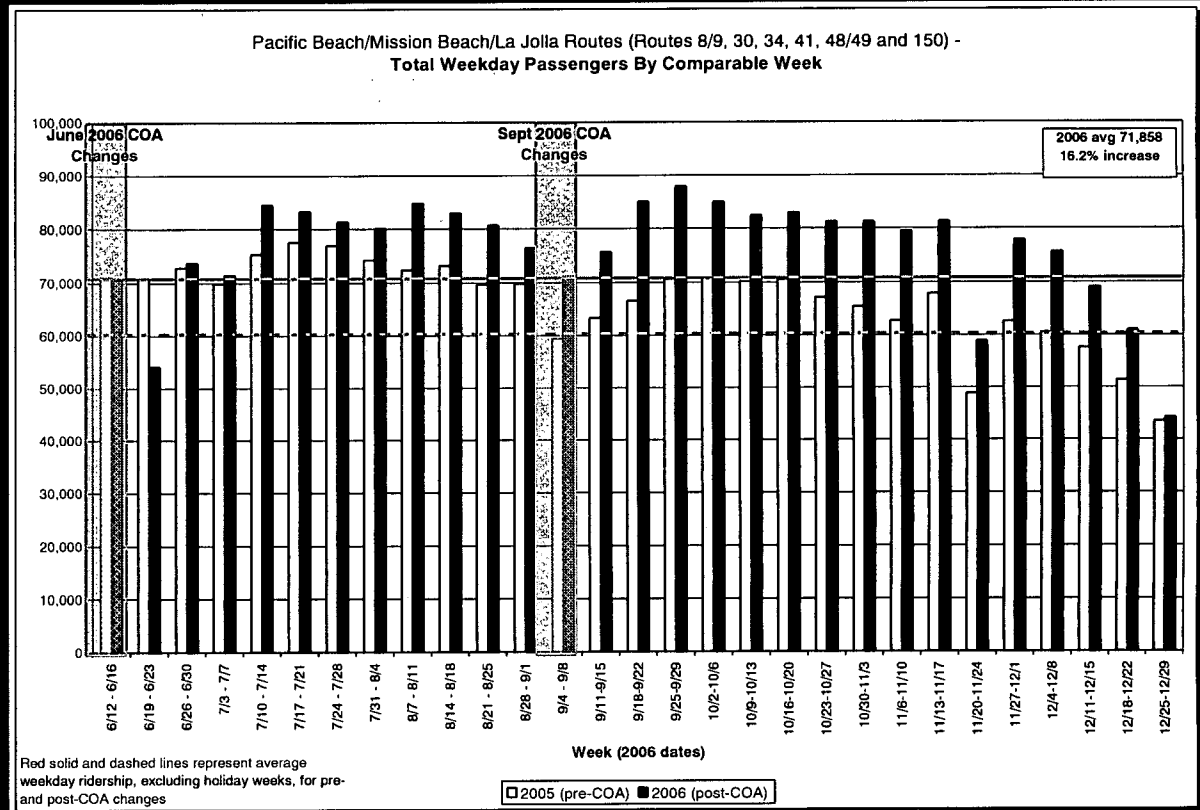


Evaluation Criteria

VISION	MEASUREMENT	CRITERIA
Customer-focused Competitive	Productivity	<ul style="list-style-type: none"> • Passengers • Passengers/Rev. Hour
	Quality of Service	<ul style="list-style-type: none"> • On Time Performance • Customer Comments
Integrated	Connectivity	<ul style="list-style-type: none"> • Frequencies at major transfer points • Consistency in Service Span • Transfer Opportunities
Sustainable	Efficiency	<ul style="list-style-type: none"> • In-service hours and miles • In-service hours/Total hours • In-service miles/Total miles • Peak bus requirement • System speed



Pacific Beach, Mission Beach, University City



ROUTES

- 8, 9, 30, 34, 41, 48/49, 50, 150

PRODUCTIVITY

- Overall ridership increased 16.2%
- Overall productivity decreased from 30.0 to 27.0 pax/hr
- Productivity of change is 18.0 pax/hr (compared to 11.2 pax/hr for deleted segments)
- Productivity of Route 41 change is 10.3 pax/hr (will evaluate service levels)
- Route 8/9 productivity decreased after summer months (will evaluate non-summer service)

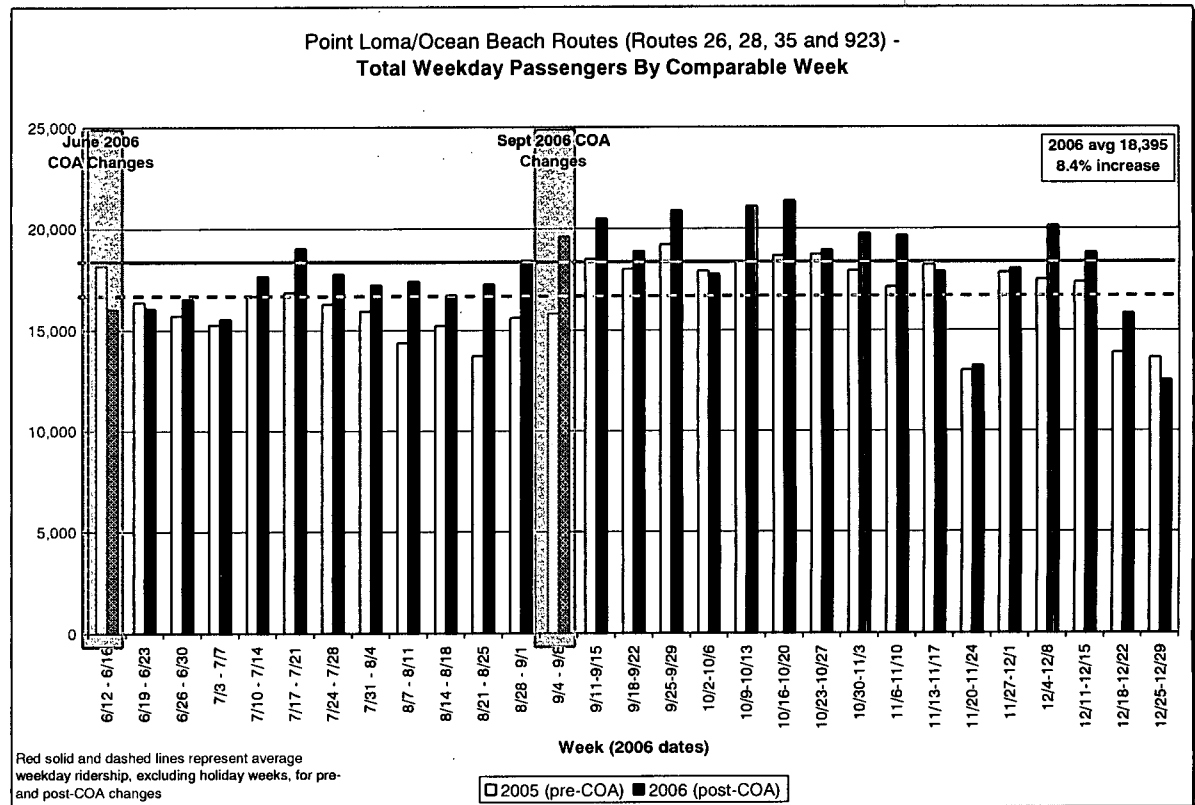
ON TIME PERF

- Route group (excluding 48/49) improved from 25% to 12% late
- Route 48/49 is 7% late

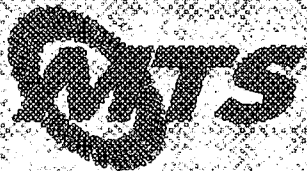
NOTES

- Route 48 overcrowded in AM peak in La Jolla Colony (added AM trippers)
- Previous Routes 5/50 midday riders now using Route 150 midday direct express service
- Additional running time added to Routes 41 and 150 in January

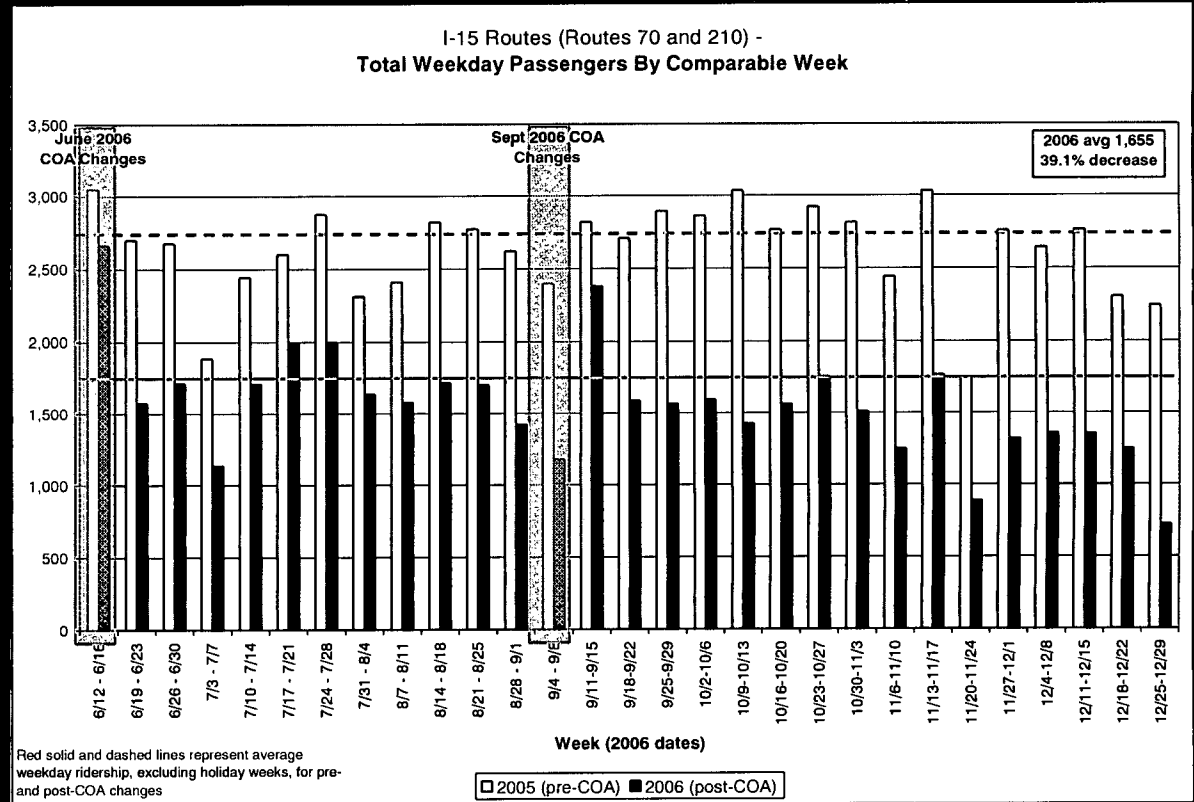
Point Loma/ Ocean Beach



ROUTES	<ul style="list-style-type: none"> 26, 28, 35, 922/923
PRODUCTIVITY	<ul style="list-style-type: none"> Overall ridership increased 8.4% Overall productivity decreased from 35.2 to 33.2 pax/hr Productivity of change is 31.9 pax/hr (compared to 11.2 pax/hr for deleted segments)
ON TIME PERF	<ul style="list-style-type: none"> Route group improved from 14% to 11% late
NOTES	<ul style="list-style-type: none"> Route 28 overcrowded in AM peak (added AM trippers) Reduced service on Route 923 weekends due to low ridership



Interstate 15



ROUTES

- 70, 210

PRODUCTIVITY

- Overall ridership decreased 39.1%, hours decreased by 50.0%
- Overall productivity increased from 27.9 to 31.2 pax/hr
- Productivity of change is 24.6 pax/hr (compared to 11.2 pax/hr for deleted segments)

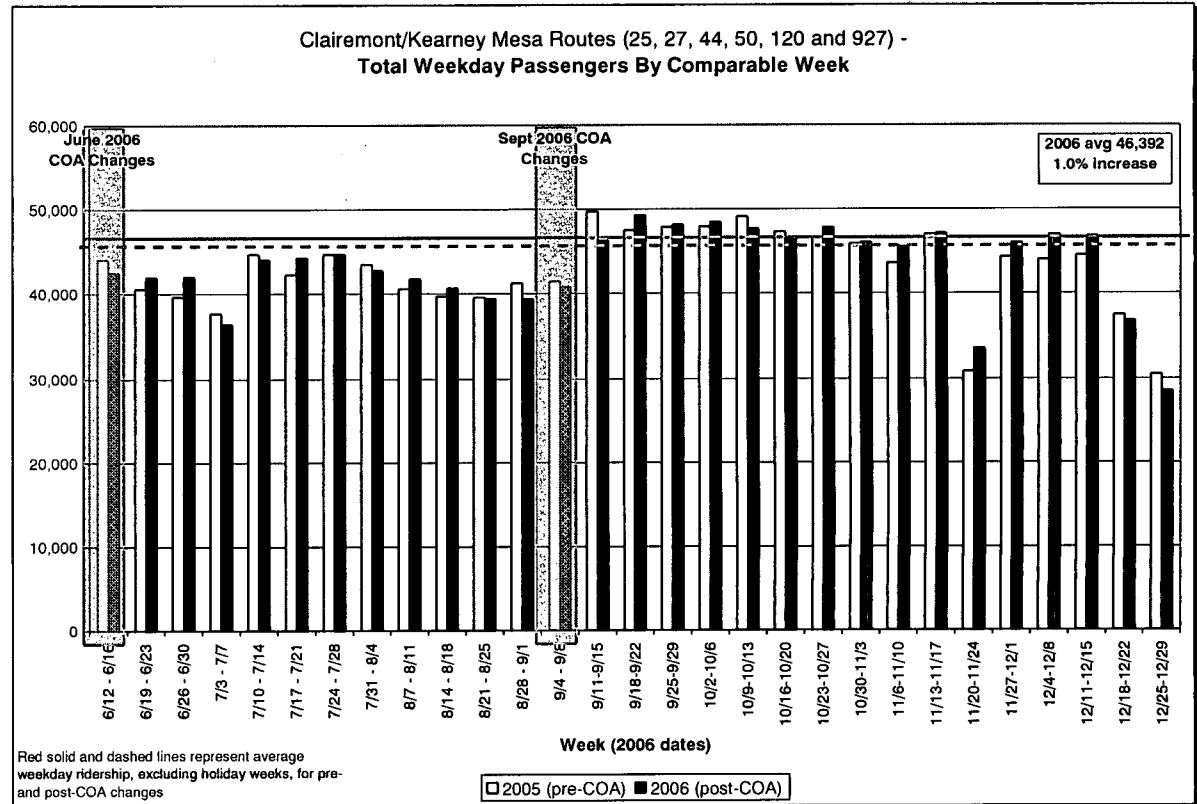
ON TIME PERF

- Route 210 improved from 25% to 22% late

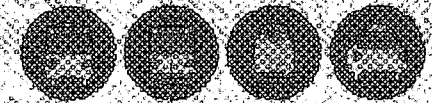
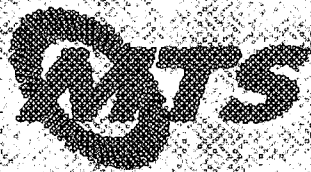
NOTES

- Roughly 40% of Route 210 ridership from Mid City (Previous Route 70 riders)
- Additional running time and slight routing change on Route 210 for on time performance

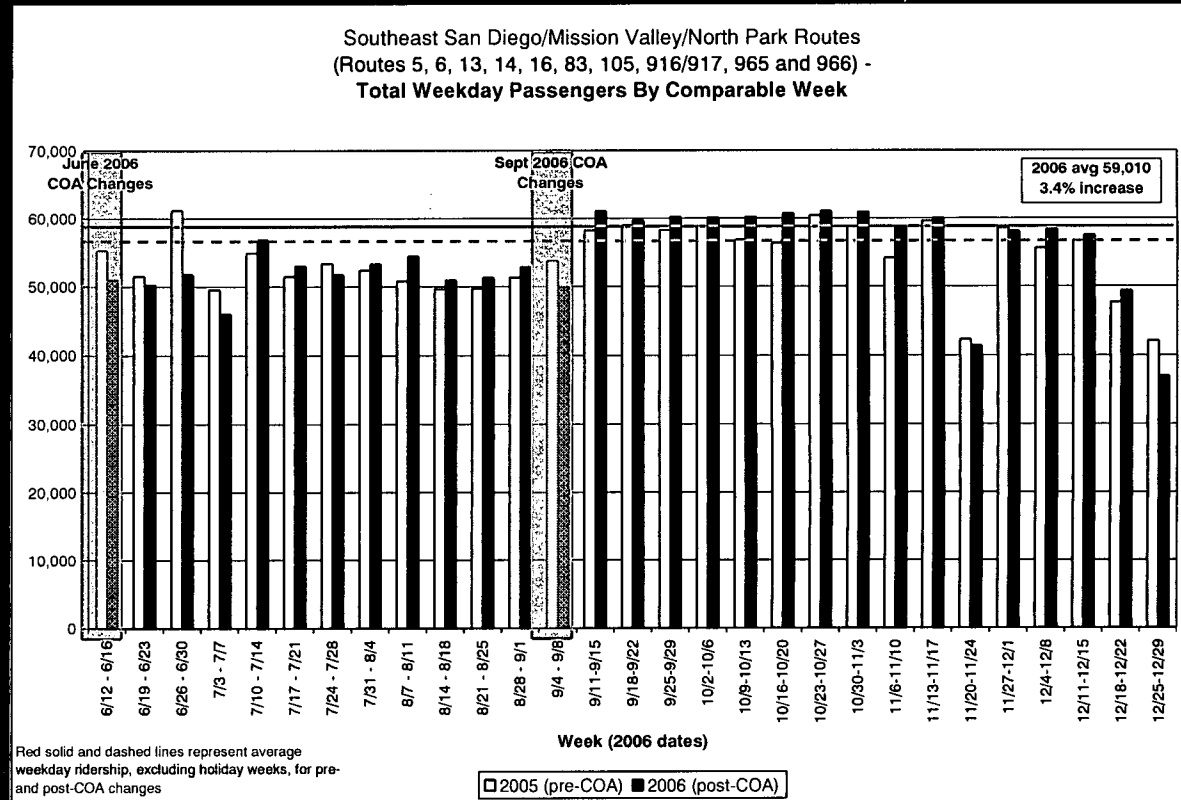
Clairemont/ Kearny Mesa/ Linda Vista



ROUTES	<ul style="list-style-type: none"> 25, 27, 44, 50, 120, 927
PRODUCTIVITY	<ul style="list-style-type: none"> Overall ridership increased Overall productivity decreased from 46.2 to 41.7 pax/hr Productivity of change is 11.9 pax/hr (compared to 11.2 pax/hr for deleted segments)
ON TIME PERF	<ul style="list-style-type: none"> Route group improved from 23% to 17% late
NOTES	<ul style="list-style-type: none"> Additional running time on Routes 44 and 50 for on time performance



Central San Diego



ROUTES

- 5, 6, 13, 14, 16, 83, 105, 916/917, 965, 966

PRODUCTIVITY

- Overall ridership increased 3.4%
- Overall productivity increased from 29.5% to 32.7% pax/hr
- Productivity of change is 15.0 pax/hr (compared to 11.2 pax/hr for deleted segments).

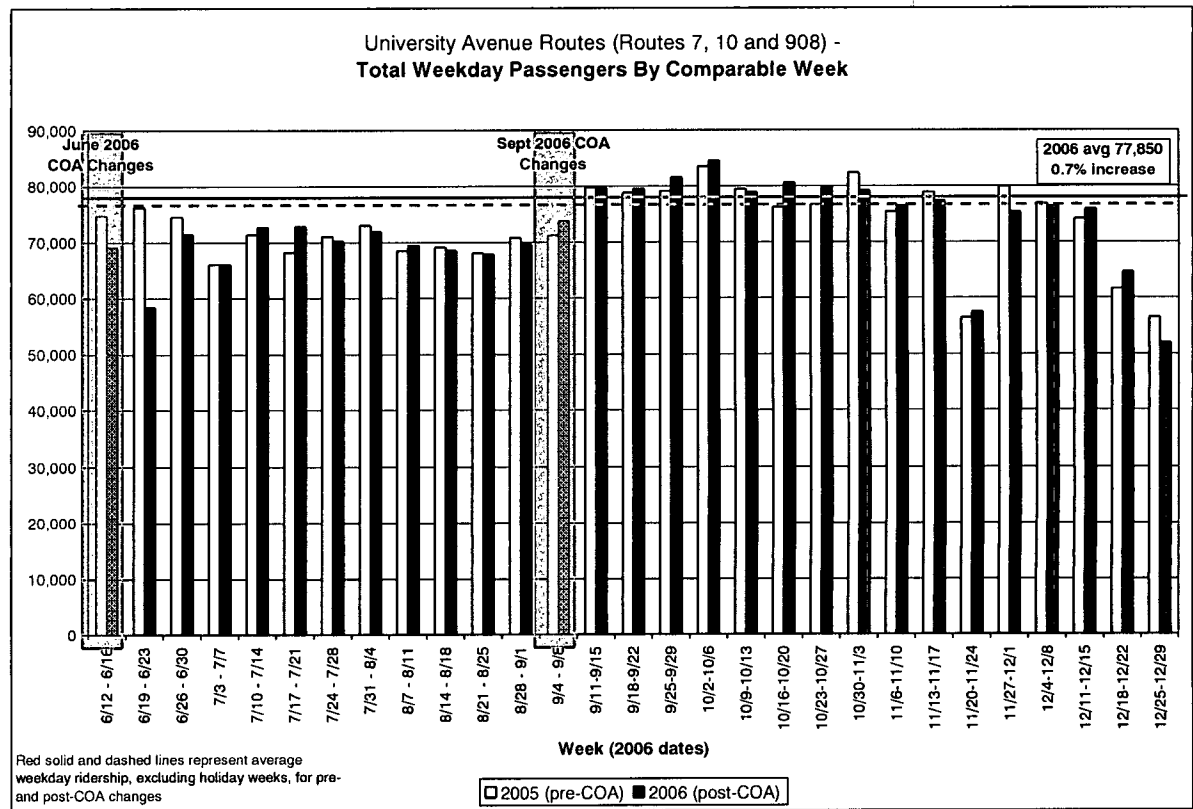
ON TIME PERF

- Route group (excluding Route 916/917) improved from 16% to 13% late
- Route 916/917 is 9.0% late

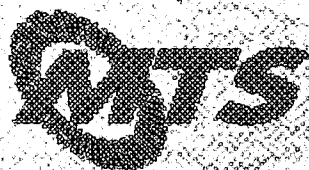
NOTES

- Weekend service reduced on Route 14 due to low ridership
- Route 916/917 overcrowded (additional trips added)

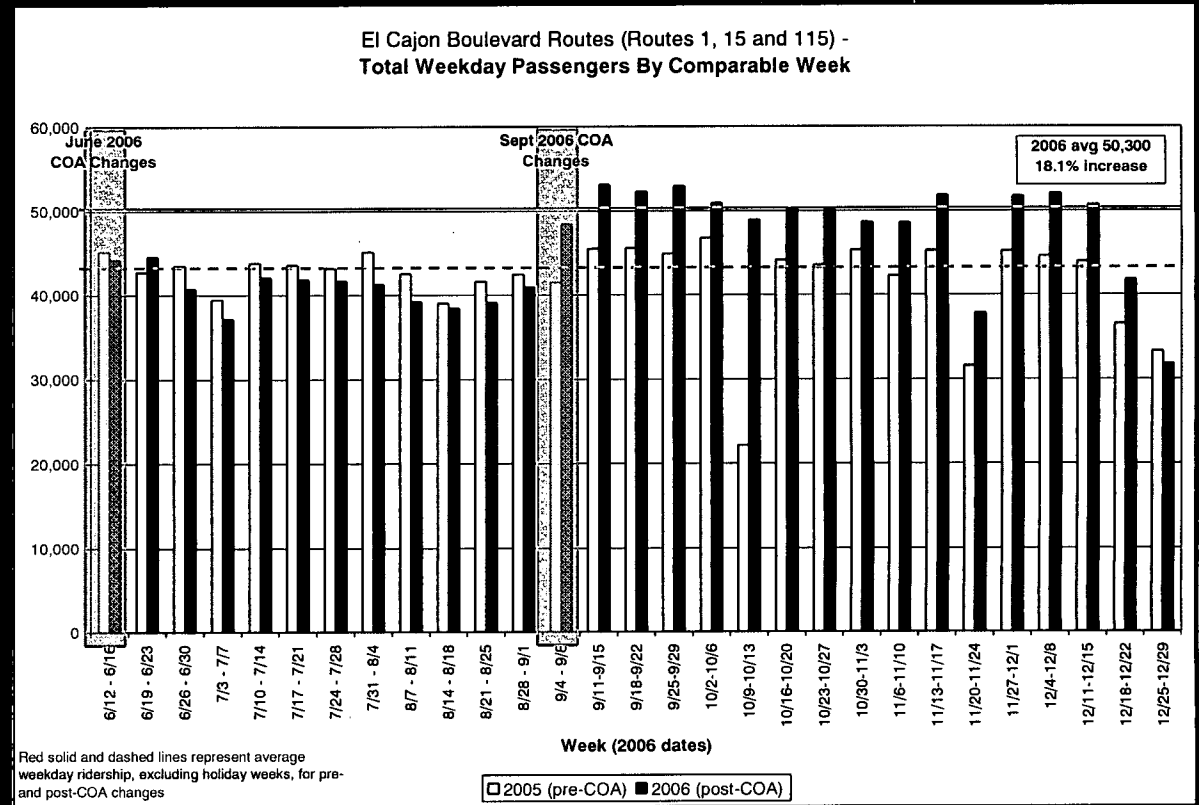
University Avenue



ROUTES	<ul style="list-style-type: none"> • 7, 10, 908
PRODUCTIVITY	<ul style="list-style-type: none"> • Overall ridership increased 0.7% • Overall productivity decreased from 53.6 to 53.4 pax/hr
ON TIME PERF	<ul style="list-style-type: none"> • Route group improved from 30% to 22% late • Will continue to improve Route 7 on time performance
NOTES	<ul style="list-style-type: none"> • Additional running time and restructured trippers on Route 7 for On Time Performance



El Cajon Boulevard



ROUTES

- 1, 15, 115

PRODUCTIVITY

- Overall ridership increased 18.1%
- Overall productivity increased from 35.8 to 37.3 pax/hr
- Productivity of change is 49.1 pax/hr (compared to 11.2 pax/hr for deleted segments).

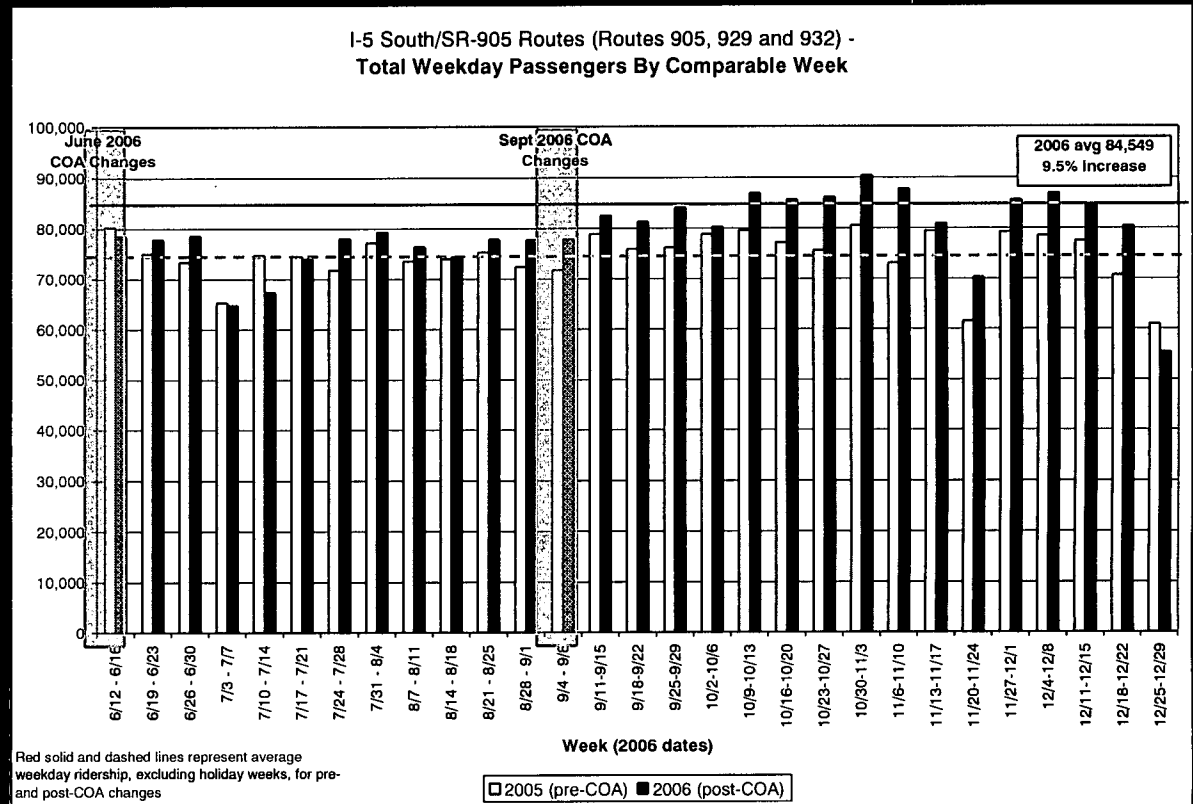
ON TIME PERF

- Route group improved from 26% to 14% late

NOTES

- Route 15 AM inbound trips overcrowded (added trippers)

I-5 South/ SR-56



ROUTES

- 905, 929, 932

PRODUCTIVITY

- Overall ridership increased 9.5%
- Overall productivity decreased from 44.0 to 41.2 pax/hr
- Productivity of change is 24.8 pax/hr (compared to 11.2 pax/hr for deleted segments).
- Transfer eliminated between 929 and 932, contributing to lower ridership figures

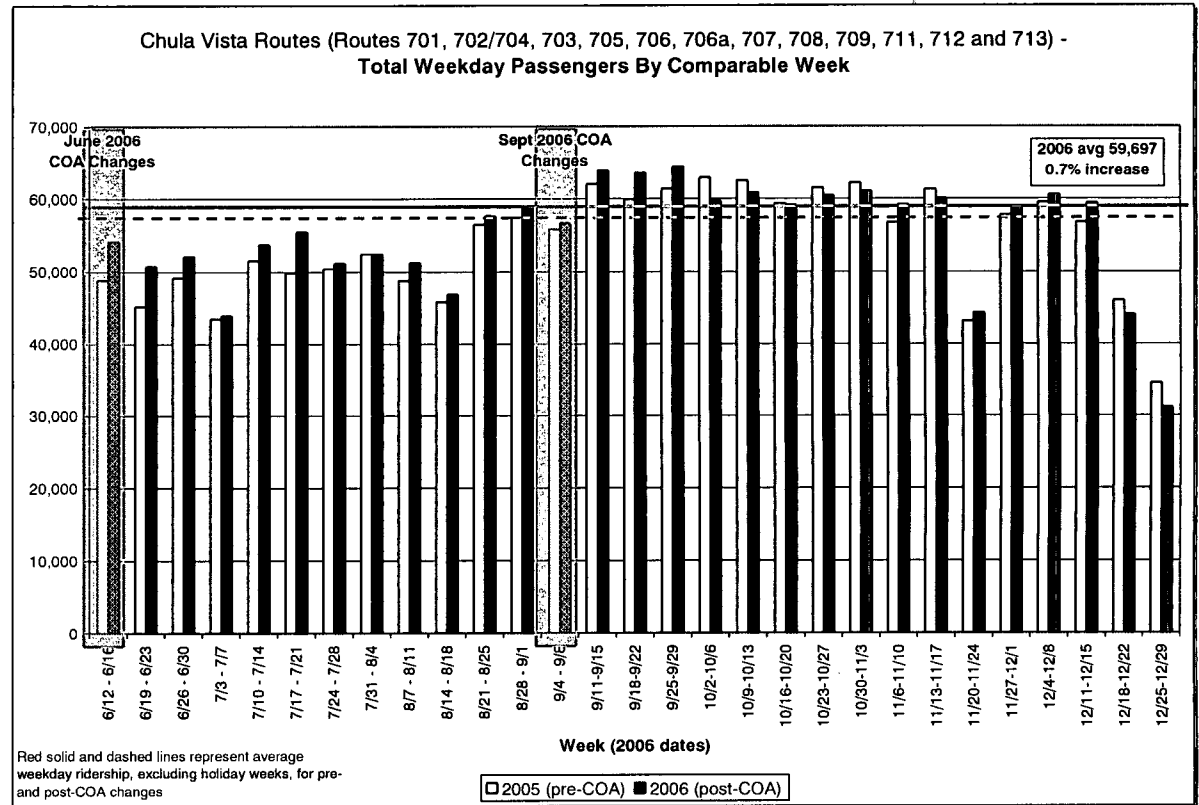
ON TIME PERF

- Route group remained constant at 18% late
- Routes 929 and 932 continue to operate at 25% late due to border traffic (targeted for schedule adjustments in June 2007)

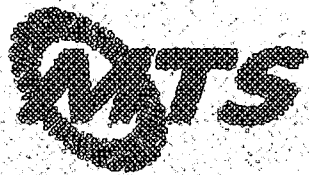
NOTES

- New Route 905 midday and weekend service well used, and connection of Route 929 to border eliminates transfers for a majority of riders

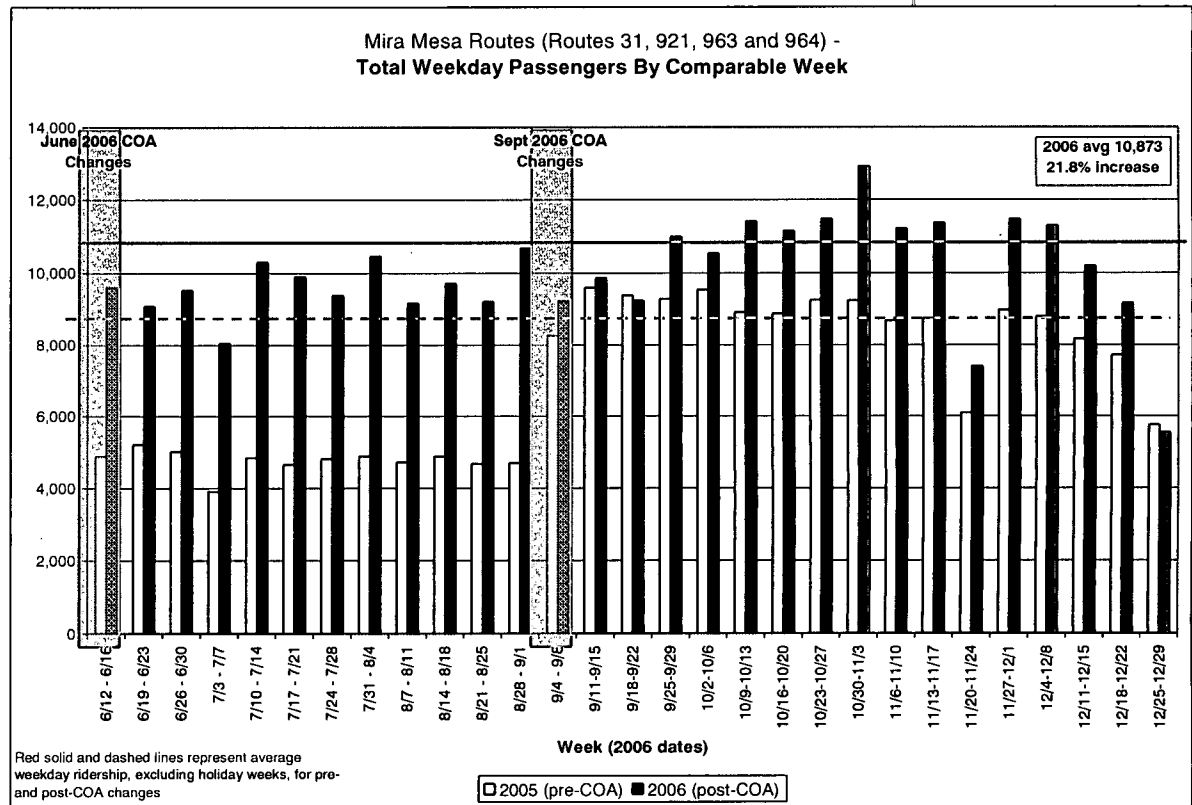
Chula Vista Transit



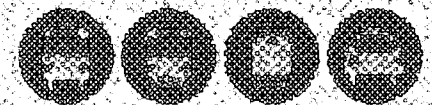
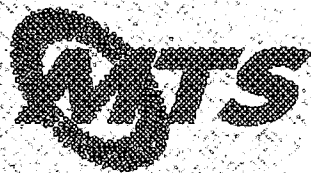
ROUTES	<ul style="list-style-type: none"> 701, 702/704, 703, 705, 706, 706a, 707, 708, 709, 711, 712, 713
PRODUCTIVITY	<ul style="list-style-type: none"> Overall ridership increased 0.7% Overall productivity decreased from 41.2 to 41.1 pax/hr
ON TIME PERF	<ul style="list-style-type: none"> Route group constant at less than 10% late
NOTES	<ul style="list-style-type: none"> Additional service on Routes 709 and 712 from Trolley to SWC heavily utilized



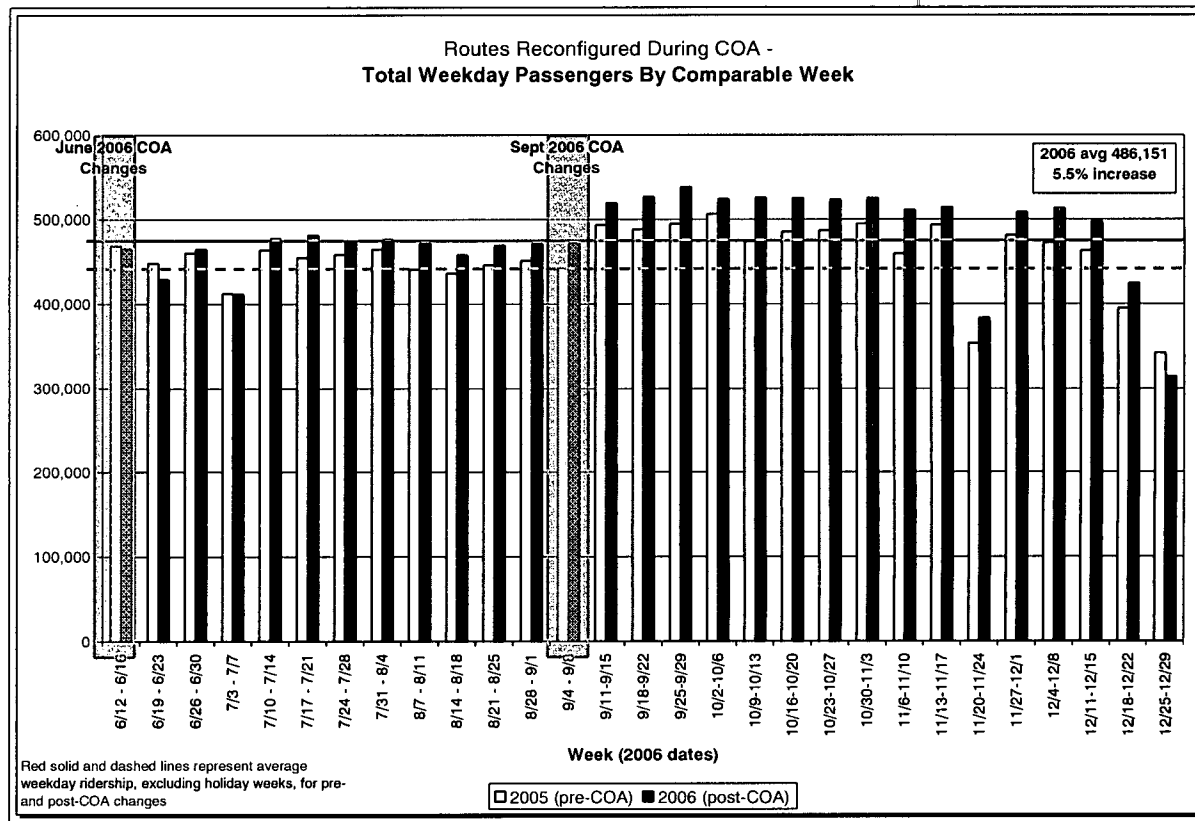
Mira Mesa



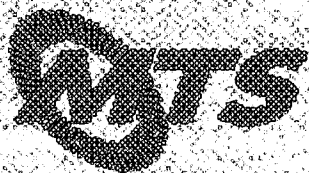
ROUTES	<ul style="list-style-type: none"> 31, 921, 963, 964
PRODUCTIVITY	<ul style="list-style-type: none"> Overall ridership increased Overall productivity increased from 18.2 to 20.8 pax/hr Productivity of change is 59.1 pax/hr (compared to 11.2 pax/hr for deleted segments).
ON TIME PERF	<ul style="list-style-type: none"> Route 31 decreased from 11% to 12% late
NOTES	<ul style="list-style-type: none"> Route 921 extended to UCSD providing direct service between Mira Mesa and UCSD



COA Subsystem

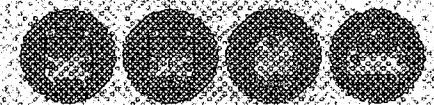
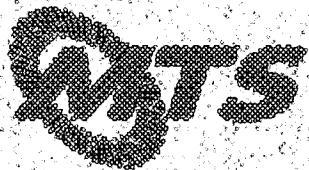


ROUTES	<ul style="list-style-type: none"> • All Subarea Routes
PRODUCTIVITY	<ul style="list-style-type: none"> • Overall ridership increased 5.5% • Productivity of change is 33.6 pax/hr (compared to 11.2 pax/hr for deleted segments)



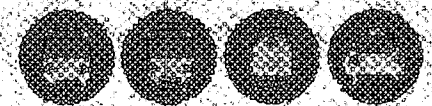
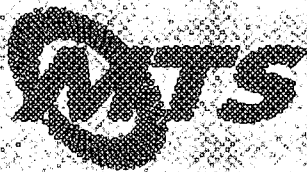
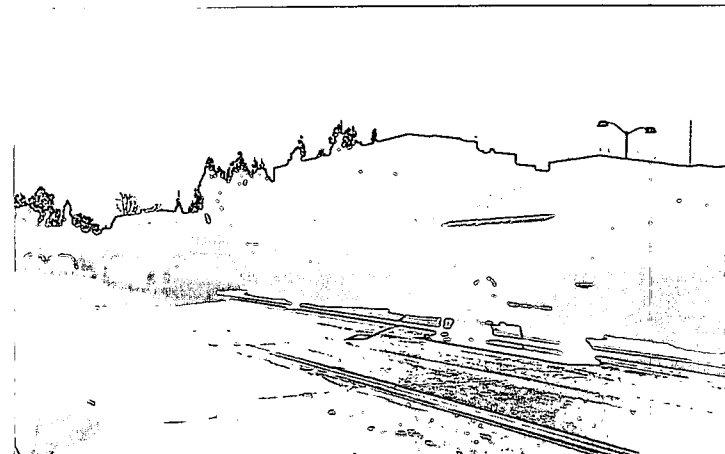
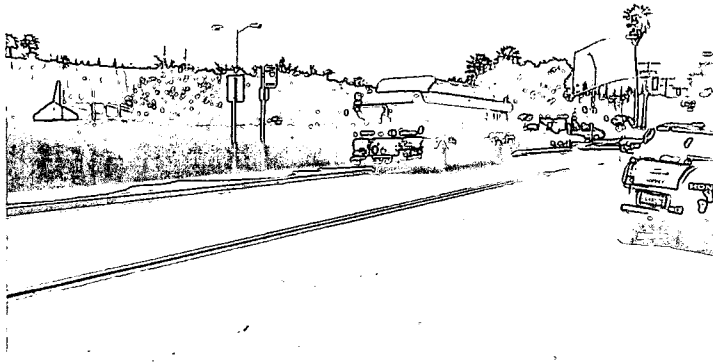
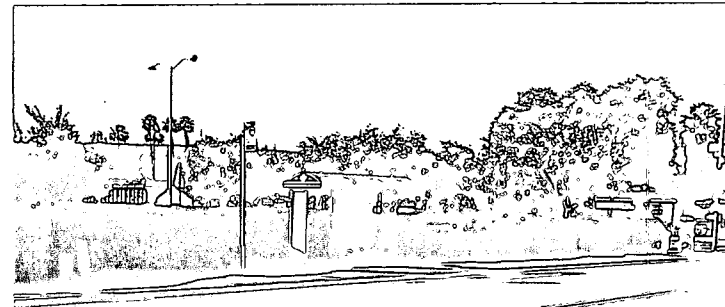
Minor Service Adjustments

- “Fine tuning” of service levels
 - 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, 14, 15, 923
- Routing changes based on comments and demand
 - Routes 707 and 709A off Mackenzie Creek Rd.
 - Weekend Route 31 service replaced with modified Route 921
- Schedule Adjustments
 - Add running times to Routes 3, 4, 7, 20, 44, 50, 150, 210



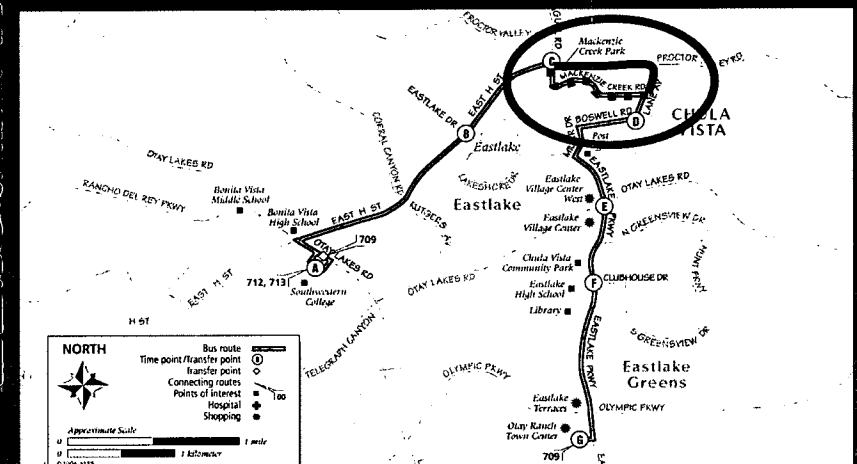
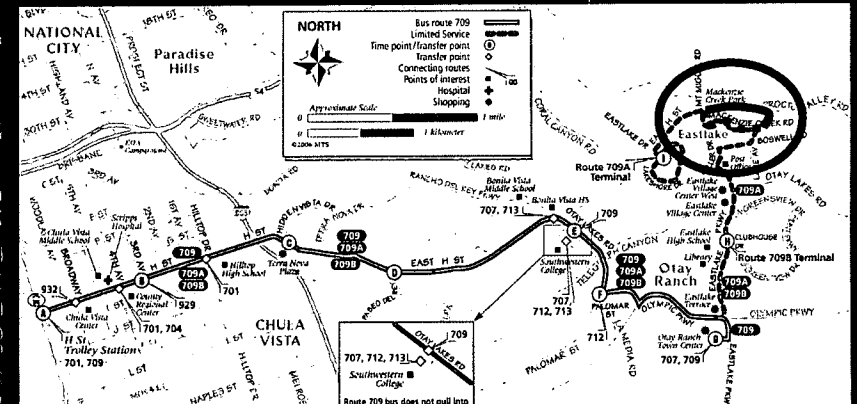
Route 14 Layover

- Red curb extended and separate layovers for Routes 13 and 14

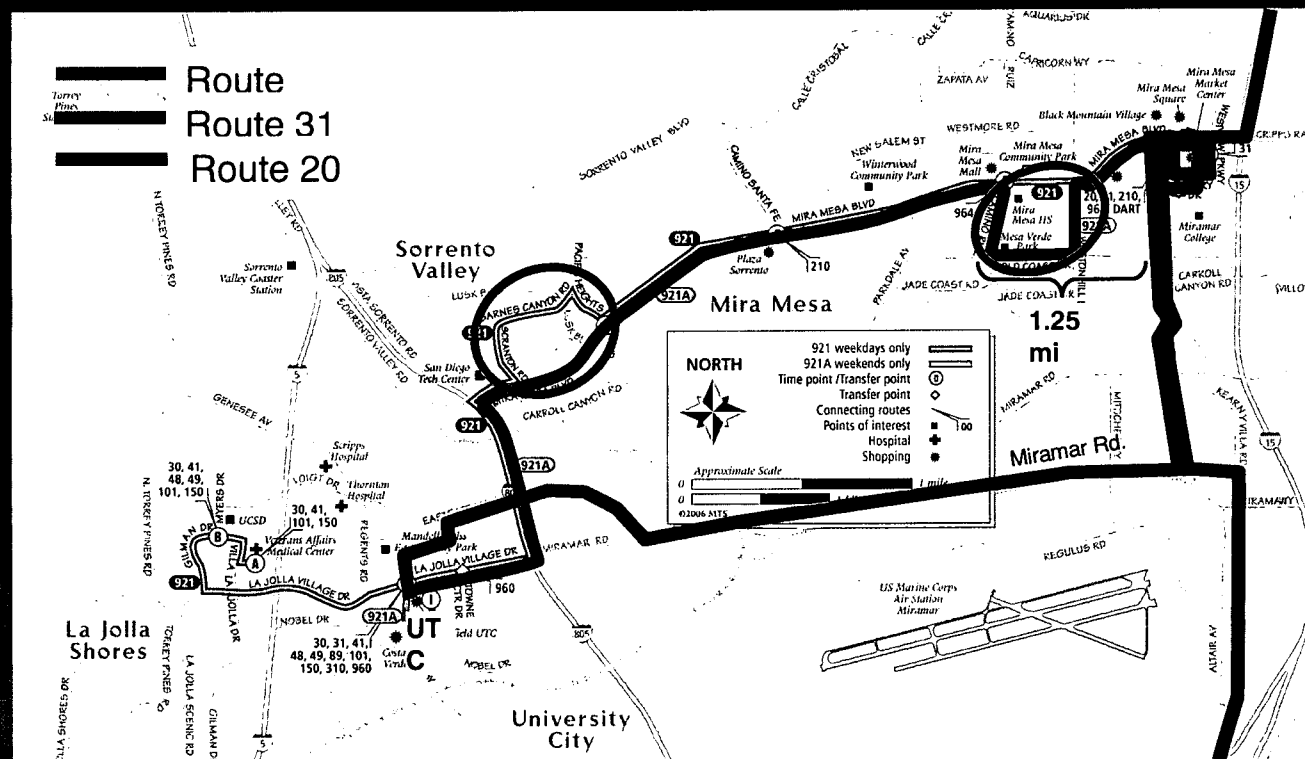


Rerouting off Mackenzie Creek Rd

- Re-route Routes 707 and 709A service on Mackenzie Creek Rd to Proctor Valley Rd due to low ridership (1 passenger/trip)



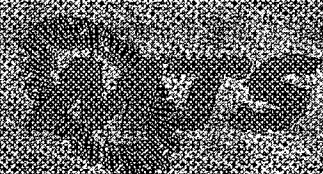
- Replace Route 31 weekend service with modified Route 921 service to restore service Camino Ruiz/Gold Coast and low ridership on Route 31 (6 passengers/trip)



January Schedule Improvements

<u>UNCHANGED</u>	
Route	Percent Late
2	15%
3	29%
4	22%
7	29%
11	25%
27	7%
50	23%
Avg.	23%

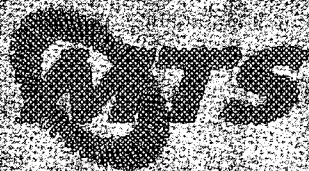
<u>RE-TIMED</u>			
Route	Percent Late	Route	Percent Late
1	17%	20	22%
5	11%	30	19%
6	10%	31	14%
8	9%	41	13%
9	8%	44	27%
10	14%	105	11%
13	10%	120	12%
14	15%	150	25%
15	14%	210	24%
		Avg.	15%



Added Running Time

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%
2	109.78	109.78	0.00	0.00%
3	111.62	111.62	0.00	0.00%
4	49.37	54.85	5.48	11.11%
5	46.25	46.25	0.00	0.00%
6	47.95	47.95	0.00	0.00%
7	190.53	202.25	11.72	6.15%
8	61.63	61.23	(0.40)	-0.65%
9	60.05	59.48	(0.57)	-0.94%
10	100.97	100.97	0.00	0.00%
11	202.48	202.48	0.00	0.00%
13	68.00	68.00	0.00	0.00%
14	94.65	92.17	(2.48)	-2.62%

Route	Sept 06 In-Service Hours	Jan 07 In-Service Hours	Change In-Service Hours	Percent Change
15	98.45	99.77	1.32	1.34%
20	128.03	132.22	4.18	3.27%
27	38.92	39.08	0.17	0.43%
30	195.10	195.10	0.00	0.00%
31	30.72	30.70	(0.02)	-0.05%
41	88.83	88.83	0.00	0.00%
44	82.12	89.70	7.58	9.24%
50	40.78	42.75	1.97	4.82%
105	46.63	46.63	0.00	0.00%
120	79.43	79.43	0.00	0.00%
150	44.20	49.13	4.93	11.16%
210	9.92	10.57	0.65	6.57%
Total	2,154.54	2,189.08	34.54	1.60%



Efficiency

MTS BUS	MEASURE	FY 2007	FY 2008	DIFFERENCE
	Hours In Service	694,859	714,715	2.9%
	Miles In Service	9,583,365	9,739,612	1.6%
	% Hours In Service	77%	78%	1.3%
	% Miles In Service	86%	91%	5.5%
	Peak Buses**	205	196	(4.4%)
MTS CS*	MEASURE	FY 2007	FY 2008	DIFFERENCE
	Hours In Service	737,298	729,851	(1.0%)
	Miles In Service	10,618,998	10,380,611	(2.2%)
	Peak Buses**	221	226	2.2%
	System Speed (mph)	13.8	13.6	(1.6%)

* Includes MCS, CVT, NCT

** Based on January 2006 and January 2007 Shake Up



8:20



AGENDA ITEM NO.

48

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 2.15.07
 Name (PLEASE PRINT) Andrew Bailey
 Address 3815 Van Dyke Ave. #3
San Diego CA 92105-2641
 Telephone 619/563-1552
 Organization Represented (if any) _____

Subject of your remarks: Questions About COA

Agenda Item Number on which you request to speak 48

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.****





8:40

AGENDA ITEM NO.

48

REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

J

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Date 2007-02-15Name (PLEASE PRINT) Clive RichardAddress 5153 La Dorna Street
San Diego, CA 92115-1530Telephone 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**

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





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Click or Call to Connect to 511

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of the new 511 phone and Web service.

Wednesday, February 21, 2007

10:30 a.m.

QUALCOMM Stadium

Section H-1

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roadside assistance into a one-stop resource.

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UNION-TRIBUNE EDITORIAL

Public caught in middle in transit dispute

February 15, 2007

National City and the Metropolitan Transit System are in about as nasty a dust-up as two government entities can get into. National City has recalled Rosalie Zarate, its representative to the transit board. That's the equivalent of a national government pulling its ambassador out of a neighboring country. If these two were nations, we would expect border incidents and armed confrontations any day now.

The two parties are on a March 4 collision course. Unless something is resolved before then, the public could lose a wonderful opportunity for a major trolley/bus transit hub in National City at West Eighth Street and Interstate 5. Think a mini-Old Town transit center. Think a crucial component to the most popular trolley line and a vital piece if a Chargers' stadium were to be built in bayfront National City or bayfront Chula Vista.

National City has been a transit success story for decades. It has an internal east-west system, provided by a subcontractor company, that draws 1.7 million passengers a year. Fare-box collections in National City are arguably the highest in the state, certainly among the highest.

National City has a contract with the subcontractor, McDonald Transit Associates, through June 30. MTS does not have a contract with either. But law changes in recent years give MTS more authority and the ability to drop subcontractors from the transportation network.

MTS has conducted an analysis of its bus lines throughout the county and is streamlining them, with the goal of providing 15-minute service on major routes instead of 30-or 60-minute intervals.

MTS wants to dramatically improve north/south service through National City to other points, while sharply cutting east/west service within the city and eliminating the subcontractor.

In the process, MTS believes it can cut annual costs \$575,000. In the process, the city of National City would lose \$230,000 a year through the current complicated financial relationships.

The changes would free up 2.6 acres, just south of the Eighth Street trolley station, that are currently used for bus repairs and storage. A cash-strapped National City would be free to sell the site for warehouse space or whatever. If it does, an opportunity for a transit hub would be lost.

The transit-using public would lose. There would be other losers as well, namely bus drivers and mechanics who have served National City for years. They may be able to transfer, but presumably would lose seniority and seniority-driven benefits.

The subcontractor, which has a valid contract through June 30, feels it is losing by not being able to bid to provide whatever level of bus service MTS deems appropriate at a price MTS considers fair.

On two occasions, National City Mayor Ron Morrison has been limited to three minutes in presenting the city's case to the MTS board. That's hardly a thorough discussion. National City has been duplicitous as well and its legal saber-rattling is hardly productive.

We call upon MTS, National City and the subcontractor to make one last attempt at resolving this conflict. We suggest that the MTS board schedule a meeting before March 4 in the vicinity of the National City site with a city delegation and representatives of the current bus operator.

Let all three parties lay all issues on the table. Restate respective goals. Present facts and seek common ground for future bus service.

We believe the public, MTS and National City would be the better for it.

»Next Story»

Find this article at:

http://www.signonsandiego.com/uniontrib/20070215/news_lz6ed15top.html

☐ Check the box to include the list of links referenced in the article.



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

Memorandum

ADM 110.1

DATE: February 15, 2007

TO: MTS Board of Directors

FROM: Paul Jablonski

A handwritten signature in black ink, appearing to be 'PJ' or similar initials, written over the name 'Paul Jablonski'.

SUBJECT: San Diego County Regional Airport Authority (SDCRAA) Board Retreat

On February 8, the Executive Committee asked staff to attend the February 13 San Diego County Regional Airport Authority (SDCRAA) Board retreat, and to report the details of the retreat to the MTS Board. The retreat was intended to be a familiarization for the seven new SDCRAA Board members and was an information-only session. Board members in attendance: Chairman Alan Bersin, Bob Watkins, Jim Desmond, Bruce Boland, Ramona Finella and Paul Nieto. The topics of discussion: authority history, overarching goals, process for airport planning, regional planning issues, next retreat objectives.

Chairman Mathis addressed the Board members during the planning discussion and emphasized the following points:

- Both the airport and MTS share the goal of wanting a seamless interface of airport operations with public transportation.
- MTS should be included on the "ground floor" in deciding the airport's future.
- While long-range transit planning and engineering were ceded to SANDAG, the Authority should recognize the importance of the functions performed by the transit operating entities, as SANDAG already does.
- MTS should be included in future airport planning efforts.

Bersin observed that the airport faces regional needs but that there is no regional framework with which to address them. He stressed that the Authority must persuade the San Diego community of the need for the 10-gate expansion of Terminal 2 in the short term and that it does not constrain longer term considerations such as a redesign of the airport. He said that there should be a focus on only 2 phases—now through 2015 and 2015-2030. He and most other members discussed the benefits of a north side (Pacific Highway) transportation center or passenger terminal in relieving congestion on Harbor Drive, but member Watkins said this needs to be done without losing revenue.

Bersin repeated the need for Authority staff to more proactively engage SANDAG and MTS to obtain their input on the elements of the "2015 plan". He also called for policy maker-to-policy maker contact, not just staff-to-staff, and stressed the importance of timing the implementation of plans by the airport with those of other agencies.





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)

February 15, 2007

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 January 9, 2007, through February 5, 2007.

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



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.

Agenda Item 61
Chief Executive Officer's Report

February 15, 2007

Contracts

Organization	Subject	Amount
BOSA DEVELOPMENT CORP	LICENSE FOR TIE BACKS AND PIPELINE	(\$7,000.00)
BOSA DEVELOPMENT CORP	EASEMENT FOR BUILDING ENCROACHMENT	(\$3,500.00)
OMEGA INDUSTRIAL MARINE	PROPERTY	(\$2,400.00)
AMG DEMOLITION	RIGHT OF ENTRY BLDG DEMO LEMON GROVE CROSSING	(\$1,350.00)
THE SAN DIEGO RIVER PARK FOUND	RIGHT OF ENTRY TO PAINT MURAL AT MORENA VISTA	(\$500.00)
AMERICA PLAZA OWNER'S ASSOC	UNANIMOUS WRITTEN CONSENT OF MEMBERS	\$0.00
HANSON AGGREGATES	CLARIFYING LESSEE'S RESPONSIBILITIES	\$0.00
CALTRANS	AMENDMENT TO DBE RACE-NEUTRAL PROGRAM	\$0.00
SANDAG	ASSIGNMENT OF PADILLA SERVICES FOR DBE	\$0.00
CITY OF SAN DIEGO	DEDICATION OF PORTION OF RAIL CT SAN YSIDRO	\$0.00
CARRIZO GORGE RAILWAY, INC	EXERCISE OPTION TO EXTEND CONTRACT	\$0.00
US CUSTOMS AND BORDER PROTECTION	AGMT TO USE RIGHT-OF-WAY FOR LAW ENFORCEMENT	\$0.00
CITY OF SAN DIEGO	DEDICATION OF PORTION RAIL CT SAN YSIDRO	\$0.00
RAIL AMERICA	EXERCISE SECOND TEN-YEAR OPTION	\$0.00
CITY OF SAN DIEGO	GRANT OF WATER EASEMENT RAIL CT SAN YSIDRO	\$0.00
SAN DIEGO STATE UNIVERSITY	BUS TRANSIT CTR EASEMENT @ SDSU TO MTS	\$0.00
SAN DIEGO STATE UNIVERSITY	EASEMENT FOR CAMPUS ENTRANCE FROM MTS 2 SDS	\$0.00
SAN DIEGO STATE UNIVERSITY	LRT EASEMENT FOR SDSU STATION SDSU TO MTS	\$0.00
CARRIZO GORGE RAILWAY	CONFIDENTIALITY AGREEMENT	\$0.00
CITY OF CHULA VISTA	CONSOLIDATION OF BUS SERVICE	\$0.00
ASPLUNDH CORP	TREE TRIMMING SERVICE	\$3,570.00
BARRETT PUMP	REPLACE LRV CAR WASH PUMPS	\$3,806.81
HIGHFILL TRANSPORTATION	CONSULTANT FOR AMTRAK TRAIN	\$5,000.00
MTI TECHNOLOGY CORP	SERVICES FOR STORAGE SYSTEM	\$5,850.00
COMPUTER MASTERS	4 B/W PRINTERS	\$6,344.91
HITEC ENTERPRISES	SUPPORT ROLLER BRACKET	\$7,520.95
BANK OF NEW YORK	ESCROW AGMT DEBT SERVICE PAYOFF	\$9,325.00
ASBURY ENVIRONMENTAL	OILY WATER/SLUDGE PUMP	\$10,187.50
PC MALL	25 COMPUTER MONITORS	\$14,759.90

Agenda Item 61
Chief Executive Officer's Report

February 15, 2007

Contracts

SOLONA TECHNOLOGIES	SPAM FILTER SERVER	\$14,982.40
DELL	NEW COMPUTERS	\$20,090.71
TRI-SIGNAL INC	FIRE ALARM SYSTEM TESTING AND MAINTENANCE	\$26,400.00
PADILLA & ASSOCIATES	DBE/EEO/LABOR COMPLIANCE CONSULTANT	\$32,000.00
ALLIED WEED CONTROL	VEGETATION CONTROL	\$35,009.40
GIM GENERAL ENGINEERING	DEMOLITION OF YARD SUBSTATION	\$35,600.00
SAFETRAN SYSTEMS	PSO TRACK CIRCUIT KITS	\$42,113.01
MANERI SIGN COMPANY	BUS STOP SIGNS	\$42,938.38
RPM MATERIAL HANDLING	PURCHASE 2 FORKLIFTS	\$43,315.05
SOUTHCOAST HEATING & AIR CONDITIONING	HVAC PREVENTATIVE MAINTENANCE	\$61,254.00
THE TICKET FACTORY	FY07/08 TRANSFER SLIPS	\$68,813.38
AAA PRINTING	PROVIDE PRINTING SERVICES FOR TAKE ONES	\$93,862.00
SIEMENS TRANSPORTATION	TOOLS AND EQUIPMENT FOR BRAKE SHOP	\$94,229.00

Agenda Item No. 61
Chief Executive Officers Report

February 15, 2007

Purchase Orders

Organization	Subject	AMOUNT
ELECTRO SPECIALTY SYSTEMS	UPGRADE CCTV SYSTEM	\$2,310.00
SIGN A RAMA	MTS BOARD ROOM SIGN	\$2,326.32
MICHAEL ALLEN AND ASSOCIATES	10 BUS KINGS FOR MTS CAREER FAIR	\$2,400.00
DIMENSIONAL SILKSCREEN	10 BUS KINGS FOR MTS HIRING	\$1,131.38
MARCINIAK PAINTING	SANDBLAST & GRAFFITI COAT WALL	\$3,800.00
BORDEAUX PRINTERS INC	TROLLEY PUNCH OUT BANK	\$2,867.23
AJILON PROFESSIONAL STAFFING	TEMPORARY PURCHASING CLERK POSITION	\$8,400.00
PRINT SYSTEMS	BUSINESS CARDS	\$932.43
SIGN A RAMA	MTS LOGO FOR RECEPTION DESK	\$851.23
REID & CLARK SCREEN ART	SHELTER KIOSK INSERTS	\$1,939.50
BROWN & BIGELOW	CANDY MINT PACKETS WITH MTS LOGO	\$369.80
ADCENTIVE GROUP	MTS PINS	\$2,335.81
BROWN & BIGELOW	CUSTOM CHOCOLATE	\$1,664.74
SOUTHWESTERN COMMUNITY COLLEGE	1 SPOT COLOR AD	\$1,050.00
MULTICARD SYSTEMS	COLOR RIBBONS KIT	\$2,348.95
REID AND CLARK SCREEN ART	ALUMINUM BUILDING SIGN	\$1,535.44
BROWN & BIGELOW	VINYL KEY CHAINS	\$3,695.40
RUSH PRESS	MTS NEWSLETTER	\$28,068.00
ACTCOM SECURITY	ID CARDS AND RIBBON	\$993.94