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San Diego, CA 92101-7490
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03-02-07 A09:33 IN

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.

March 8, 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 (ADLs) are available from the Clerk of the Board/Assistant Clerk of the Board prior to the meeting and are to be returned at the end of the meeting.

FINANCE WORKSHOP - 8:00 a.m.

ACTION RECOMMENDED

1. Roll Call

2. MTS: FY 2008 Budget Development

Possible Action

Action would receive a report on the FY 2008 operating budget and provide guidance.

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 - February 15, 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: Audit Report on San Diego Transit Corporation's Revenue Process Receive
Action would receive the internal audit report on San Diego Transit Corporation's revenue process.
7. MTS: Audit Report on Taxicab Administration Receive
Action would receive the internal audit report on Taxicab Administration.
8. MTS: Investment Report Receive
Action would receive a report for information.
9. MTS: Office of Homeland Security Grant Applications Approve
Action would approve Resolution No. 07-3 authorizing the CEO to submit applications and request reimbursements for Transit Security Grants Program funding.
10. MTS: Federal 5311 (f) Intercity Bus Program Grant Application Approve
Action would approve Resolution No. 07-4 authorizing the CEO to submit applications for three Federal 5311 (f) Intercity Bus Program grant applications: (1) to support FY 08 operating-subsidy costs for rural services; (2) for the East County Bus Maintenance Facility (ECBMF) Vehicle Steam Facility; and (3) for ECBMF security gates and cameras.
11. MTS: Budget Transfers and Construction Management Contract Amendment for Mission Valley East Approve
Action would authorize the CEO to: (1) transfer funds between various Mission Valley East Light Rail Transit (MVE LRT) Project budget line items to provide funding for the proposed contract actions and fund negative line items; (2) execute Contract Amendment No. 45 (MTS Doc. No. L6343.44-01) with Washington Group International (WGI) for Construction Management (CM) services on the MVE LRT Project, including extension of the CM services through June 30, 2007; and (3) execute Amendment No. 1 to Work Order No. 07.22 (MTS Doc. No. L0606.6-02; 07.22.01) with Bureau Veritas North America, Inc., formerly Berryman & Henigar, Inc., for General Engineering Consultant services on the MVE LRT Project, including extension of such services to September 17, 2007.

12. MTS: Capital Improvement Program Budget Transfers Approve
Action would forward a request to the San Diego Association of Governments (SANDAG) Board of Directors to approve a transfer of funds to the Light Rail Transit (LRT) Station Shelter Replacement Program from the Capital Needs Assessment Project.

CLOSED SESSION

24. a. MTS: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Possible Action
Pursuant to California Government Code Section 54956.9(a) City of National City v. Metropolitan Transit System Superior Court Case No. GIC 880322

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. MTS: C Street Master Plan Possible Action
Action would receive an update regarding the Centre City Development Corporation's (CCDC's) C Street Master Plan.
31. MTS: Update on Regional Compass Card Project
Action would : (1) receive an update on the Compass Card Project; and (2) authorize the CEO to use the interest earned on the debt proceeds in the project fund for increasing the Regional Automated Fare Collection (AFC) Technology Project budget. Approve

REPORT ITEMS

45. MTS: Second Quarter 2007 Performance Indicators Receive
Action would receive a report for information.
60. Chairman's Report Possible Action
61. Chief Executive Officer's Report Information
62. Board Member Communications
63. Additional Public Comments Not on the Agenda Possible Action
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments.
64. Next Meeting Date: March 22, 2007
65. Adjournment

Submitted by: D. Bridge

Remove On: 3/8/07

Return to Submitter: G. Williams

OR (Pick One)

Retain in Posting File: _____

METROPOLITAN TRANSIT DEVELOPMENT BOARD
FINANCE WORKSHOP

ROLL CALL

MEETING OF (DATE): 3/8/07

CALL TO ORDER (TIME): 8:09 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"/> | | |
| CLABBY | <input checked="" type="checkbox"/> (Selby) <input type="checkbox"/> | | |
| EMERY | <input type="checkbox"/> (Cafagna) <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| EWIN | <input checked="" type="checkbox"/> (Allan) <input type="checkbox"/> | 8:23 a.m. during AI 2 | |
| FAULCONER | <input type="checkbox"/> (Hueso) <input type="checkbox"/> | | <input checked="" type="checkbox"/> |
| HANSON-COX | <input checked="" type="checkbox"/> (Lewis) <input type="checkbox"/> | | |
| MAIENSCHIN | <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"/> | 8:12 a.m. during AI 2 | |
| 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"/> | | |
| 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

Jeffrey

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.

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL**

MEETING OF (DATE): 3/8/07

CALL TO ORDER (TIME): 9:00 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:07 a.m.

RECONVENE: 9:40 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 10:34 a.m.

| BOARD MEMBER (Alternate) | | | | PRESENT (TIME ARRIVED) | ABSENT (TIME LEFT) |
|--------------------------|-------------------------------------|------------|-------------------------------------|------------------------------------|-------------------------------------|
| ATKINS | <input checked="" type="checkbox"/> | (Hueso) | <input type="checkbox"/> | | |
| CLABBY | <input checked="" type="checkbox"/> | (Selby) | <input type="checkbox"/> | | |
| EMERY | <input type="checkbox"/> | (Cafagna) | <input checked="" type="checkbox"/> | 9:05 a.m. during Consent Agenda | |
| 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 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"/> | | |
| RYAN | <input type="checkbox"/> | (B. Jones) | <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

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Dick Hoverson

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

February 15, 2007

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

Finance Workshop – 8:00 a.m.

1. Roll Call

Vice Chairman Rindone called the meeting to order at 8:11 a.m. A roll call sheet listing Board member attendance is attached.

2a. MTS: Midyear Adjustment and FY 2008 Budget Development (FIN 310.1, PC 50601)

Mr. Paul Jablonski, MTS CEO, advised the Board that MTS is currently about \$2 million under its FY 2007 budgeted level. He stated that the Board is being asked to make a budget adjustment to transfer these surplus funds to reserves and adjust the budget accordingly. He stated that this savings is primarily due to fuel prices that are lower than budget. He advised the Board that it appears, at this early point in the budgeting process, that the FY 2008 budget will have a shortfall of \$3 million to \$4 million. He stated that this shortfall is primarily due to the Governor's proposed budget, which severely limits State Transit Assistance (STA) funding. He stated that, if the funding is restored during the State's budget process, MTS's shortfall would be significantly reduced.

Mr. Larry Marinesi, MTS Budget Manager, provided a recap of the elements of the FY 2007 Midyear adjustment. He also reviewed FY 2008 preliminary operating revenues, preliminary assumptions, and preliminary issues and policy decisions. Mr. Marinesi pointed out that the midyear adjustment for revenues from the parking agreement with the Padres is only \$45,000 for FY 2007 (revenue for six months), but will be \$90,000 (annualized) for FY 2008 and after. He pointed out that the Inland Breeze Subsidy Reduction of \$570,000 is the funding MTS receives from FasTrak revenues.

In response to a question from Mr. Monroe, Mr. Marinesi explained that the midyear adjustment of \$1,631,000 for Multimodal Operations Operating Revenue is due to the absorption of National City Transit service that was not anticipated in the FY 2007 budget. In response to another question from Mr. Monroe, Mr. Marinesi explained that some of the midyear adjustment of \$1,792,000 in Subsidy Revenue Increases will be an ongoing stream of revenue, and some, such as Section 5311 funds, are granted through a competitive process. Mr. Jablonski pointed out that if Section 5311 funds are not granted for a particular service, then that service could be potentially eliminated. Mr. Marinesi also explained for Mr. Monroe that the Transit Services Sick/Vacation Payouts item consists of sick leave and vacation payouts upon an employee's retirement, and that Transit Service Operator Wages were higher than budgeted because of overtime costs.

Mr. Rindone stated that the school district has a policy that places a limit on the amount of sick leave and vacation that can be accumulated by an employee. Mr. Telfer reported that unionized

employees have a limit that is negotiated under the labor agreement. In response to a question from Mr. Ewin, Mr. Tom Lynch, MTS Controller, reported that staff takes MTS's liability for accrued sick leave and vacation into consideration when developing the budget. Mr. Marinesi explained in response to questions from Mr. Ewin and Mr. Monroe, that the Consolidated Pension Adjustment was necessary to address a miscalculation of SDTC's contribution to the San Diego Transit Employees Pension Plan.

Mr. Marinesi then reviewed preliminary revenue figures, historical fuel price information and projections, as well as preliminary assumptions for revenue miles, total miles, revenue hours, and passenger boardings. He reported that while STA funding is projected to be \$2.6 million lower in FY 2008 than FY 2007, TransNet is projected to be \$662,000 higher, and Transportation Development Act (TDA) is projected to be \$2.5 million higher. Mr. Ewin requested that staff provide the Board with the impact on the budget of a one-cent increase in fuel prices.

In response to a question from Mr. Monroe regarding the subsidy on Inland Breeze service, staff explained that the service provided by the Inland Breeze has been folded into other routes that carry more passengers. In response to a question from Mr. Ewin, Mr. Jablonski explained that MTS will only realize four months of savings in its FY 2007 budget because the National City changes are not being implemented until March 1. He projected an annual savings as a result of this action of \$560,000. He added that the savings are being reinvested in more productive service. Mr. Jablonski confirmed for Mr. Roberts that MTS is not paying rent on any other transit facilities such as it was paying to National City. He also clarified for Mr. Roberts how MTS is handling the accounting for the revenues received from the Padres for parking privileges in the MTS Mills Building parking structure.

Mr. Ewin requested that staff meet with him to discuss the math on the Consolidated Pension Adjustment. In addition, Mr. Ewin pointed out that less was budgeted for security in FY 2007 than was actually expended in FY 2006. He stated that he would therefore like to get more detail about how MTS is projecting security expenses. He stated that he would like to see how MTS is allocating those dollars and the goal. As requested by Mr. Rindone, Mr. Jablonski stated that both the security and the Consolidated Pension Adjustment issues will be brought back to the Budget Development Committee. Mr. Ewin withdrew this request to meet separately with staff to discuss this issue until after the requested presentation on this item.

In response to a question from Mr. Roberts, Mr. Jablonski explained that MTS has combined sick leave and vacation, but these two items are not combined for unionized employees. He stated that this item is part of collective bargaining agreements. Mr. Roberts requested that staff consider combined sick leave and vacation in future negotiations.

Action Taken

Mr. Ewin moved to (1) approve the combined MTS FY 2007 midyear adjustment (Resolution No. 07-2, Attachment A of the agenda item); and (2) receive the following MTS reports: FY 2008 Preliminary Operating Revenue, FY 2008 Preliminary Assumptions, and FY 2008 Preliminary Issues/Policy Decisions. Mr. Monroe seconded that motion, and the vote was 11 to 0 in favor.

3. Public Comment

There was no Public Comment.

Board Meeting – 9:00 a.m.

4. a. Roll Call

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

Chairman Mathis introduced Steve Schmidt of the San Diego Union-Tribune and explained that Mr. Schmidt replaces Jeff Ristine, who changed beats. Mr. Monroe introduced his new alternate, Carrie Downey, and provided the Board with an overview of her background. He stated that she was recently appointed to lead SANDAG's committee that will consider how TransNet environmental mitigation funds should be used.

b. Approval of Minutes

Mr. Emery moved to approve the minutes of the January 28, 2007, Board of Directors meeting. Ms. Atkins seconded the motion, and the vote was 11 to 0 in favor.

c. Public Comment

Chuck Lungerhausen: Mr. Lungerhausen requested sponsorship donations for the 2007 MS Walk and thanked Board members for their support in previous years. He pointed out that his Letter to the Editor regarding the need for an increase in the sales tax of half a cent to be used to purchase low-floor trolley cars appeared in the Union-Tribune recently. He requested that elected officials support this idea.

Don Stillwell: Mr. Stillwell reported that there appears to be a problem with the volume level on recent Executive Committee and Board meeting recordings. He asked if there was a standard to be met in this regard. Mr. Mathis clarified that the audio of the most recent tape provided for Mr. Stillwell was adequate when played on MTS's equipment.

CONSENT ITEMS

6. MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Report and Ratify Actions Taken by the SD&AE Railway Company Board of Directors at Its January 23, 2007, Meeting (SD&AE 710.1, PC 50771)

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

7. MTS: State Transit Assistance Claim Amendment FIN 340.2, PC 50601)

Recommend that the Board of Directors adopt Resolution 07-1 (Attachment A of the agenda item) amending the FY 2007 State Transit Assistance claims.

8. SDTI: Right-of-Way Vegetation Control Services Contract Amendment (OPS 970.6)

Recommend 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 of the agenda item) 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.

9. MTS: Trapeze Software Group, Inc. – Contract Amendment (OPS 980.5, PC 30117)

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

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

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

11. MTS: Creative Development and Image Advertising Services (MKPC 620, PC 50551)

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

12. MTS: SDTI Yard Security Project (CIP 11210)

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

Recommended Consent Items

In response to some questions from Mr. Monroe regarding the capability to run reports using the Trapeze software being approved under Agenda Item No. 9, Ms. Susan Hafner, Director of Multimodal Operations, reported that this particular software is used for scheduling purposes, not performance monitoring or planning purposes. She added that there is nothing within the industry that is more effective than what MTS is using today.

Ms. Atkins requested that staff present at a future meeting a brief report on MTS's marketing activities, in particular with regard to direct mail by geographic area and to support changes made during the Comprehensive Operational Analysis (COA). She stated that this request is not urgent.

Mr. Monroe moved to approve Consent Agenda Item No. 6, 7, 8, 9, 10, 11, and 12. Ms. Atkins seconded the motion, and the vote was 11 to 0 in favor.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

DISCUSSION ITEMS

30. MTS: Kobey Corporation Master Concessionaire Contract Extension (OPS 970.6)

Mr. Peter Tereschuck, SDTI President-General Manager, provided the Board with a brief overview of this item. He stated that staff is recommending a four-month extension of the existing contract, which expired in February 2007. He stated that this contract does not include soda machines or pay phones.

Action Taken

Mr. Young moved to authorize a four-month extension of the existing Master Concessionaire contract with Kobey Corporation (SDTI Doc. No. C.A.007.0-02 – Attachment A of the agenda item). Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

REPORT ITEMS

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

Mr. Marinesi reported on the total combined net operating subsidy variance and also reviewed operating revenues and costs for FY 2007 through December 31, 2006.

Action Taken

Mr. Young moved to receive the MTS Year-to-Date Operations Budget Status Report through December 2006. Mr. McLean seconded the motion, and the vote was 11 to 0 in favor.

47. MTS: Leon William Station Dedication Working Group Report (ADM 110, PC 50101)

Ms. Sharon Cooney, MTS Director of Governmental Affairs and Community Relations, provided an overview of the activities of the working group for the Leon Williams Station Dedication. She reviewed the decision-making process that was used to identify a location at the SDSU Station, select an artist, determine what type of display would be commissioned, and how funding would be raised. She provided visuals of the location selected. She reported that the working group has decided on a full-size, bronze sculpture and that the sculpture would be on a pedestal with a plaque detailing Mr. William's accomplishments. Ms. Cooney reported that a local artist, Jess Dominguez, was selected and showed some examples of his work.

Action Taken

Mr. Young moved to receive a report on the efforts to date in regard to dedicating the San Diego State University Station to former Board Chairman Leon Williams. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

CLOSED SESSION:

24. Closed Session Items (ADM 122) *(Taken Out of Order)*

The Board convened to Closed Session at 9:29 a.m.

- a. MTS: 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 Government Code Section 54957
- c. MTS: CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9: Stella Reed v. MTS Et. Al. (Claim Number 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.

The Board reconvened to Open Session at 11:18 a.m.

Oral Report of Final Actions Taken in Closed Session

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

- a. The Board received a report from the agency-designated representative.
- b. Board approved a \$22,000 salary increase and a \$10,000 bonus.
- c. The Board received a report from outside counsel. County and City of San Diego representatives were not present for the discussion of this item.
- d. The Board received a report from outside counsel.

DISCUSSION ITEMS (Continued)

45. **SDTI: Chargers Football 2006 Year-End Summary** (OPS 970) (*Taken Out of Order*)

Mr. Tom Doogan, SDTI Special Events Coordinator, provided the Board with data on trolley ridership to Chargers Football games. Mr. Doogan reviewed game attendance and Trolley ridership, manual ticket sales history, booth sales, and ridership trends. He reported that Grantville Trolley Station has become increasingly popular with fans due to parking capacity, freeway access, and visibility. Mr. Doogan also reviewed recent enhancements that have been made to improve customer service, e.g. directional signs, an eastbound express lane for passenger postgame boarding of the trolley, and video broadcasts displayed outside.

Mr. Roberts reported that he has observed people waiting at stations to board as trolleys pass by without stopping because they were full. Mr. Tereschuck stated that that situation could be improved by adding a crossover, but that it would cost \$300,000 to \$400,000. Staff pointed out that passengers tend to cluster in a 40-minute period before the game. Mr. Jones suggested using an express bus to help alleviate the problems created by the high number of passengers attempting to board around the same time. Mr. Doogan pointed out that trolley frequency is every four to five minutes for this service, so crowding is alleviated quickly and efficiently. He stated that buses would be subject to traffic conditions on the road.

In response to a question from Mr. Roberts, Mr. Tereschuck explained that San Diego Trolley transports more people to the game than from the game, which accounts for the high number of one-way tickets. Mr. Roberts expressed concern that fare evasion might be the reason for the one-way tickets. Mr. Tereschuck reported on recent actions that have been taken to add security in areas where passengers have been trying to circumvent the fare inspection process. Mr. Roberts stated that he felt more could be done in this area. He also stated that the barriers being used to control the flow of people in the stadium parking lot are not very effective.

Action Taken

There was no quorum at this time so no action was taken.

48. MTS: Comprehensive Operational Analysis (COA) Implementation Update (SRTP 805.1, PC 20484)

Mr. Conan Cheung, Director of Planning and Scheduling, reviewed the performance of routes changed in June and September 2006 as part of the implementation of the COA. He reviewed the effected areas and routes reporting on productivity and on-time performance for each. He also reviewed minor service adjustments that have been made and reported that red curb has been extended so there are now separate layover locations for Route Nos. 13 and 14. He also provided an overview of schedule improvements that were made in January 2007 and reviewed routes on which running time was added. He reported that 34 hours total have been added and that this added running time was balanced out by reductions in weekend service.

In response to a question from Mr. Clabby about the effect of lift boardings on on-time performance, Mr. Cheung reported that staff now has the ability to get real-time data per trip by segments, and therefore these types of factors can be taken into consideration. Mr. Clabby stressed that lift boardings slow down operating schedules and that factor needs to be considered when writing schedules.

Public Comment

Andrew Bailey: Mr. Bailey objected to the current routing of Route No. 13 and the fact that the route no longer serves the Grantville Trolley Station. He pointed out that Grossmont Trolley Station has no drinking fountain or bathrooms. He stated that these problems could be having a negative affect on ridership in East County.

Clive Richard: Mr. Richard complimented Mr. Cheung on the COA. He also stated that Mr. Cheung answers his questions and is interested in providing him with the information he needs. He stated that he would love to have additional service but understands that there are competing needs for the funding. He stated that the COA is a work in progress and a good first step.

Action Taken

There was no quorum at this time so no action was taken.

60. Chairman's Report

San Diego County Regional Airport Authority Board Retreat: Chairman Mathis reported that he attended this retreat and pointed out that a summary of the meeting had been placed at the table prior to the start of the meeting.

511: Chairman Mathis pointed out that Board members have also been provided with an invitation to the launch of the new 511 phone and web service on Wednesday, February 21, 2007.

61. Chief Executive Officer's Report

Mission Valley East Award: Mr. Jablonski advised the Board that the Mission Valley East Light Rail Transit Extension Project recently received an award as Project of the Year for the State of California from the American Society of Civil Engineers. He stated that this project competed with 25 other projects and will now proceed to the national level. Mr. Ewin requested that

awards be displayed when they are announced. Mr. Jablonski stated that the Green Line is carrying about 20,000 passengers per day, and pass sales are up by about 21 percent.

APTA CEO's Conference – Tempe, Arizona: Mr. Jablonski reported that he recently attended this conference. He stated that he participated in the Rail as well as the Bus and Paratransit CEO Committee meetings, and that the technical and effective leadership sessions that he also attended were very beneficial.

Joint Legislative Trip: Mr. Jablonski advised the Board that he, along with staff from SANDAG and North County Transit, were in Washington, D.C. earlier in the week to meet with members of congress and senators to discuss the joint legislative agenda. He stated that it was stressed during these meetings that funding is needed for the purchase of buses and for rail infrastructure and rebuilding of the Blue Line.

62. Board Member Communications

There were no board member communications.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

64. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, March 8, 2007, starting at 8:00 a.m. with a Finance Workshop and at 9:00 a.m. for the regular Board meeting in the same location.

65. Adjournment

Chairman Mathis adjourned the meeting at 12:10 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
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 | |
| MAIENSCHIN | <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.

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]



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

Agenda

Item No. 2

MTS OPERATORS FINANCE WORKSHOP

FIN 310.1 (PC 50601)

March 8, 2007

SUBJECT:

MTS: FY 2008 BUDGET DEVELOPMENT

RECOMMENDATION:

That the MTS Board of Directors receive a report on the FY 2008 operating budget and provide guidance.

Budget Impact

None at this time.

DISCUSSION:

FY 2008 PRELIMINARY REVENUE

Attachments A through F provide an updated projection of MTS's projected fiscal year 2008 operating revenues, nonoperating revenues, and statistics. As indicated within Attachment B, the total recurring and nonrecurring revenues (excluding debt service and lease/leaseback revenues) for operating purposes increased \$5,088,000 or 2.4%.

Fiscal Year 2008 Preliminary Operating Revenue

Attachment C provides detailed preliminary operating revenue projections by operator for fiscal year 2008, which are based upon the projected operating fiscal year 2008 statistics.

Combined passenger revenues are projected to increase \$1,294,000 or 1.8 percent, compared to fiscal year 2007 midyear levels. Internal bus operations are projected to contribute \$722,000, rail operations are projected to produce an additional \$753,000, Multimodal Operations is projected to add \$587,000, Chula Vista Transit is adding \$124,000, and National City Transit's (-\$892,000) operating revenue ceases in fiscal year 2008.



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.

Other income, including advertising and contracted services revenue, is projected to decrease by \$77,000 or -2.0%.

Fiscal Year 2008 Preliminary Nonoperating Revenue

As indicated within Attachment B, recurring and nonrecurring revenues are projected to rise \$5,088,000 or 2.4 percent. This assumes the stable \$23,200,000 usage of preventative maintenance (operations) rather than capital purchases as has been done historically. These funds are then not available for capital needs.

The relatively modest increase is due to the following:

- Federal levels for operating purposes have increased by \$1,011,000. This is primarily driven by additional Jobs Access and Reverse Commute (JARC) funds secured for fiscal year 2008 (\$786,513) as well as additional federal 5311 funds supporting MTS Paratransit services (\$224,000 more than FY 07 midyear levels).
- Transportation Development Act (TDA) revenues are projected to increase by \$2,606,000 or 3.3%.
- In fiscal year 2007, the total amount of State Transit Assistance (STA) funds totaled \$28,633,136. Internally, MTS distributed \$11.0 million to the operating budget (based upon the "recurring" portion of STA) and just over \$17.6 million to the capital budget (based upon the spillover funding and Proposition 42 payback). STA funding levels are projected to decrease compared to fiscal year 2007 midyear levels to \$8,390,000 in FY 08. This is \$2,636,000 less than fiscal year 2007 midyear-budgeted recurring funding levels and over \$20.2 million less than the total STA funding from 2007. According to the Governor's budget proposal as it currently stands, spillover money and the Proposition 42 payback are not expected to 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. See Attachment F for a detailed look at the comparison of fiscal years 2007 and 2008.
- Other state revenues are projected to increase by approximately \$12,000 to \$2,190,000. Medical (\$2,000,000) and the California Department of Transportation (Caltrans) mitigation funding for Sorrento Valley (\$190,000) are the components of this revenue category.
- Attachment F details the TransNet funding level comparison. Total fiscal year 2008 is projected at \$20,031,000. This is compared to the total fiscal year 2007 TransNet levels at \$19,369,000 (3.4%). In fiscal year 2007, the MTS Board approved a shift of \$2,019,000 in TransNet recurring revenues to the fiscal year 2008 CIP. Attachment F represents the operating funding level change of \$2,681,000 (\$20 million in FY 08 versus \$17.3 million operating usage in FY 07).
- Other local subsidies are projected to increase by approximately \$62,000 to \$1,468,000. The City of San Diego (\$429,000), Air Pollution Control District (APCD) (\$539,000), and FasTrak-generated revenues (\$500,000) represent the total. Note that the original FasTrak funding levels were \$1,020,000 in fiscal year 2007 as discussed at MTS's February 15, 2007, Finance Workshop.

FISCAL YEAR 2008 UPDATED ASSUMPTIONS/STATISTICS

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

MTS PENSION

As a follow up to the MTS Board request at the February 15, 2007, Finance Workshop, the following is an explanation of the \$549,000 unfavorable pension adjustment for the approved 2007 midyear budget.

When the calculation of the pension obligation takes place for all three agencies (MTS, San Diego Transit Corporation [SDTC] and San Diego Trolley, Inc. [SDTI]), we first identify the separate plans and the variables that are contained within each plan.

- MTS – CalPERS
- SDTI Management – CalPERS/PARS
- SDTI Hourly – CalPERS
- SDTC – Self Insured Plan/Pension Obligation Bonds

These plans are not completely uniform within the obligation calculation. The CalPERS/PARS plans calculate the total pension obligation as the total projected employer contribution rate multiplied by 2,080 hours for each employee. SDTC's pension plan differs as the calculation does not cap at the total of 2,080 hours, but **all** paid hours. All overtime, vacation, holiday, and sick time are included within this calculation. When the original calculation took place in fiscal year 2007, these hours within the formula were excluded in determining the pension obligation. These calculations were identified and corrected at the FY 07 midyear adjustment and will be correct moving forward.

SECURITY

At the February 15, 2007, MTS Finance Workshop, a Board member requested information regarding the security budget over the past couple of years and how that translated into security services.

In fiscal year 2006, there were several events that translated into higher-than-anticipated expenses than previously expected.

- Terrorism Alert Response Program (TARP) was activated due to the bombings in London. For two weeks, MTS paid time-and-a-half and double-time rates to maintain the additional deployment.
- The opening of the new Green Line took place early within fiscal year 2006. The Green Line was not only a line extension that generated increased ridership, but it also created new operational and ridership patterns. There was now a complex triangle of coverage needed where one did not previously exist. In addition to PETCO Park, there were now several directions to access the Green Line and Qualcomm Stadium. Special events could have occurred at three transit centers simultaneously (PETCO, Qualcomm, and San Diego State University) and a special events officer pay grade had not yet been established.

- Street Scene was held at a new venue (Qualcomm Stadium) requiring more security coverage. Heritage Security did not have enough special events personnel (who were paid less than a security officer) and Heritage was not required to provide special events personnel because it was not stated in its contract. MTS was forced to supplement the events with security officers who were paid time-and-a-half and double-time rates to cover the deployment.
- PETCO Park events include 82 home games and concerts. MTS encountered the same problems during fiscal year 2006 with staffing this venue with special events personnel as it did with Street Scene.
- Using security officers dramatically increased the cost of events coverage.

In fiscal year 2007, a new security contract was executed with Heritage effective February 2006. As part of the negotiations, MTS added a special events officer classification at a lower hourly rate than a regular full-time security officer as used in years past. Special events officers have been utilized to the maximum, which had not been possible in the past. Operations staff is now able to manage security hours for special events with special events personnel. In some cases, Heritage has had to use security personnel, but MTS was billed at the lower special events officer rate. Some other highlights with regard to the newly executed contract:

- Exact number of maximum hours for each officer classification was specified in the new contract.
- Regular full-time officer deployment remained constant.
- Annual contract could not exceed \$5,000,000 per year per the MTS Board's authority.

Also in fiscal year 2007, there were no TARP activations.

In fiscal year 2007 and looking into fiscal year 2008, MTS has not and does not intend to reduce its field deployment or shift assignments. Unless certain conditions exist involving heightened terrorist alerts or other unforeseen conditions, field deployment will remain the same as in previous fiscal years.



Paul C. Jablonski
Chief Executive Officer

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

MARCH8-07.2.FW.08 BUDGET DEV.LMARINESI

Attachments: A. Operating Budget Revenue Summary FY 08 – Consolidated Version
B. Operating Budget Revenue Summary FY 08 – Functional Version
C. Operating Budget Operating Revenue Detail FY 08
D. Operating Budget Non Operating Revenue Detail FY 08
E. Operating Budget Operating Statistics FY 08
F. State Transit Assistance/TransNet Revenue Comparison

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

| | BUDGET FY07 | PROJECTED FY07 | BUDGET FY08 | DOLLAR CHANGE BUDGET/ PROJECTED | % CHANGE BUDGET/ PROJECTED |
|--------------------------------------|------------------------|---------------------------|------------------------|--|---|
| OPERATING REVENUE | | | | | |
| PASSENGER REVENUE | 70,865,316 | 71,970,598 | 73,264,728 | 1,294,130 | 1.8% |
| ADVERTISING REVENUE | 850,000 | 900,000 | 925,000 | 25,000 | 2.8% |
| CONTRACT SERVICE REVENUE | 30,000 | 30,000 | 30,000 | 0 | - |
| OTHER INCOME | 2,407,008 | 2,883,842 | 2,782,000 | (101,842) | -3.5% |
| Total Operating Revenue | 74,152,324 | 75,784,440 | 77,001,728 | 1,217,288 | 1.6% |
| SUBSIDY REVENUE | | | | | |
| FEDERAL REVENUE | 30,849,205 | 31,049,205 | 35,455,473 | 4,406,268 | 14.2% |
| TRANSPORTATION DEVELOPMENT ACT (TDA) | 79,708,903 | 79,708,903 | 83,129,925 | 3,421,022 | 4.3% |
| STATE TRANSIT ASSISTANCE (STA) | 11,026,100 | 11,026,100 | 8,389,706 | (2,636,394) | -23.9% |
| STATE REVENUE - OTHER | 8,160,071 | 9,720,218 | 2,189,882 | (7,530,336) | -77.5% |
| TRANSNET | 17,349,649 | 17,349,649 | 20,030,544 | 2,680,895 | 15.5% |
| OTHER LOCAL SUBSIDIES | 1,975,918 | 1,405,918 | 1,467,918 | 62,000 | 4.4% |
| Total Subsidy Revenue | 149,069,846 | 150,259,993 | 150,663,449 | 403,456 | 0.3% |
| OTHER REVENUE | | | | | |
| OTHER FUNDS | 16,945,908 | 16,945,908 | 11,415,186 | (5,530,722) | -32.6% |
| RESERVES REVENUE | 104,641 | 136,778 | 135,000 | (1,778) | -1.3% |
| Total Other Revenues | 17,050,549 | 17,082,686 | 11,550,186 | (5,532,500) | -32.4% |
| GRAND TOTAL REVENUES | 240,272,719 | 243,127,119 | 239,215,364 | (3,911,755) | -1.6% |

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

| | BUDGET FY07 | PROJECTED FY07 | BUDGET FY08 | DOLLAR CHANGE BUDGET/ PROJECTED | % CHANGE BUDGET/ PROJECTED |
|---|------------------------|---------------------------|------------------------|--|---|
| OPERATING REVENUE | | | | | |
| PASSENGER REVENUE | 70,865,316 | 71,970,598 | 73,264,728 | 1,294,130 | 1.8% |
| ADVERTISING REVENUE | 850,000 | 900,000 | 925,000 | 25,000 | 2.8% |
| CONTRACT SERVICE REVENUE | 30,000 | 30,000 | 30,000 | 0 | - |
| OTHER INCOME | 2,407,008 | 2,883,842 | 2,782,000 | (101,842) | -3.5% |
| Total Operating Revenue | 74,152,324 | 75,784,440 | 77,001,728 | 1,217,288 | 1.6% |
| SUBSIDY REVENUE | | | | | |
| FEDERAL REVENUE | 23,217,500 | 23,417,500 | 24,428,369 | 1,010,869 | 4.3% |
| TRANSPORTATION DEVELOPMENT ACT (TDA) | 78,943,303 | 78,943,303 | 81,549,745 | 2,606,442 | 3.3% |
| STATE TRANSIT ASSISTANCE (STA) | 11,026,100 | 11,026,100 | 8,389,706 | (2,636,394) | -23.9% |
| STATE REVENUE - OTHER | 617,892 | 2,178,039 | 2,189,882 | 11,843 | 0.5% |
| TRANSNET | 17,349,649 | 17,349,649 | 20,030,544 | 2,680,895 | 15.5% |
| OTHER LOCAL SUBSIDIES | 1,975,918 | 1,405,918 | 1,467,918 | 62,000 | 4.4% |
| Total Subsidy Revenue | 133,130,362 | 134,320,509 | 138,056,165 | 3,735,656 | 2.8% |
| NON RECURRING REVENUES | | | | | |
| USE OF BRT FUNDS | 0 | 0 | 0 | 0 | - |
| MISSION VALLEY EAST CAPITAL START UP | | | | 0 | - |
| FEDERAL CMAQ FOR MISSION VALLEY EAST | 4,569,305 | 4,569,305 | 4,706,384 | 137,079 | 3.0% |
| CARRYOVERS | | | | 0 | - |
| OTHER RESERVES (LAND MANAGEMENT/SD&AE) | 104,641 | 136,778 | 135,000 | (1,778) | -1.3% |
| CONTINGENCY RESERVES | | | | - | - |
| Total Non Recurring Revenues | 4,673,946 | 4,706,083 | 4,841,384 | 135,301 | 2.9% |
| SUBTOTAL RECURRING/NONRECURRING OPERATIONS | 211,956,632 | 214,811,032 | 219,899,277 | 5,088,245 | 2.4% |
| DEBT SERVICE/LEASE LEASEBACK REVENUE | 28,316,087 | 28,316,087 | 19,316,086 | (9,000,001) | -31.8% |
| GRAND TOTAL REVENUES | 240,272,719 | 243,127,119 | 239,215,364 | (3,911,755) | -1.6% |

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

| | BUDGET FY07 | PROJECTED FY07 | BUDGET FY08 | DOLLAR CHANGE BUDGET/ PROJECTED | % CHANGE BUDGET/ PROJECTED |
|-------------------------------------|-------------------|-------------------|-------------------|--|----------------------------------|
| <u>Passenger Revenue</u> | | | | | |
| Internal Bus Operations | 22,074,862 | 22,264,336 | 22,986,531 | 722,195 | 3.2% |
| Rail Operations - Base | 24,026,645 | 24,885,097 | 25,548,607 | 663,510 | 2.7% |
| Rail Operations - MVE | 4,550,694 | 2,978,064 | 3,067,406 | 89,342 | 3.0% |
| MCS - Fixed route | 14,939,000 | 16,677,365 | 17,196,213 | 518,848 | 3.1% |
| MCS - Paratransit | 1,468,000 | 1,761,107 | 1,829,397 | 68,290 | 3.9% |
| Chula Vista Transit | 2,506,116 | 2,512,924 | 2,636,576 | 123,651 | 4.9% |
| National City Transit | 1,300,000 | 891,705 | - | (891,705) | -100.0% |
| Coronado Ferry | - | - | - | 0 | - |
| Total Passenger Revenue | 70,865,316 | 71,970,598 | 73,264,728 | 1,294,130 | 1.8% |
| <u>Advertising Revenue</u> | | | | | |
| Internal Bus Operations | 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> | | | | | |
| Internal Bus Operations | 30,000 | 30,000 | 30,000 | 0 | - |
| Total Contract Service Revenue | 30,000 | 30,000 | 30,000 | 0 | - |
| <u>Other Income</u> | | | | | |
| Internal Bus Operations | 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 | 670,000 | (71,000) | -9.6% |
| Land Management | 580,897 | 580,897 | 750,000 | 169,103 | 29.1% |
| 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 | 77,001,728 | 1,217,288 | 1.6% |

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

| | BUDGET FY07 | PROJECTION FY07 | BUDGET FY08 | DOLLAR CHANGE BUDGET/ PROJECTED | % CHANGE BUDGET/ PROJECTED |
|--|----------------|--------------------|----------------|--|----------------------------------|
| <u>FEDERAL</u> | | | | | |
| FTA 5307 - Planning | 17,500 | 17,500 | 17,500 | 0 | - |
| FTA 5307 - CMAQ MVE | 4,569,305 | 4,569,305 | 4,706,384 | 137,079 | 3.0% |
| FTA 5307 - Operations (JARC/SVCC, etc.) | 0 | 0 | 0 | 0 | - |
| FTA 5307/5309 - Preventative Maintenance | 23,200,000 | 23,200,000 | 23,200,000 | 0 | - |
| JARC | 0 | 0 | 786,513 | 786,513 | - |
| FTA 5307 - Debt Service | 3,062,400 | 3,062,400 | 6,320,720 | 3,258,320 | 106.4% |
| FTA 5311 / 5311(f) - Rural | 0 | 200,000 | 424,356 | 224,356 | 112.2% |
| Total Federal Funds | 30,849,205 | 31,049,205 | 35,455,473 | 4,406,268 | 14.2% |
| <u>TRANSPORTATION DEVELOPMENT ACT (TDA)</u> | | | | | |
| TDA - Article 4.0 MTS Area | 67,286,573 | 67,286,573 | 75,655,553 | 8,368,980 | 12.4% |
| TDA - Article 4.0 MTS Area - Debt Service | 765,600 | 765,600 | 1,580,180 | 814,580 | 106.4% |
| TDA - Match | 0 | 0 | 0 | 0 | - |
| TDA - Article 4.5 (ADA) | 3,959,823 | 3,959,823 | 4,438,288 | 478,465 | 12.1% |
| TDA - Article 8.0 | 1,413,499 | 1,413,499 | 1,455,904 | 42,405 | 3.0% |
| TDA - Unallocated TDA Funds (CVT) | 0 | 0 | 0 | 0 | - |
| TDA - 10% and Administration | 6,283,408 | 6,283,408 | 0 | (6,283,408) | -100.0% |
| Total TDA Funds | 79,708,903 | 79,708,903 | 83,129,925 | 3,421,022 | 4.3% |
| <u>STATE TRANSIT ASSISTANCE (STA)</u> | | | | | |
| STA - Discretionary | 7,315,670 | 7,315,670 | 5,719,197 | (1,596,473) | -21.8% |
| STA - Formula | 3,710,430 | 3,710,430 | 2,670,509 | (1,039,921) | -28.0% |
| Total State Funds | 11,026,100 | 11,026,100 | 8,389,706 | (2,636,394) | -23.9% |
| <u>STATE REVENUE - OTHER</u> | | | | | |
| Caltrans | 217,892 | 178,039 | 189,882 | 11,843 | 6.7% |

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

| | BUDGET FY07 | PROJECTION FY07 | BUDGET FY08 | DOLLAR CHANGE BUDGET/ PROJECTED | % CHANGE BUDGET/ PROJECTED |
|--|--------------------|--------------------|--------------------|--|----------------------------------|
| MediCal | 400,000 | 2,000,000 | 2,000,000 | 0 | - |
| STIP - Debt Service (AFC) | 7,542,179 | 7,542,179 | 0 | (7,542,179) | -100.0% |
| Total State Funds | 8,160,071 | 9,720,218 | 2,189,882 | (7,530,336) | -77.5% |
| <u>TRANSNET</u> | | | | | |
| TransNet - 40% Operating Support | 16,734,926 | 16,734,926 | 19,386,245 | 2,651,320 | 15.8% |
| TransNet - BRT Capital Funds Shift | 0 | 0 | 0 | 0 | - |
| TransNet - Access ADA | 614,723 | 614,723 | 644,299 | 29,576 | 4.8% |
| Total TransNet Funds | 17,349,649 | 17,349,649 | 20,030,544 | 2,680,895 | 15.5% |
| <u>OTHER LOCAL</u> | | | | | |
| City of San Diego | 428,918 | 428,918 | 428,918 | 0 | - |
| SANDAG - Inland Breeze | 1,020,000 | 450,000 | 500,000 | 50,000 | 11.1% |
| APCD | 527,000 | 527,000 | 539,000 | 12,000 | 2.3% |
| Other | | | | 0 | - |
| Other Local Funds | 1,975,918 | 1,405,918 | 1,467,918 | 62,000 | 4.4% |
| <u>LEASE-LEASEBACK / RESERVES</u> | | | | | |
| Lease-Leaseback | 16,945,908 | 16,945,908 | 11,415,186 | (5,530,722) | -32.6% |
| Reserve Utilization | 104,641 | 136,778 | 135,000 | (1,778) | -1.3% |
| Total Lease-Leaseback / Reserves | 17,050,549 | 17,082,686 | 11,550,186 | (5,532,500) | -32.4% |
| TOTAL NON OPERATING REVENUE | 166,120,395 | 167,342,679 | 162,213,636 | (5,129,044) | -3.1% |

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> | | | | | |
| Internal Bus Operations | 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> | | | | | |
| Internal Bus Operations | 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 | 2.959 | (0.056) | -1.9% |
| Chula Vista Transit | 0.766 | 0.758 | 0.765 | 0.007 | 0.9% |
| National City Transit | 0.758 | 0.803 | n/a | - | - |
| Coronado Ferry | | | | | |
| | <u>0.843</u> | <u>0.836</u> | <u>0.831</u> | <u>(0.006)</u> | <u>-0.7%</u> |
| <u>Revenue Miles</u> | | | | | |
| Internal Bus Operations | 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> | | | | | |
| Internal Bus Operations | 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> | | | | | |
| Internal Bus Operations | 793,361 | 849,142 | 880,612 | 31,470 | 3.7% |
| 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>2,471,982</u> | <u>53,358</u> | <u>2.2%</u> |
| <u>Total Hours</u> | | | | | |
| Internal Bus Operations | 853,559 | 894,895 | 923,353 | 28,459 | 3.2% |
| 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>2,628,901</u> | <u>47,117</u> | <u>1.8%</u> |

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
STATE TRANSIT ASSISTANCE / TRANSNET SUBSIDY REVENUE ANALYSIS
FISCAL YEAR 2008**

| | BUDGET FY07 | PROJECTED FY07 | INITIAL FY08 BUDGET | DOLLAR CHANGE BUDGET/ PROJECTED | % CHANGE BUDGET/ PROJECTED |
|--|------------------------|---------------------------|------------------------------------|--|---|
| <u>STATE TRANSIT ASSISTANCE</u> | | | | | |
| Discretionary | 7,315,670 | 7,315,670 | 5,719,197 | (1,596,473) | -21.8% |
| Formula | 3,710,430 | 3,710,430 | 2,670,509 | (1,039,921) | -28.0% |
| Subtotal Recurring | 11,026,100 | 11,026,100 | 8,389,706 | (2,636,394) | -23.9% |
| Spillover / Proposition 42 | 17,607,036 | 17,607,036 | - | (17,607,036) | -100.0% |
| Grand Total STA | 28,633,136 | 28,633,136 | 8,389,706 | (20,243,430) | -70.7% |
| <u>TRANSNET</u> | | | | | |
| Operations | 17,349,649 | 17,349,649 | 20,030,544 | 2,680,895 | 15.5% |
| Capital | 2,019,119 | 2,019,119 | - | (2,019,119) | -100.0% |
| Grand Total STA | 19,368,768 | 19,368,768 | 20,030,544 | 661,776 | 3.4% |

Metropolitan Transit System FY 2008 Budget Development

Finance Workshop Meeting
March 8, 2007



Finance Workshop Agenda

- FY 2008 Preliminary Operating Revenue
(Passenger, Recurring and Nonrecurring)
- FY 2008 Updated Assumptions
- Follow Up Items - Pension / Security



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

| | Projected FY 2007 | Budget FY 2008 | Variance | Variance Percentage |
|---------------------------------|----------------------|-------------------|--------------|------------------------|
| PASSENGER REVENUE | 71,971 | 73,265 | 1,294 | 1.8% |
| 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 | 77,002 | 1,217 | 1.6% |





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 | 1,829 | 68 | 3.9% |
| Chula Vista Transit | 2,513 | 2,637 | 124 | 4.9% |
| National City Transit | 892 | - | (892) | -100.0% |
| Coronado Ferry | - | - | - | - |
| TOTAL OPERATING REVENUES | 71,971 | 73,265 | 1,294 | 1.8% |



| FY 2008 Preliminary Revenue Non-Operating Revenue (\$000'S) | | | | |
|--|----------------------|-------------------|----------------|------------------------|
| | Projected FY 2007 | Budget FY 2008 | Variance | Variance Percentage |
| RECURRING REVENUES | | | | |
| FEDERAL REVENUE | 23,418 | 24,428 | 1,011 | 4.3% |
| TRANSPORTATION DEVELOPMENT ACT | 78,943 | 81,550 | 2,606 | 3.3% |
| STATE TRANSIT ASSISTANCE (STA) | 11,026 | 8,390 | (2,636) | -23.9% |
| STATE REVENUE - OTHER | 2,178 | 2,190 | 12 | 0.5% |
| TRANSNET | 17,350 | 20,031 | 2,681 | 15.5% |
| OTHER LOCAL SUBSIDIES | 1,406 | 1,468 | 62 | 4.4% |
| TOTAL RECURRING REVENUES | 134,321 | 138,056 | 3,736 | 2.8% |
| NON RECURRING REVENUES | | | | |
| FEDERAL CMAQ FOR MVE | 4,569 | 4,706 | 137 | 3.0% |
| OTHER RESERVES | 137 | 135 | (2) | -1.3% |
| CONTINGENCY RESERVES | - | - | - | - |
| TOTAL NON RECURRING REVENUES | 4,706 | 4,841 | 135 | 2.9% |
| DEBT SERVICE/LEASE LEASEBACK REVENUE | 28,316 | 19,316 | (9,000) | -31.8% |
| TOTAL NON OPERATING REVENUES | 167,343 | 162,214 | (5,129) | -3.1% |

| FY 2008 Preliminary Revenue Total Operating / Non-Operating Revenue (\$000'S) | | | | |
|--|---------------------|-------------------|----------------|------------------------|
| | Mid Year FY 2007 | Budget FY 2008 | Variance | Variance Percentage |
| OPERATING REVENUES | 75,784 | 77,002 | 1,217 | 1.6% |
| RECURRING REVENUES | 134,321 | 138,056 | 3,736 | 2.8% |
| NONRECURRING REVENUES | 4,706 | 4,841 | 135 | 2.9% |
| TOTAL RECURRING REVENUES | 214,811 | 219,899 | 5,088 | 2.4% |
| RECURRING REVENUES SHIFT TO CAPITAL | | | | |
| TRANSNET RECURRING | 2,019 | - | (2,019) | -100.0% |
| TOTAL REVS SHIFT TO CAPITAL | 2,019 | - | (2,019) | -100.0% |
| COMPARABLE REVENUES | 216,830 | 219,899 | 3,069 | 1.4% |

FY 2008 Preliminary Issues / Policy Decisions (Continued)

- Nonoperating (Subsidy) Levels

- Summarize

| | |
|-----------------------------|--------------------|
| FY07 Total Operating Budget | 211.7 million |
| FY08 Prelim % Needs | 3.5% |
| FY08 Prelim \$ Needs | <u>7.4 million</u> |

Revenue Recap

| | |
|---------------------------------------|--------------------|
| Transnet (\$2.0 from FY07 Ops to CIP) | 2.7 million |
| TDA | 2.6 million |
| Operating Revenue | 1.2 million |
| JARC/5311 | 1.0 million |
| STA | (2.6) million |
| Other Non-Recurring | 0.1 million |
| Total TDA/Transnet/STA | <u>5.0 million</u> |
| Difference | (2.4) million |



Finance Workshop Agenda

- FY 2008 Preliminary Operating Revenue
(Passenger, Recurring and Nonrecurring)
- FY 2008 Updated Assumptions
- Follow Up Items - Pension / Security



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 | 2,472 | 53 | 2.2% |
| • Total Hours | 2,582 | 2,629 | 47 | 1.8% |
| • Passenger Boardings | 86,054 | 88,026 | 1,972 | 2.3% |
| • Average Fare | 0.836 | 0.831 | (0.006) | -0.7% |



Finance Workshop Agenda

- FY 2008 Preliminary Operating Revenue
(Passenger, Recurring and Nonrecurring)
- FY 2008 Updated Assumptions
- Follow Up Items - Pension / Security



Pension

- **MTS Plans:**

- MTS: CalPERS (24.2%)
- SDTI Management: CalPERS/PARS (23.0%)
- SDTI Hourly: CalPERS (9.2%)
- SDTC: Private Plan (13.0%) / Pension Obligation Bonds (13.6%)

- **Fiscal Year 2007 Mid Year Adjustment:**

- Total of \$549,000 unfavorable variance, primarily due to the exclusion of overtime hours within the SDTC pension obligation.
 - This was only a budgetary projection and all actual pension obligations have been paid at the required rate.
- SDTC Private Plan includes overtime within the calculation. PERS does not include OT.
- Calculation has been corrected for mid year 2007 budget and fiscal year 2008's projection.



Security Overview:

- **Fiscal Year 2006:**

- One DHS generated increased security alerts (London Bombings) resulting in expanded coverage from TARP program
- Opening the Mission Valley East extension required significant expanded coverage,
- Street Scene held at Qualcomm Stadium for the first time requiring significant more security coverage,
- Petco Park security coverage initially retained at high levels due to greater service and larger crowds,



Security Overview (Continued):

- Fiscal Year 2007:
 - New Security Contract Negotiated with Heritage Security,
 - New "Special Event Officer" classification added with lower pay range then full security officer,
 - Overtime due to employee shortage-Heritage responsibility
 - Refinements made to Padres Petco Park service due to lower attendance and reduced service levels resulting in lower security costs,
 - YTD there have been no DHS heightened security alerts,



Security Overview (Continued):

- Fiscal Year 2008:
 - No Reductions in Field Deployments or Shift Assignments,
 - Budgetary Levels to Remain Stable Compared to Fiscal Year 2007
 - Assuming no DHS heightened security alerts or other unforeseen conditions



Metropolitan Transit System FY 2008 Budget Development

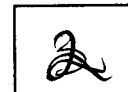
Finance Workshop Meeting
March 8, 2007





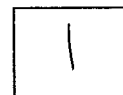
Finance
Workshop
AGENDA ITEM NO.

8:00



REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED



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

1. INSTRUCTIONS

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

Date 3-8-07
Name (PLEASE PRINT) Donna Erickson
Address 1814 Corbridge
SP 92111
Telephone 858-277-2169
Organization Represented (if any) LV Planning Group's
Transp Com.
Subject of your remarks: Allocations of Funds

Agenda Item Number on which you request to speak _____

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

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

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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





Fin WS

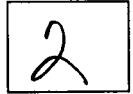
8:40

AGENDA ITEM NO.



REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED



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

1. INSTRUCTIONS

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Date 3/8/2007
Name (PLEASE PRINT) Ana Huerta
Address 9450 Gilman Dr. #928054
La Jolla, CA 92092-8054
Telephone 661-809-9306
Organization Represented (if any) UCSD CALPIRG

Subject of your remarks: Proposed California Public Transportation
Budget Cuts

Agenda Item Number on which you request to speak # 2

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☒

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

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

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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



SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

8:10
4C

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 3-8-07

Name (PLEASE PRINT) Chuck Lungerhausen

Address 5308 Monroe Ave. #124

San Diego, CA 92115

Telephone 619-546-5610

Organization Represented (if any) _____

Subject of your remarks: 2007 MS Walk.

Agenda Item Number on which you request to speak 4C

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.
March 08, 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**

Am here once again to ask for your kind sponsorship donations for the 2007 MS Walk that will take place near the end of next month. Your check's should be payable to the National MS Society. If giving cash, please a card with your address so a thank-you message can be sent. To this moment have collected \$510 and of that amount \$150 was contributed by me so you see I am dedicated to finding some solution for this disease that has impacted my life since I was 25 and now coming up on my 60th birthday this September 13.

Say CEO Paul there is still time to get me that big check.

Will be here after the meeting today and other meetings between now and the MS Walk to collect your sponsorship donations. From the schedule of the MTS board for 2007 that may mean you will only have to hear my plea for donations three more times. One final bit of information county Supervisor Bill Horn with a \$1,000 donation was my largest donor last year. This was good in so many ways as the drug and biotech. industry has such an influence on our regions economy year after year. Sure would be nice if the county board of supervisors came forward with a similar donation this year Supervisor Roberts.

Thank you for listening and the opportunity to speak.



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

Agenda

Item No. 6

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

LEG 492 (PC 50121)

March 8, 2007

SUBJECT:

MTS: AUDIT REPORT ON SAN DIEGO TRANSIT CORPORATION'S REVENUE
PROCESS

RECOMMENDATION:


That the Board of Directors receive the internal audit report on San Diego Transit
Corporation's (SDTC's) revenue process.

Budget Impact

None.

DISCUSSION:

During December 2006, the MTS Internal Auditor performed a review of SDTC's
revenue processing procedures. The objective of the review was to assess the
adequacy of internal controls over the revenue collection process. Overall revenue
collection and reconciliation procedures are well planned and carried out in a secure
manner. However, to further improve the processes, four recommendations were made
for management's consideration. These recommendations have been accepted and
corrective action is already underway for implementation.


Paul C. Jablonski
Chief Executive Officer

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

MARCH8-07.6.SDTC REV AUDIT RPT.MABBEY

Attachment: A. SDTC Revenue Process Audit Report (**Board Only**)



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



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.

LEG 492 (PC 50121)

March 8, 2007

SUBJECT:

MTS: AUDIT REPORT ON THE TAXICAB ADMINISTRATION

RECOMMENDATION:


That the Board of Directors receive the internal audit report on the Taxicab Administration.

Budget Impact

None.

DISCUSSION:

During December 2006, the MTS Internal Auditor performed a review of the Taxicab Administration's procedures. The objective of the review was to assess the adequacy of internal controls over the process. Overall the Taxicab Administration process is carried out in an effective manner. However, to further improve the processes, three recommendations were made for management's consideration. These recommendations have been accepted, and corrective action is underway for implementation.



Paul C. Jablonski
Chief Executive Officer

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

MARCH8-07.7.TAXICAB ADMIN AUDIT RPT.MABBEY

Attachment: A. Taxicab Administration Audit Report (**Board Only**)



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



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

Agenda

Item No. 8

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

FIN 300 (PC 50601)

March 8, 2007

SUBJECT:

MTS: INVESTMENT REPORT

RECOMMENDATION:


Receive a report for information.

DISCUSSION:

The attached schedule (Attachment A) is a report of MTS investments as of January 2007. It is broken down into two columns. The first column relates to investments restricted for either capital support or debt service. The second column is the unrestricted portion.

As the schedule shows, the overwhelming bulk of investments are restricted primarily for debt service. These are set to serve the payments on the 1989/1990 and 1995 Lease and Leaseback transactions.

The second column (unrestricted assets) provides the working capital for MTS operations for employee payroll and for vendors for goods and services.



Paul C. Jablonski
Chief Executive Officer

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

MARCH8-07.8.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
1/31/2007**

| | <u>Restricted</u> | <u>Unrestricted</u> | <u>Avg. Rate of Return</u> |
|---|-----------------------|----------------------|--------------------------------|
| <u>Cash and Cash Equivalents</u> | | | |
| *** SDMTS Concentration Sweep Account | \$ - | \$ 7,371,036 | N/A |
| <u>Investments - Working Capital</u> | | | |
| Metropolitan Transit System | - | 10,976,687 | 4.96% |
| San Diego Transit Corporation | - | - | N/A |
| San Diego Trolley, Inc. | - | - | N/A |
| Total Investments - Working Capital | - | 10,976,687 | |
| <u>Cash - Restricted for Capital Support</u> | | | |
| Metropolitan Transit System | 5,764,306 | - | N/A |
| Total Cash - Restricted for Capital Support | 5,764,306 | - | |
| <u>Investments - Restricted for Debt Service</u> | | | |
| Metropolitan Transit System | 151,243,502 | - | 4.60% |
| Total Investments - Restricted for Debt Service | 151,243,502 | - | |
| Total Cash and Investments | \$ 157,007,808 | \$ 18,347,723 | |

***Effective 1/31/07, all bank accounts for MTS, SDTC, and SDTI were consolidated into a concentration sweep account, therefore this amount refelects the cash and cash equivalents for all three operations.

Controller: _____

Date: _____



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.

AG 210.9 (PC 50102)

March 8, 2007

SUBJECT:

MTS: OFFICE OF HOMELAND SECURITY GRANT APPLICATIONS

RECOMMENDATION:

That the Board of Directors approve Resolution No. 07-3 (Attachment A) authorizing the Chief Executive Officer (CEO) to submit applications for Transit Security Grants Program (TSGP) funding.

Budget Impact

None.

DISCUSSION:

Resolution No. 07-3 would authorize filing applications with and requesting reimbursements from the California Office of Homeland Security (OHS) and would satisfy requirements of the TSGP for FY 05 funds awarded to MTS in the amount of \$1,891,500 (\$1,358,000 for rail and \$533,500 for bus). The funds will be used for security enhancements of MTS's facilities, including rail and bus.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Bill Burke, 619.595.4947, bill.burke@sdmts.com

MARCH8-07.9.OHS GRANTS APPLIC.AGOTTWIG

Attachment: A. Resolution No. 07-3



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. 07-3

Resolution Approving the Submittal of Applications and Requests for Reimbursements
for Transit Security Grants Program Funding

WHEREAS, the San Diego Metropolitan Transit System (MTS) is a public entity established under the laws of the State of California for the purpose of providing transportation services in the County of San Diego who desires to apply for and obtain funding for transit security purposes.

NOW, THEREFORE, BE IT RESOLVED that the Chief Executive Officer is hereby authorized to execute any actions necessary for the purpose of obtaining federal financial assistance provided by the Department of Homeland Security and subgranted through the State of California.

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



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.

OPS 950.7 (PC 50451)

March 8, 2007

SUBJECT:

MTS: FEDERAL 5311 (f) INTERCITY BUS PROGRAM GRANT APPLICATION

RECOMMENDATION:

That the Board of Directors approve Resolution No. 07-4 (Attachment A) authorizing the Chief Executive Officer (CEO) to submit applications for three Federal 5311 (f) Intercity Bus Program grant applications:

1. to support FY 08 operating-subsidy costs for rural services;
2. for the East County Bus Maintenance Facility (ECBMF) Vehicle Steam Facility;
and
3. for ECBMF security gates and cameras.

Budget Impact

None at this time.

DISCUSSION:

At the October 13, 2005, MTS Board of Directors meeting, the Board considered and approved service and fare adjustments to rural services. The Board also suggested that MTS identify additional financial resources to ensure that rural services continue. This report seeks approval to submit three grant applications to the Federal 5311 (f) Intercity Bus Program.



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

The California Department of Transportation (Caltrans) administers a statewide competitive grant program wherein transit agencies and nonprofit organizations are eligible to apply for up to \$200,000 in financial assistance to support intercity bus projects serving areas outside of the federally defined urban boundary. Eligible projects can include existing operations, new services, or capital projects; however, projects must be consistent with the state-adopted objectives and meet federal certification and assurance guidelines. MTS already meets federal guidelines as an eligible recipient of other federal funds.

Each proposed grant seeks \$200,000 in financial assistance, the award of which would support either current rural service operations or capital projects planned at the ECBMF where rural vehicles are stored and maintained. Each of the two capital projects is identified in the proposed FY 08 Capital Improvement Program; however, each is currently unfunded.

State Intercity Bus Program objectives include supporting the travel needs of residents in nonurbanized areas and supporting connections with larger regional or national intercity bus service. Existing MTS rural services match very well with the Intercity Bus Program objectives as several communities are linked to the El Cajon Transit Center where numerous public and private transportation options exist. Below summarizes the purpose and status of each project.

FY 08 Rural Service

Rural services consist of four routes operating limited service linking northeast and southeast San Diego County to urbanized San Diego. Some of the rural communities served include Borrego Springs, Julian, Ramona, Jacumba, Campo, Tecate border crossing, and Alpine. The services provide a lifeline connection for essential medical and general-purpose shopping trips.

The estimated FY 08 operating cost of rural services is \$574,227. After subtracting estimated fare revenue of \$85,000, the subsidy cost is approximately \$489,227. A successful grant award would provide \$200,000 toward this project or approximately 41 percent of the total subsidy cost.

Vehicle Steam Clean Facility

This project represents an effort to plan, design, and construct a vehicle steam clean facility adjacent to an existing vehicle wash bay at the ECBMF. The project would include construction of a 30-foot by 60-foot bay with facilities for treatment of used wash water, a vehicle lift, and steam cleaning equipment.

The estimated project cost is \$235,000. A successful grant award will provide \$200,000 toward this project or approximately 85 percent of the total cost.

Security Gates and Cameras

This project represents an effort to plan, design, and construct security gates and install cameras at the ECBMF. This project provides infrastructure to secure and protect individuals and public property at the site.

The estimated project cost is \$375,000. A successful grant award would provide \$200,000 or approximately 53 percent of the total project cost.

Recommendation

Grant requirements include submission of a resolution by the Board of Directors authorizing their submittal. Therefore, staff recommends that the Board approve by resolution submission of the three grant applications. Caltrans requires that the San Diego Association of Governments (SANDAG) certify that the Regional Transportation Improvement Program will be amended in the event of a grant award.



Paul C. Jablonski
Chief Executive Officer

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

MARCH8-07.10.GRANT APPLICATION.BFARLEY

Attachment: A. Resolution No. 07-04

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 07-4

Resolution Authorizing Federal Funding Under FTA Section 5311(f)
(49 U.S.C. Section 5311(f)) with the California Department of Transportation

WHEREAS, the U.S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration (FTA) to support capital and operating assistance projects for nonurbanized public transit services under Section 5311(f) of the Federal Transit Act; and

WHEREAS, the California Department of Transportation has been designated by the Governor of the State of California to administer Section 5311(f) grants for public transportation projects; and

WHEREAS, MTS desires to apply for said financial assistance to operate rural transit service in San Diego County; and

WHEREAS, MTS has, to the maximum extent feasible, coordinated and consulted with other transportation providers and users in the region, including consultation with San Diego County Health and Human Services; NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that MTS does hereby authorize the Chief Executive Officer, or designated representative, to file and execute applications on behalf of MTS with the California Department of Transportation to aid in the financing of operating or capital assistance projects pursuant to Section 5311(f) of the Federal Transit Act of 1964, as amended.

1. General Counsel, or designated representative, is authorized to execute and file all assurances or any other documents required by the California Department of Transportation.

2. The Chief Financial Officer, or designated representative, is authorized to provide additional information as the California Department of Transportation may require in connection with the application for Section 5311(f) projects.

3. The Chief Financial Officer, or designated representative, is authorized to submit and approve requests for reimbursement of funds from the California Department of Transportation for the Section 5311(f) project.

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:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

MARCH8-07.10.AttA.RESOLUTION 07-04.BFARLEY



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.

CIP 10426.12

March 8, 2007

SUBJECT:

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

RECOMMENDATION:

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

1. transfer funds as shown in Attachment A between various Mission Valley East Light Rail Transit (MVE LRT) Project budget line items to provide funding for the proposed contract actions and fund negative line items;
2. execute Contract Amendment No. 45 (MTS Doc. No. L6343.44-01) with Washington Group International (WGI), in substantially the same form as shown in Attachment B, in an amount not to exceed \$328,650 for Construction Management (CM) services on the MVE LRT Project, including extension of the CM services through June 30, 2007; and
3. execute Amendment No. 1 to Work Order No. 07.22 (MTS Document No. L0606.6-02; 07.22.01) with Bureau Veritas North America, Inc. (BVNA), formerly Berryman & Henigar, Inc., in substantially the same form as shown in Attachment C, in an amount not to exceed \$76,363 for General Engineering Consultant (GEC) services on the MVE LRT Project, including the extension of such services to September 17, 2007.

Budget Impact

1. The approved capital MVE LRT Project budget of \$499,307,852 would remain unchanged; however, various budget line items (as shown in Attachment A) would be revised.



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.

2. The \$328,650 for the WGI contract amendment would come from the MVE LRT Project budget line item 10426-0700 (Construction Management) leaving a balance of \$184,891.
3. The \$76,363 for the BVNA contract amendment would come from the MVE LRT Project budget line item 10426-0618 (Design Line Segment) leaving a balance of \$35,745.

DISCUSSION:

Budget Transfers

Attachment A recommends budget transfers within the approved MVE LRT Project budget to fund additional contract actions included in this item and balance negative line items. The action would increase funding for Administration, Professional Services, Engineering, Construction Management, and Contaminated Soils line items from available balances in the Utility Betterment, Right-of-Way, Tunnel Construction, Grantville Construction, Track and Systems, Mitigation, and Steam Line Repair line items. The remaining balances are based on liquidating unexpended amounts in specific contracts, including utility relocation contracts and liquidating unused construction contingencies. The line items receiving additional funding will have continuing expenditures for staff, engineering, and construction management consultants and legal services to resolve the ongoing construction claim on the La Mesa Segment construction contract and to complete project closeout and long-term mitigation monitoring.

The Administration line item is being supplemented to cover ongoing staff costs for resolving the construction claim filed by Balfour/Beatty/Ortiz (BBO) and for extra staff effort during construction when San Diego Association of Governments (SANDAG) engineers acted as resident engineers in the field reducing the cost for consultant resident engineers. Staff engineering costs are accrued to the project Administration line item.

The SDSU Utility Betterment line item is being reduced to zero and the funds transferred into the Professional Services line item. The costs for the construction for this work were included in the San Diego State University (SDSU) final settlement approved by the Board, and costs and funding were accrued in the Professional Services line item.

The Engineering and Construction Management line items are being increased to provide support services for the closeout of remaining issues on the construction contracts, other than BBO, and to support the claim review and negotiation efforts with BBO.

The Professional Services line item is being increased to fund the settlement agreement with SDSU and to provide legal services for claims support on the BBO claim. The settlement with SDSU resolved all outstanding cost issues with SDSU regarding mitigations, utility relocations, and betterments. The cost of the settlement was assigned to the Professional Services line item. The proposed action funds the settlement from available balances in the Utility Betterment and SDSU Mitigation line items.

Right-of-way, SDSU Construction, Grantville Construction, Track and Systems, and Steam Line Repair line items are being reduced because construction is complete, and the construction contractors will be paid within the limits of the existing contracts; therefore, construction contingencies are being unencumbered. In addition, remaining unspent encumbrances for contract items, such as utility relocations, are being reduced as this work is complete.

The SDSU Mitigation Line item is being reduced and the remaining available funds transferred to the Professional Services line item.

Attachment D shows the budget history for the MVE LRT Project for the past year.

Contract Amendment - Washington Group International (WGI)

Amendment No. 40 was submitted on April 27, 2006, to direct WGI to assist in the defense of BBO's claim against MTS (under Contract No. LRT-426.4) for the La Mesa Segment of the Mission Valley East LRT Project with a target date for completion of August 31, 2006.

Amendment No. 45 would direct WGI to assist in the defense of the BBO claim through June 30, 2007.

Contract Amendment - Bureau Veritas North America, Inc.

Contract Doc. No. L0606.0-02 was executed with Berryman & Henigar on September 17, 2002, for five years of as-needed, on-call general engineering services on MTS projects, including Mission Valley East. (The company was subsequently purchased by BVNA). One of the many on-call work orders was Work Order No. 07.22 executed on November 7, 2006, for \$54,323 for engineering support on various MVE contracts, including project closeout and support for the claims against MTS. The project closeout and claims support have not been completed at this time. Therefore Amendment No. 1 is required to have BVNA continue to give staff engineering support in the closeout of LRT 426.4 and LRT 426.5 and continue to provide engineering support to the BBO claim against MTS. This amendment of \$76,363 would increase the amount of Task Order No. 07.22 to \$130,686 and extend the services of BVNA until September 1, 2007, the final date of its five-year engineering services contract.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contacts: Ramon A. Ruelas, 619.699.6944, rrue@sandag.org
Dennis L. Wahl, 619.235.2635, dwa@sandag.org

Attachments: A. Budget Transfer Summary
B. Contract Amendment No. 45 (For Board Only)
C. Work Order No. 07.22, Amendment No. 1
D. Budget Transfer History

Mission Valley East LRT Project
Budget Revisions

| <u>WBS 10426 -</u> | <u>Line Item</u> | <u>Current Budget</u> | <u>Revised Budget</u> | <u>Change</u> |
|--------------------|----------------------------|-----------------------|-----------------------|---------------|
| 0100 | Administration | 17,400,000 | 19,000,000 | 1,600,000 |
| 0599SDSU | Utility Betterment | 1,500,000 | 0 | (1,500,000) |
| 0618 | Engineering Line Segment | 27,660,000 | 27,850,000 | 190,000 |
| 0700 | Construction Management | 48,300,000 | 48,800,000 | 500,000 |
| 0800 | Professional Services | 4,200,000 | 6,600,000 | 2,400,000 |
| 0900 | Right-of-Way | 33,150,000 | 32,798,302 | (351,698) |
| 1010 | SDSU Construction | 112,429,200 | 111,500,000 | (929,200) |
| 109918GR | Grantville Segment Constr. | 73,329,200 | 73,129,200 | (200,000) |
| 109918TR | Track & Systems Constr. | 47,000,000 | 45,950,000 | (1,050,000) |
| 109922SD | Mitigation SDSU | 11,939,000 | 11,620,000 | (319,000) |
| 109910SR | Steam Line Repair | 1,960,102 | 1,580,000 | (380,102) |
| 4000 | Contaminated Soil | 1,050,000 | 1,090,000 | 40,000 |
| | Unchanged Line items | 119,390,350 | 119,390,350 | 0 |
| | Totals | 499,307,852 | 499,307,852 | 0 |



Metropolitan Transit System

Att. C, AI 11, 3/8/07, CIP 426

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

DRAFT

March 8, 2007

MTS Doc. No. L0606.6-02
Work Order No. 07.22.01
CIP 10426

Mr. Stephen K. Smith
Program Manager
Berryman & Henigar
11590 West Bernardo Drive
San Diego, CA 92127-1624

Dear Mr. Smith:

Subject: MTS DOC. NO. L0606.6-02, AMENDMENT NO. 1 TO WORK ORDER NO. 07.22,
GENERAL ENGINEERING SERVICES FOR THE MISSION VALLEY EAST (MVE)
LIGHT RAIL TRANSIT (LRT) CLOSEOUT

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

SCOPE OF SERVICES

Provide continued engineering services on an as-needed basis to assist in the closeout of miscellaneous projects in association with the MVE LRT Project in accordance with the attached Scope of Services.

SCHEDULE

The Scope of Services, as described above, shall extend through September 17, 2007.

PAYMENT

Payment shall be based on actual costs, not to exceed \$76,363 without prior authorization. The total value of Work Order No. 07.22, including this amendment, is \$130,686.00.

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

MARCH8-07.11.AttC.L0606.6-02.07.22.01.MBRITT

Date: _____

Attachment: Scope of Services

C-1

SCOPE OF SERVICES

ENGINEERING SUPPORT SERVICES TO ASSIST IN THE CLOSEOUT OF MISCELLANEOUS PROJECTS IN ASSOCIATION WITH THE MISSION VALLEY EAST (MVE) LIGHT RAIL TRANSIT (LRT) PROJECT

AMENDMENT NO. 1
MTS DOC. NO. L0606.6-02
WORK ORDER NO. 07.22

DESCRIPTION

Under this work order, the General Engineering Consultant (GEC) will provide Project Management and Project Engineering Services for the Metropolitan Transit System (MTS) closeout of Miscellaneous Projects in association with the MVE LRT Project.

TASKS

Continue to perform miscellaneous tasks on an as-needed basis to assist in closing out various open issues associated with the MVE LRT Project. The following tasks will be performed to accomplish this work:

1. Information/data collection. Information/data will be collected, through meetings with the San Diego Association of Governments (SANDAG), MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) project managers and/or other agencies, or through field investigations, to determine background of issue(s), current status, contact personnel, results required, etc. Issues may include construction quality, as-built drawings clarification, station repairs and improvements, environmental reports, existing document evaluation, access road repairs, landscape maintenance, equipment maintenance, utility verification, right-of-way, contract budgets, performance plans and specifications, CADD work, bid packages, etc.
2. Field investigations (when required) will include field observations, field photos, document review through outside agencies, and meetings with appropriate staff or personnel involved or needed to address issues of concern.
3. Processing of above information to provide documentation and/or execution (for example: plans, specifications, reports, memos, letters, spreadsheets, exhibits, procurements, oversight, bid processing, etc.) in order to meet required results, as determined in No. 1 above.
4. Attend review meetings with SANDAG, MTS, SDTI, and SDTC project managers and/or other agencies to discuss status, findings, and/or resolutions of issues being addressed.

5. CADD Work: Some issues may require CADD work involving development of plans, exhibits, figures, or revisions to existing CADD files or completion of existing documents having CADD files or needing CADD files. In addition, CADD files may need to be located requiring the assistance of a CADD operator.
6. Current issues established:
 - a. Americans with Disabilities Act (ADA) compliance issue at SDSU Transit Center concerning ADA signage.
 - b. Overhead protection of ticket vending machines at SDSU Transit Center.
 - c. Leaking wall at Alvarado Medical Center Station.
 - d. Procure repair of uneven pavement in Grantville Station plaza area.
 - e. Provide as-built sets to City of La Mesa, City of San Diego, Caltrans, Helix Water District, and San Diego County Water Authority.
 - f. Procure car pool signs at 70th Street Trolley Station.
 - g. Evaluate previously developed Systems Engineer's improvement list and submit to SDTI for review.
 - h. Procure clean out of arundo at Grantville Station and turn maintenance over to MTS Right-of-Way Department.
 - i. Provide performance specifications and plans for tile repair at the Qualcomm Stadium Station platform.
 - j. Provide performance specs and plans for repair of joint-use access road at Grantville Station.
 - k. Evaluate geotechnical report for under drain at Bob Stall Chevrolet dealership.
 - l. Investigate escalators at SDSU Transit Center as to warranty issue or workmanship issue and verify transition of maintenance agreement to Omega Elevator.
 - m. Verify utilities on as-built plans per actual and check against Caltrans agreement.
 - n. Verify easements for utilities along MTS/Caltrans rights-of-way.
 - o. Investigate and resolve status of utility pole at Alvarado Hospital.

ITEMS TO BE PROVIDED BY MTS

1. N/A

CLARIFICATIONS AND EXCLUSIONS

Issues may vary in description and need as information is gathered.

1. Construction management and inspection services will not be provided if resolution of issues so calls for.
2. No environmental or geotechnical services will be provided under this task order.

PROJECT SCHEDULE

1. Varies with issue.
2. Issues will be addressed in a timely manner and on a priority basis as discussed with SANDAG project manager(s).

MARCH8-07.11.AttC.L0606.6-02.07.22.01.MBRITT

MISSION VALLEY EAST BUDGET TRANSFER HISTORY

Budget Transfers

| | | | 41 | 42 | 43 | 44 | 45 | Cumulative Changes | Current Approved Budget |
|--|--------------------------|-------------|------------------|------------------|-------------------|------------------|-------------|-----------------------|-------------------------------|
| Board Approval Date> Board Item Number> | | | 02/23/2006 #6 | 04/27/2006 #9 | 06/08/2006 #10 | 09/14/2006 #9 | 03/08/2007 | | |
| WBS | Capital Line Items | @ FFGA | | | | | | | |
| 0100 | Admin | 14,900,000 | | | | | 1,600,000 | 4,100,000 | 19,000,000 |
| 0599SDSU | SDSU Utility Betterments | | | | | | (1,500,000) | - | - |
| 0610 | Design Tunnel | 6,800,000 | | | | | | 8,440,350 | 15,240,350 |
| 0618 | Design Line Segment | 14,500,000 | | | | | 190,000 | 13,350,000 | 27,850,000 |
| 0700 | Construction Management | 21,300,000 | 300,000 | 250,000 | | 250,000 | 500,000 | 27,500,000 | 48,800,000 |
| 0800 | Prof. Services | 2,400,000 | 800,000 | | | | 2,400,000 | 4,200,000 | 6,600,000 |
| 0900 | Right of Way | 31,200,000 | | | | | (351,698) | 1,598,302 | 32,798,302 |
| 1010 | SDSU Construction* | 86,500,000 | | | | | (929,200) | 25,000,000 | 111,500,000 |
| 1099 | SDSU Mitigation | - | | | | (250,000) | (319,000) | 11,620,000 | 11,620,000 |
| 1018 | Const. Line Segment | 179,400,000 | | | | | | (179,400,000) | - |
| 109918GR | Const. Grantville | | | | | | (200,000) | 73,129,200 | 73,129,200 |
| 109918LM | Const. La Mesa | | | | | | - | 63,600,000 | 63,600,000 |
| 109918TR | Const. Track & Sys. | | | | | | (1,050,000) | 45,950,000 | 45,950,000 |
| 109910SR | SDSU Steam Line Repair | | | | | | (380,102) | 1,580,000 | 1,580,000 |
| 1300 | Vehicles | 30,000,000 | | | | | | 7,850,000 | 37,850,000 |
| 1400 | Fare Collection | 1,100,000 | | | | | | (1,090,000) | 10,000 |
| 1500 | Communications | 1,100,000 | | | | | | (810,000) | 290,000 |
| 1900 | Start up | 2,400,000 | | | | | | - | 2,400,000 |
| 3800 | Contingency | 31,400,000 | | | | | | (31,400,000) | - |
| 4000 | Contaminated soils | 1,000,000 | | | | | 40,000 | 90,000 | 1,090,000 |
| Totals** | | 424,000,000 | 1,100,000 | 250,000 | - | - | - | 75,307,852 | 499,307,852 |
| | | | | | | | | | 497,727,852 |
| | | | | | | | | | 1,580,000 |
| | | | | | | | | | Approved Capital Budget |
| | | | | | | | | | MTS Funded Budget |
| | | | | | | | | | Insurance Claim |

| | | | | | | |
|-------|-----------------|-----------|-------------|-----------|-----------|---|
| 4500 | Project Reserve | 0 | (1,100,000) | (250,000) | (157,802) | - |
| 20426 | Planning | 6,859,279 | | | | |

2,994,448 Available Reserves
6,859,279
507,581,579 Total Project Bdgt w
planning & reser w/o steam
repair

** - excludes 7,000,000 in planning budget
*** - \$157,802 transferred to project 11158

Att. D, AI 11, 3/8/07, OPS 426.12



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Agenda

Item No. 12

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

CIP 10740, 11151

March 8, 2007

SUBJECT:

MTS: CAPITAL IMPROVEMENT PROGRAM BUDGET TRANSFERS

RECOMMENDATION:

That the Board of Directors forward a request to the San Diego Association of Governments (SANDAG) Board of Directors to approve a transfer of funds to the Light Rail Transit (LRT) Station Shelter Replacement project from the Capital Needs Assessment Project as shown on Attachment A (Budget Transfer Summary).

Budget Impact

No change to the overall Capital Improvement Program (CIP) amount. \$90,000 from the Capital Needs Assessment Project (CIP 1115100) would be added to the LRT Station Shelter Replacement Project budget (CIP 1074000), as shown on Attachment A.

DISCUSSION:

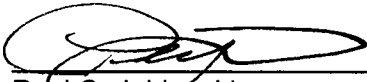
The Cesar E. Chavez/25th & Commercial Trolley Station Improvement Project is the second phase of the LRT Station Shelter Replacement Project. This project provided lighting enhancements, station shelters, seating, and landscape improvements at the 25th and Commercial Trolley Station. These improvements increased safety and protection from the weather and aesthetically enhanced the overall look of the station providing a more enjoyable experience to the transit patrons. As we prepare to close out this project, approximately \$68,000 is needed for contract closeout with the contractor and construction management firm. \$10,000 is needed in the Administration line item to provide project closeout support. The Administrative line item includes costs for 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.

SANDAG Resident Engineer assigned to the project to reduce costs in lieu of using a consultant. \$7,000 is required to reimburse SDTI for flagging, and \$5,000 would be used to complete as-builts plans. These cost increases are mostly attributable to the extended time needed to complete the project. The time frame for construction was extended to add electrical work to correct problems identified in the field and support future electronic fare collection and enhancements to the platforms. The total budget increase recommended is \$90,000. The revised LRT Station Shelter Replacement budget would be \$896,716.

The \$90,000 would come from the Capital Needs Assessment Project, which was originally funded to review and establish an inventory and assessment of capital assets and their condition and prioritize replacement needs. MTS and San Diego Trolley, Inc. (SDTI) have largely completed this task in-house for major assets and are working with SANDAG on TransNet and bond funding to prioritize and fund work on high-priority capital deficiencies. This action would reduce the original project budget for the Capital Needs Assessment Project from \$190,000 to \$100,000. The remaining balance of \$100,000 will be reprogrammed in a future budget action.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Jim Linthicum, 619.699.1970, jlin@sandag.org

MARCH8-07.12.CIP BUDGET TRANSFERS.PDBLAING

Attachment: A. Budget Transfer Summary

BUDGET TRANSFER SUMMARY

| CIP NO. | PROJECT NAME | BUDGETS (\$1,000'S) | | |
|---------|---------------------------------|---------------------|-----------|-----------|
| | | EXISTING | PROPOSED | CHANGE |
| 1074000 | LRT STATION SHELTER REPLACEMENT | \$806,716 | \$896,716 | \$90,000 |
| 1115100 | CAPITAL NEEDS ASSESSMENT | \$190,000 | \$100,000 | -\$90,000 |



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Agenda

Item No. 30

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

ADM 124 (PC 50451)

March 8, 2007

SUBJECT:

MTS: C STREET MASTER PLAN UPDATE

RECOMMENDATION:

That the Board of Directors receive an update regarding the Centre City Development Corporation's (CCDC's) C Street Master Plan.

Budget Impact

None at this time.

Executive Committee Recommendation

At its meeting on March 1, 2007, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

On December 14, 2006, the Board of Directors received a report concerning CCDC's efforts to develop a C Street Master Plan between India Street and Park Avenue in the City of San Diego. The intent of the C Street Master Plan is to revitalize the corridor and make it more active and attractive for the downtown community.

The purpose of the December update was to discuss trolley station length limitations on C Street. Each low-floor vehicle, or S70, is 10 feet longer than the existing cars in use. Therefore, a 3-car S70 train will be approximately 30 feet longer than current train lengths and longer than current platforms. Staff has continued to work with City and CCDC staffs to find a mutually beneficial solution. Since staff believes that proposed changes to C Street are critical for introducing low-floor vehicles system wide, the Board will receive additional updates as new analyses are completed.

Paul C. Jablonski
Chief Executive Officer

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



MARCH8-07.30.C ST.BFARLEY

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.

C Street Master Plan Update

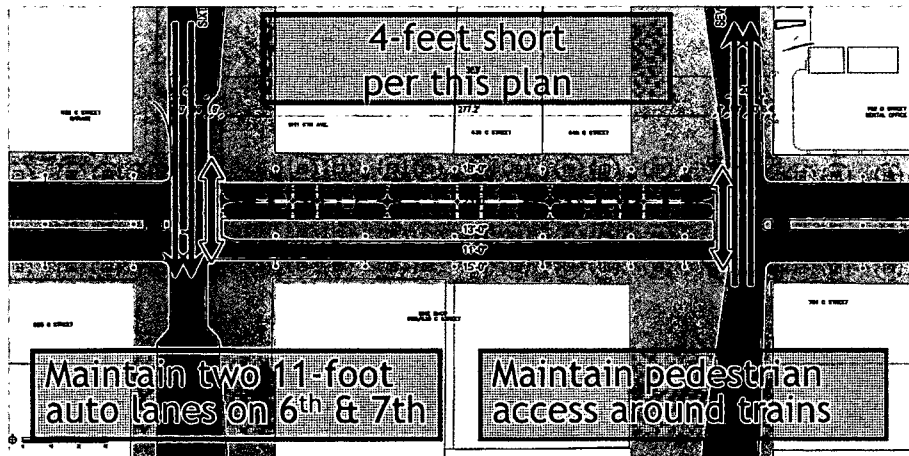
6th to 7th Ave. Station Length

- February 26th Staff Workshop
- Next Steps



C Street Master Plan

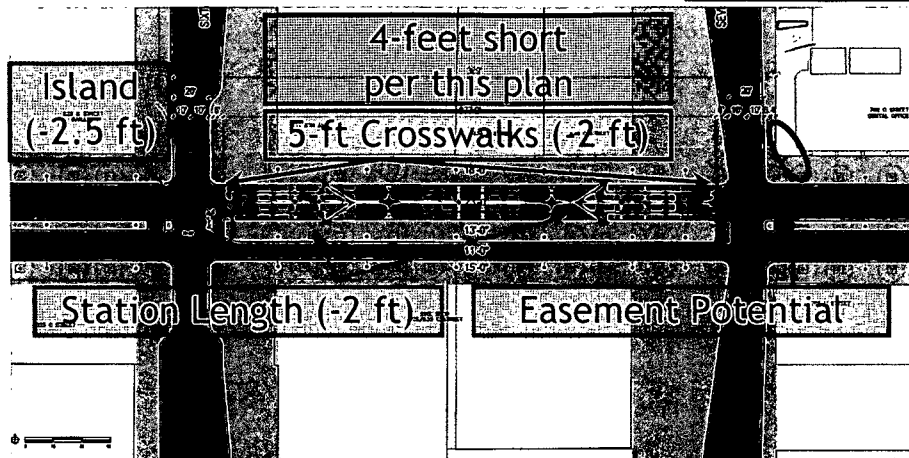
6th to 7th Ave. Station Considerations



C Street Master Plan

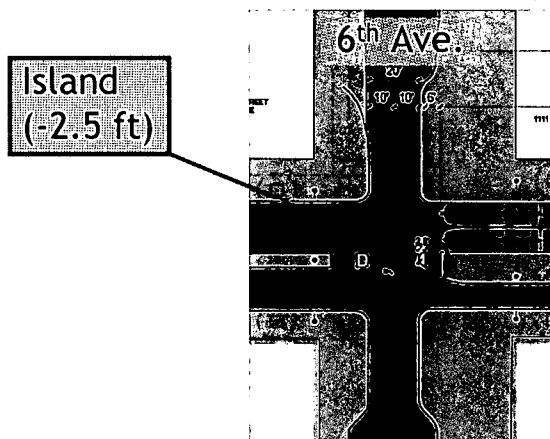
6th to 7th Ave. Station Considerations

Possible
Solutions



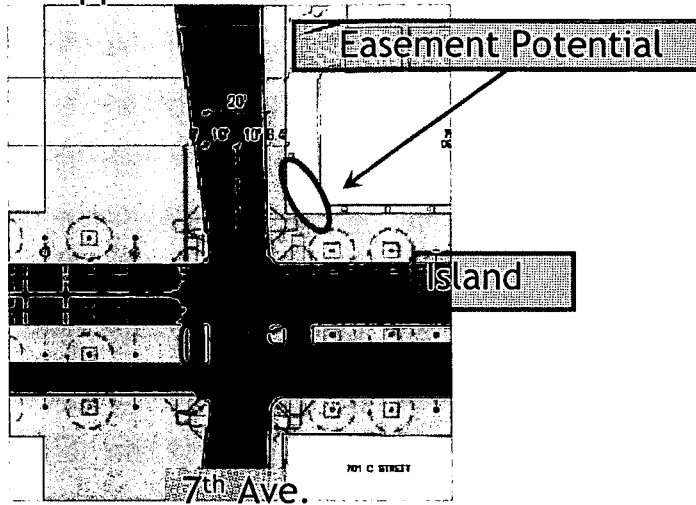
C Street Master Plan

C St at 6th Ave. Opportunities



C Street Master Plan

C St at 7th Ave. Opportunities



2030 Traffic at C Street (1-Hour)

| | 6 th Ave. | | 7 th Ave. | | 8 th Ave. | |
|------------------|----------------------|-----|----------------------|------|----------------------|------|
| | AM | PM | AM | PM | AM | PM |
| Volume | 590 | 866 | 1320 | 1160 | 1311 | 1350 |
| LOS w/3 lanes | A | B | C | B | B | B |
| LOS w/2 lanes | B | D | E | E | D | F |

↓ ↑ ↓



Next Steps

- Examine possible solutions raised at workshop:
 1. Identifying/securing edits to plan per identified possible solutions; or
 2. Pedestrian scramble or “C” type crosswalk configuration; or
 3. Trains span a street such as 7th or 6th Avenue.



SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

REQUEST TO SPEAK FORM

AGENDA ITEM NO.

8/11
30

ORDER REQUEST RECEIVED

1

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

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 3-8-07
Name (PLEASE PRINT) Chuck Lurgerhausen
Address 5308 Monroe Ave.
San Diego, CA 92115
Telephone 619-546-5610
Organization Represented (if any) _____

Subject of your remarks: C St. Master Plan

Agenda Item Number on which you request to speak 30

Your comments are presenting a position of: SUPPORT



OPPOSITION



2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

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

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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

1.

March 08, 2007

MTSB mtg.

AGENDA ITEM #30 (MTS: C Street Master Plan)

**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**

**Have been a member of your Accessible Services Advisory
Committee since 1995 and have been very pleased to see the
increased Access that the low floor buses and more recently the low
floor Trolley on the Green Line are providing people with disabilities
and the more senior members of the population.**

**Now the realignment of C Street so that more new low floor Trolley
cars can be purchased for use on the Blue Line and Orange Line Trolleys
is a very good plan to increase Access for everyone. This would
eliminate the need for the very time consuming lift operations that
the older high floor Trolleys now require for more limited Access.**

**Also does this not help with our nations President's future goal to
use less gasoline?**

Thank you for listening and the opportunity to speak.



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Agenda

Item No. 31

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

CIP 11457

March 8, 2007

SUBJECT:

MTS: UPDATE ON REGIONAL COMPASS CARD PROJECT

RECOMMENDATION:

That the Board of Directors:

1. receive an update on the Compass Card Project, and
2. authorize the Chief Executive Officer (CEO) to use the interest earned on the debt proceeds in the project fund (\$700,000) for increasing the Regional Automated Fare Collection (AFC) Technology Project budget.

Budget Impact

The interest earned on the debt proceeds was due to the project proceeding slower than anticipated and is not part of the MTS fiscal budget.

DISCUSSION:

Background

The AFC Technology Project is a multiyear, multioperator endeavor to introduce a smart card technology solution to the region's existing fare collection system. There are two guiding principles driving this project:

1. To enhance customers' transit experiences. We currently have over 200 fares between two operators.
2. To add value to each transit agency in the region (reduce coin collection and reduce fraud).



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MTS member agencies include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lemon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

This project seeks to promote seamless travel throughout the region using technology to simplify fare payment. In addition, the project aims to add value to each agency by increasing fare revenue recovery, decreasing potential for fraud, and promoting timely and accurate distribution of revenue and ridership data.

The project began in October 2002 under the Metropolitan Transit Development Board (MTDB) with the award of two contracts for automated fare collection equipment. The first contract was awarded to Cubic Transportation Systems, Inc. of San Diego (Cubic), and the second contract was awarded to GFI Genfare of Chicago (GFI). Under the two contracts, Cubic is providing the overall smart card system, including the necessary equipment for bus and rail as well as all of the back-end computer equipment and software. GFI is providing new electronic validating fareboxes for San Diego Transit Corporation (SDTC) and North County Transit (NCTD) bus operations. Both contracts were assigned to the San Diego Association of Governments (SANDAG) from MTS on October 13, 2003.

Phase I of the project has delivered GFI fareboxes controlled by Cubic driver control units to NCTD and SDTC. The original schedule planned for installation to be completed by August 2003 in a non-smart card functioning mode followed by a 2004 delivery of smart card software. The bus system was installed and has been functioning without the smart card software since November 2005. MTS will receive smart card software in April 2007 following successful completion of system integration testing and can then begin pilot testing programs.

Phase II of the project has delivered new ticket vending machines (TVM) and other rail equipment for San Diego Trolley, Inc. (SDTI). Coaster TVMs will begin installation at the end of April, and Sprinter TVMs will be delivered in May. Currently SDTI TVMs are functioning without smart card software; the plan is to deliver the software in April after successful completion of system integration testing. Trolley and rail operations will also receive new point-of-sale registers for The Transit Store, and handheld Compass Card readers will be delivered to Code Compliance personnel to validate tickets or passes. Rail installations were originally planned to be completed in late 2004.

Phase III of the project is delivering Compass Card readers and driver control units for all of the MTS contract services. This equipment enables a truly regional system through universal acceptance of the new Compass Card. Installations are being completed and will be available for pilot testing by June 2007. This activity was originally planned to be completed in fall 2004.

Project Delays and Contractor Claims

The project suffered significant delays beginning with Phase I of the project due primarily to a new Cubic driver control units and the integration of that unit to the GFI farebox. Due to the nature of the split procurement, this issue led to a contract dispute between SANDAG and Cubic. Cubic claimed that SANDAG was responsible for the majority of project delays.

On August 4, 2006, Cubic issued a formal claim against SANDAG alleging that SANDAG had caused schedule delays and forced Cubic to perform out-of-scope work on the project. Cubic's claim against SANDAG was for approximately \$13 million. Beginning in September 2006, SANDAG and Cubic staff met in contract negotiation meetings to discuss project performance, contract conformance, and claim validity.

Those meetings continued on a weekly basis through the end of October. At that time, Cubic and SANDAG mutually agreed to seek third-party mediation. SANDAG and Cubic mutually selected a third-party mediator with expertise in the fields of technology and transportation projects. Mediation began on January 15, 2007, and was concluded on January 19 with a tentative settlement agreement. The agreement specifies that SANDAG pay an additional \$1.75 million over the existing contract amount of which approximately \$700,000 is in value-added items (such as additional warranty and additional equipment). The SANDAG Board of Directors approved the settlement agreement on February 23, 2007, which has both parties withdrawing all existing claims.

Moving Forward

With contract disputes behind us, SANDAG and Cubic have agreed to a new project schedule that has project completion occurring by June 2007. As stated earlier, the remaining rail equipment for trolleys will be delivered in April 2007, and Coaster equipment will be fully installed by early May 2007. Once the entire system is delivered and proven to function according to specifications, SANDAG, MTS, and NCTD can begin testing the new smart card features with limited public pilots as early as June/July 2007. The current plan has the transit operators and SANDAG progressing with a series of pilots that will eventually lead to replacing of all monthly paper passes with the Compass Card. This systematic approach will slowly and cautiously replace the existing paper passes over a 12- to 16-month transition period.

Budget Augmentation

Staff has developed a project completion budget that includes additional funding of the project by \$3.5 million (see attachment A). The additional funds will pay for the \$1.75 million settlement agreement with Cubic as well as fund transitional activities, such as marketing and a public educational campaign. The additional funding is proposed to be comprised of two funding sources. \$700,000 of the \$3.5 million will come from interest earned on the project bond proceeds. These funds are the result of depositing the bond proceeds and not spending those proceeds in the time frame originally scheduled. The remaining \$2.8 million is being requested as a State Transportation Improvement Program (STIP) augmentation. The \$700,000 bond interest will fund the additional project costs and will not be put toward the settlement (per the bond financing agreement).

Next Steps

It is staff's recommendation that the MTS Board of Directors authorize the CEO to transfer \$700,000 of bond interest proceeds to SANDAG for the purpose of augmenting the existing Compass Card project budget. Staff will then bring a budget augmentation request to the SANDAG Board of Directors later in March 2007, which will include the STIP request.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: James Dreisbach-Towle, SANDAG 619.699.1914, jdr@sandag.org

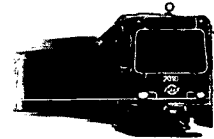
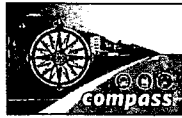
MARCH8-07.31.COMPASS CARD PROJECT.JDTOWLE

Attachment: A. Project Augmentation Budget

Project 11457 - Total Cost to Complete

BUDGET AMENDMENT

| Program Element | Cost |
|--|--------------------|
| Administrative | \$317,750 |
| Professional Services | \$150,000 |
| Program Transition Costs | \$246,250 |
| Paper Media | \$25,000 |
| Temp Staff x2 (3 months @ \$20) | \$20,000 |
| Marketing/Outreach | \$201,250 |
| Equipment | \$100,000 |
| Software & Support | \$50,000 |
| Construction | \$500,000 |
| Construction Management | \$50,000 |
| Contingency (5% of remaining contract) | \$336,000 |
| Settlement | \$1,750,000 |
| TOTAL | \$3,500,000 |



Automated Fare Collection Project (AFC) Compass Card System

Project Status Report

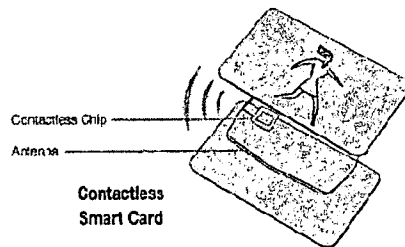


Project Overview

- Project Goals
 - Consolidate Multiple Payments Methods with Easy-to-Use, Secure Technology - Smart Card
 - Future Payment Options
- Project Scope
 - One Contract to Farebox Provider, GFI Genfare
 - One Contract to Fare Collection System Provider, Cubic Transportation
- Project Duration
 - 3 Phased Project with Overlapping Tasks
 - Bus: NCTD & SDTC
 - Rail: Trolley, Coaster, & Sprinter
 - MTS Contract Bus



Contactless Smart Cards



- Wireless Contact
- Uses Radio Frequency
- Touch & Go



Cubic's Claim: \$13.2 Million

- Schedule Delays and Out-of-Scope Work
 - Failed to act as system integrator for a 2-contract procurement
 - Buses had inadequate power
 - Delayed selecting optional equipment
 - Delayed selecting bank to handle credit/debit transactions
 - Rail sites unprepared for equipment installation



Contract Dispute Process

- Cubic presented claim in August 2006
- Cubic and SANDAG staff met biweekly throughout September/October 2006
 - Project Completion
 - Contract Conformance
 - Claim Discussions
- Cubic and SANDAG agreed to 3rd party mediation



Risks

- Who is responsible for Integration?
 - Multi-prime Contract
- 3rd party evaluation and opinion
 - \$10.5 million attributable to Integration
- Potentials
 - Incomplete Project
 - Claim Costs increases in Litigation



Contract Settlement

- Dismiss all current and past claims
- SANDAG to pay an additional \$1.75 million in contract costs
- Cubic agreed to \$700K of contract value additions
- New completion schedule with LDs



Budget Increase Request

| Program Element | Cost |
|-----------------------|--------------------|
| Administration | \$ 317,750 |
| Professional Services | \$ 150,000 |
| Transition Costs | \$ 246,450 |
| Equipment | \$ 100,000 |
| Software & Support | \$ 50,000 |
| Construction | \$ 550,000 |
| Contingency | \$ 336,000 |
| Contract Settlement | \$1,750,000 |
| Total | \$3,500,000 |

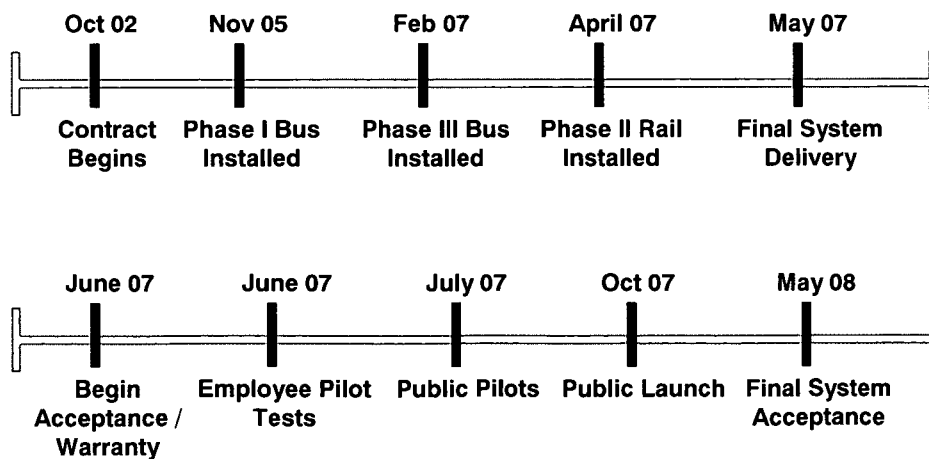


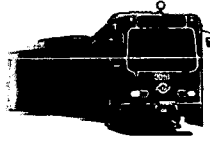
Funding

- \$700,000 Bond Interest
 - Unanticipated Interest (Cash Flow)
- \$2,800,000 STIP Augmentation

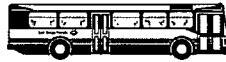


Project Schedule





Questions ?





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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 920.1, 960.5, 970.5
(PC 50451)

March 8, 2007

SUBJECT:

MTS: SECOND QUARTER 2007 PERFORMANCE INDICATORS

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Operating Environment

The following report is a summary of the MTS bus, contract services, and rail operations statistics for the second quarter of FY 2007. During this three-month period of October, November, and December 2006, MTS continued to review the progress of the services implemented in September as a result of the Comprehensive Operational Analysis (COA). The major holidays during this period were Thanksgiving (November 23) and Christmas Day (December 25) for which MTS operated a holiday schedule. On December 31, MTS provided additional service to accommodate the New Years' Eve festivities.

Service Statistics

The following are the relevant service statistics for October through December 2006 categorized by performance indicator. Data is classified to reflect MTS bus operations, contracted fixed-route service, demand-response service, and rail operations. Charts



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based on the statistics are provided in Attachments A through H. It is important to note that the methods and definitions for each of the operations reported is still in the process of being revised to Federal Transit Administration standards, as each agency previously collected data according to different standards. It is therefore not possible at present to firmly compare the performances among the agencies on any indicator.

- Service Effectiveness

- The following table details ridership for each month of the quarter.

| SERVICE | OCTOBER | NOVEMBER | DECEMBER |
|-----------------------------|------------------|------------------|------------------|
| MTS BUS | 2,300,866 | 2,087,541 | 1,940,041 |
| MTS CS FIXED-ROUTE | 1,732,934 | 1,607,643 | 1,486,646 |
| MTS CS DEMAND RESPONSE | 55,845 | 52,253 | 45,726 |
| MTS RAIL | 3,279,670 | 2,844,827 | 2,618,210 |
| MTS OPERATIONS TOTAL | 7,369,315 | 6,592,264 | 6,090,623 |

- Service Reliability

- On-Time Performance: The following table details the on-time performance for each month of the quarter.

| SERVICE | OCTOBER | NOVEMBER | DECEMBER |
|-----------------------------|--------------|--------------|--------------|
| MTS BUS | 78.0% | 78.0% | 79.0% |
| MTS CS FIXED-ROUTE | 82.8% | 84.6% | 80.5% |
| MTS CS DEMAND RESPONSE | 97.1% | 96.8% | 93.5% |
| MTS RAIL | 94.5% | 94.8% | 96.1% |
| MTS OPERATIONS TOTAL | 88.1% | 88.5% | 87.3% |

Although the same standard for reporting is used, each agency uses a different methodology to record on-time performance.

- Mean Distance Between Failures (MDBF): The following table details the MDBF statistic for each month of the quarter.

| SERVICE | OCTOBER | NOVEMBER | DECEMBER |
|------------------------|---------|----------|----------|
| MTS BUS | 17,236 | 21,271 | 19,502 |
| MTS CS FIXED-ROUTE | 7,339 | 7,890 | 7,700 |
| MTS CS DEMAND RESPONSE | 17,509 | 22,058 | 26,777 |
| MTS RAIL | 38,343 | 33,485 | 28,361 |

MTS staff recently reviewed the classification of major failures and other failures per the Federal Transit Administration's definitions. Based on this review, the major failures statistic for MTS rail has been corrected, starting with reports from September 2006, resulting in a more accurate calculation of the MDBF statistic. Going forward, MTS rail will continue to report using the standardized definitions. The overall methodology and data-collection methods and reporting are continuously being reviewed and streamlined to further improve the reporting of this statistic for

consistency among operations.

- Quality of Service

- Collision Accidents: The following table details collision accidents for each month of the quarter. All accidents are per 100,000 miles.

| SERVICE | OCTOBER | NOVEMBER | DECEMBER |
|------------------------|---------|----------|----------|
| MTS BUS | 3.1 | 3.2 | 2.5 |
| MTS CS FIXED-ROUTE | 2.8 | 2.7 | 2.5 |
| MTS CS DEMAND RESPONSE | 2.1 | 2.0 | 1.6 |
| MTS RAIL | 0.3 | 0.2 | - |
| MTS OPERATIONS TOTAL | 2.2 | 2.2 | 1.8 |

The methodology and data collection methods are still being reviewed and streamlined for this statistic to ensure consistency among operations.

- Customer Complaints: The following table details customer complaints received for each month of the quarter. All complaints are per 100,000 passengers, except ADA complaints, which are reported as a percentage of total ADA ridership.

| SERVICE | OCTOBER | NOVEMBER | DECEMBER |
|---------------------|------------|------------|------------|
| MTS BUS | 12.6 | 10.8 | 11.7 |
| MTS CS FIXED-ROUTE | 4.2 | 3.5 | 2.7 |
| MTS CS ADA SERVICES | 26 (0.08%) | 11 (0.04%) | 12 (0.05%) |

The methodology and data-collection methods are still being reviewed and streamlined for this statistic to ensure consistency among operations. This statistic will eventually be reported through one consistent data source as the agency consolidation progresses.


Paul C. Jablonski
Chief Executive Officer

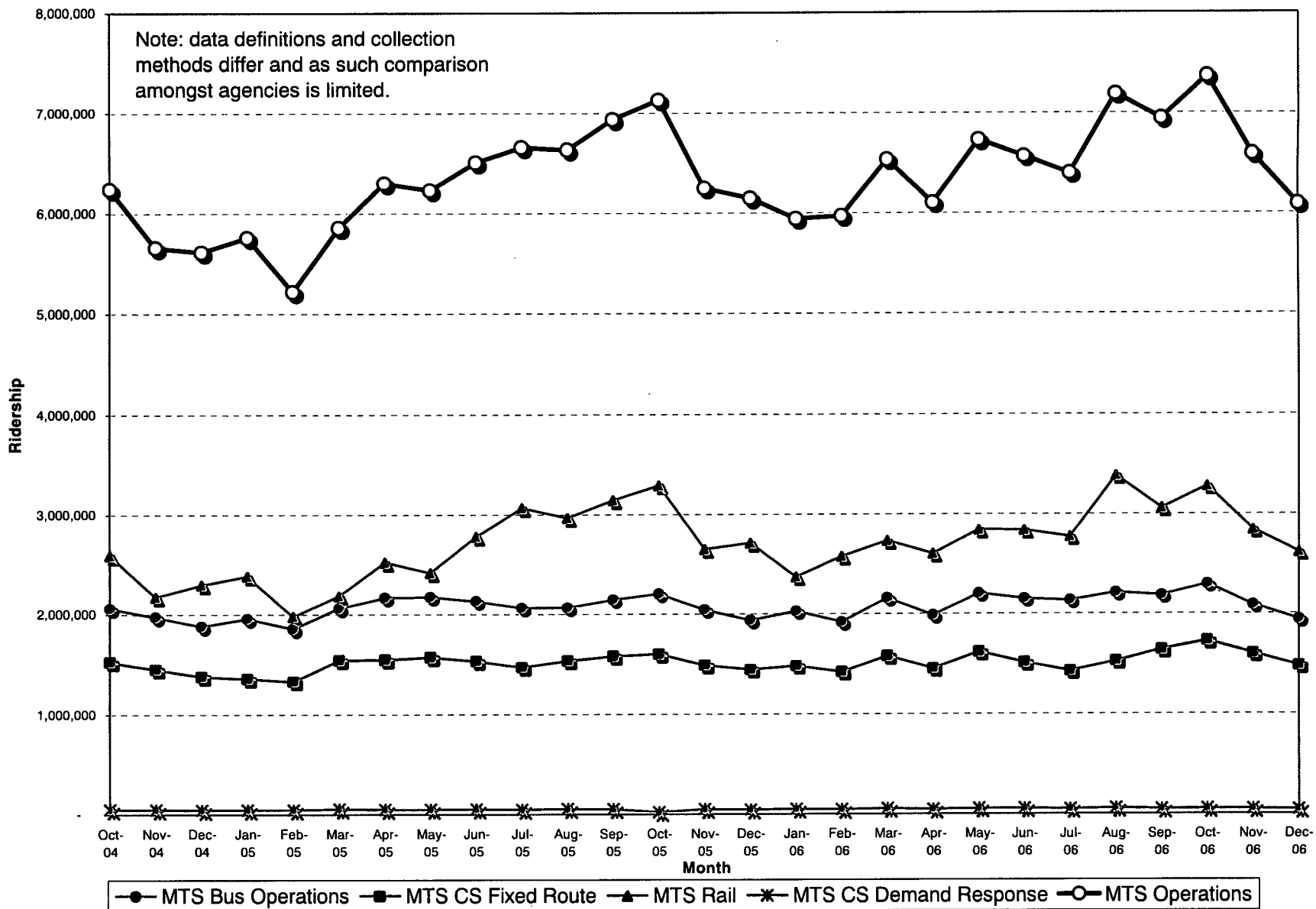
Key Staff Contact: Anika-Aduesa Smart, 619.595.4901, anika.smart@sdmts.com

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- Attachments:
- A. MTS System Ridership
 - B. MTS Rail Ridership
 - C. On-Time Performance
 - D. MTS Mean Distance between Mechanical Failures – Bus
 - E. MTS Mean Distance between Mechanical Failures – Rail
 - F. MTS Total Collision Accidents – Bus
 - G. MTS Total Collision Accidents – Rail
 - H. MTS Customer Complaints (Non-ADA Service)

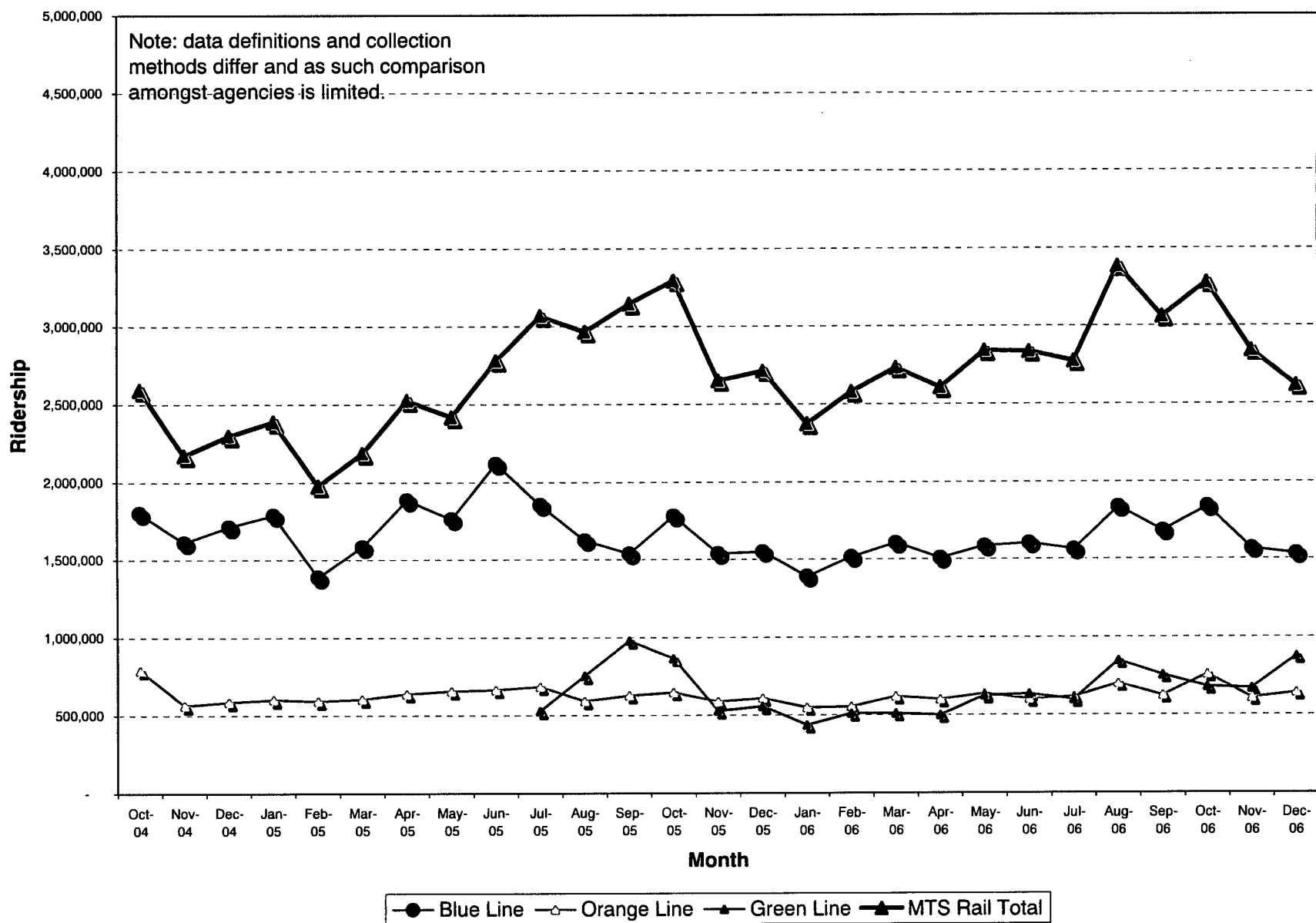


MTS Operations Ridership - FY05 - FY07YTD



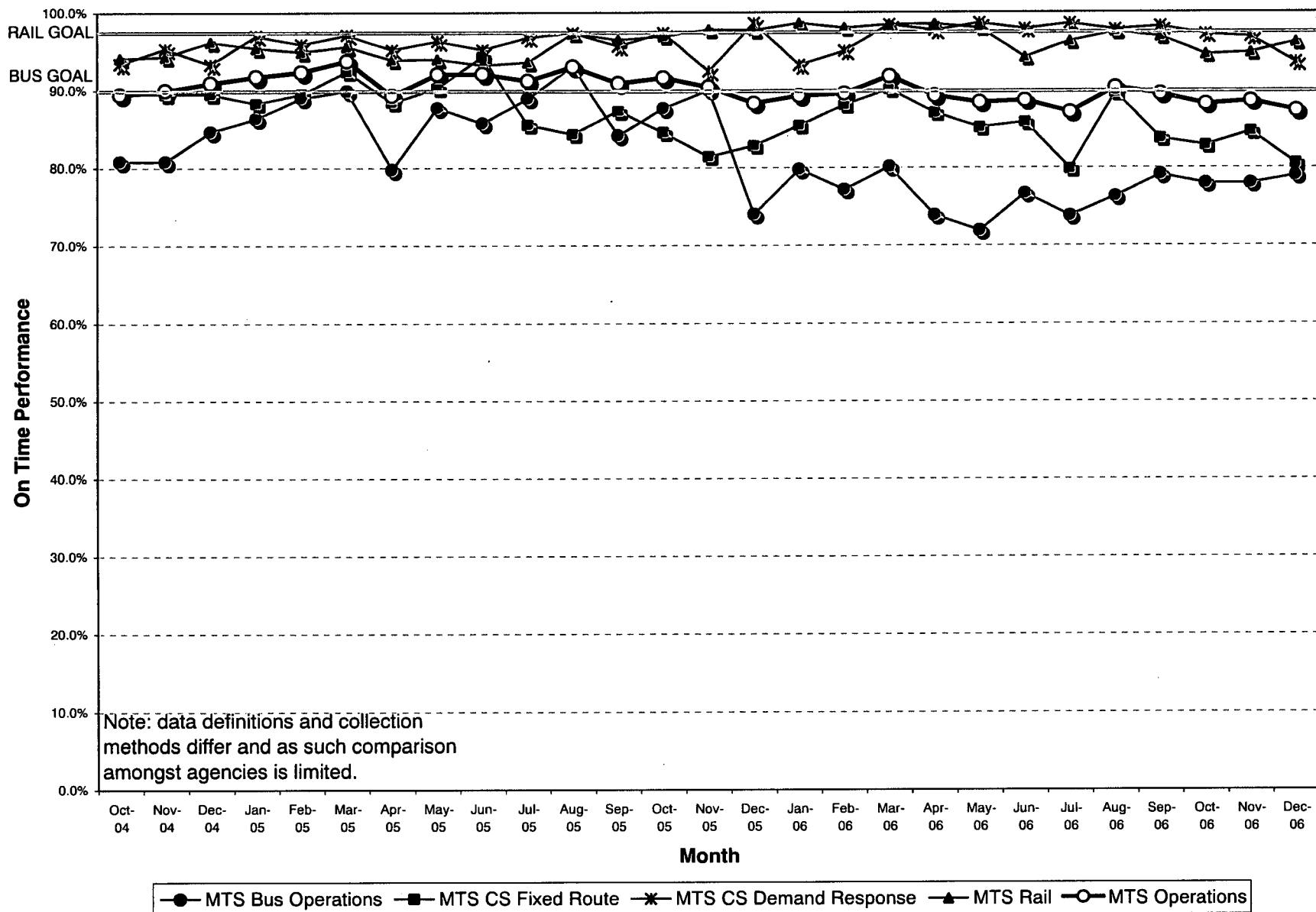


MTS Rail Ridership Detail - FY05 - FY07YTD



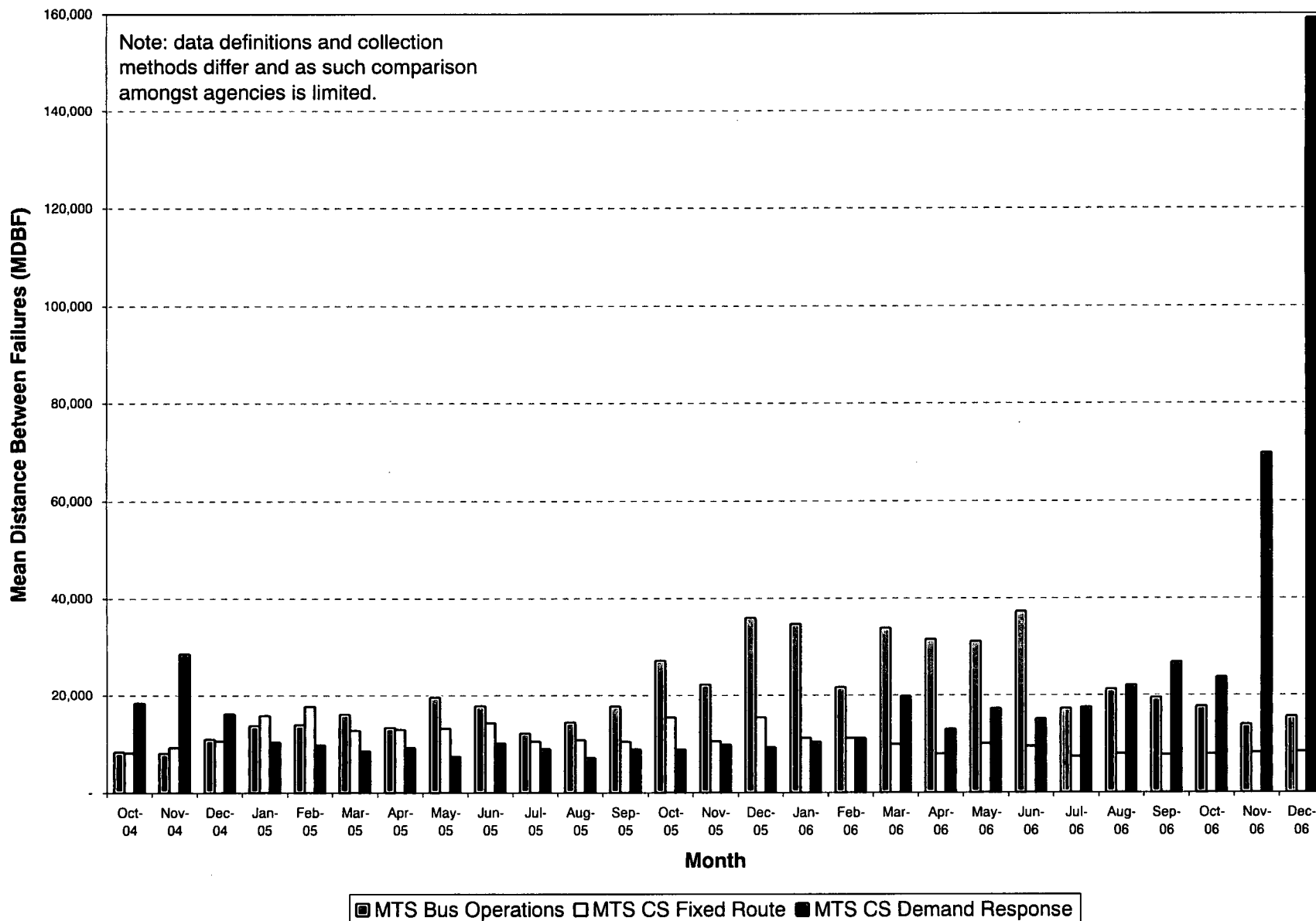


MTS On Time Performance - FY05 - FY07YTD



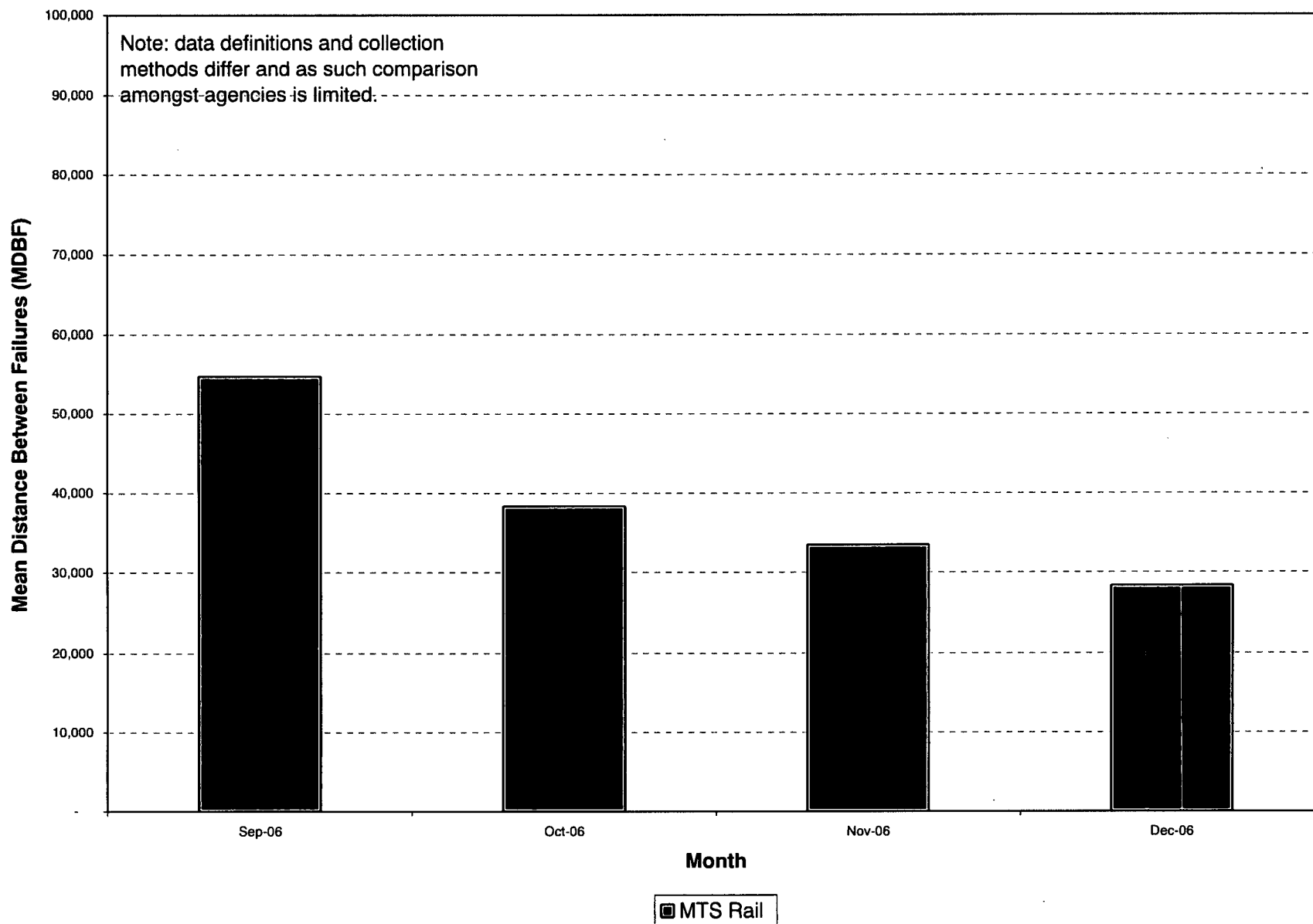


MTS Bus Mean Distance Between Failures (MDBF) - FY05 - FY07YTD



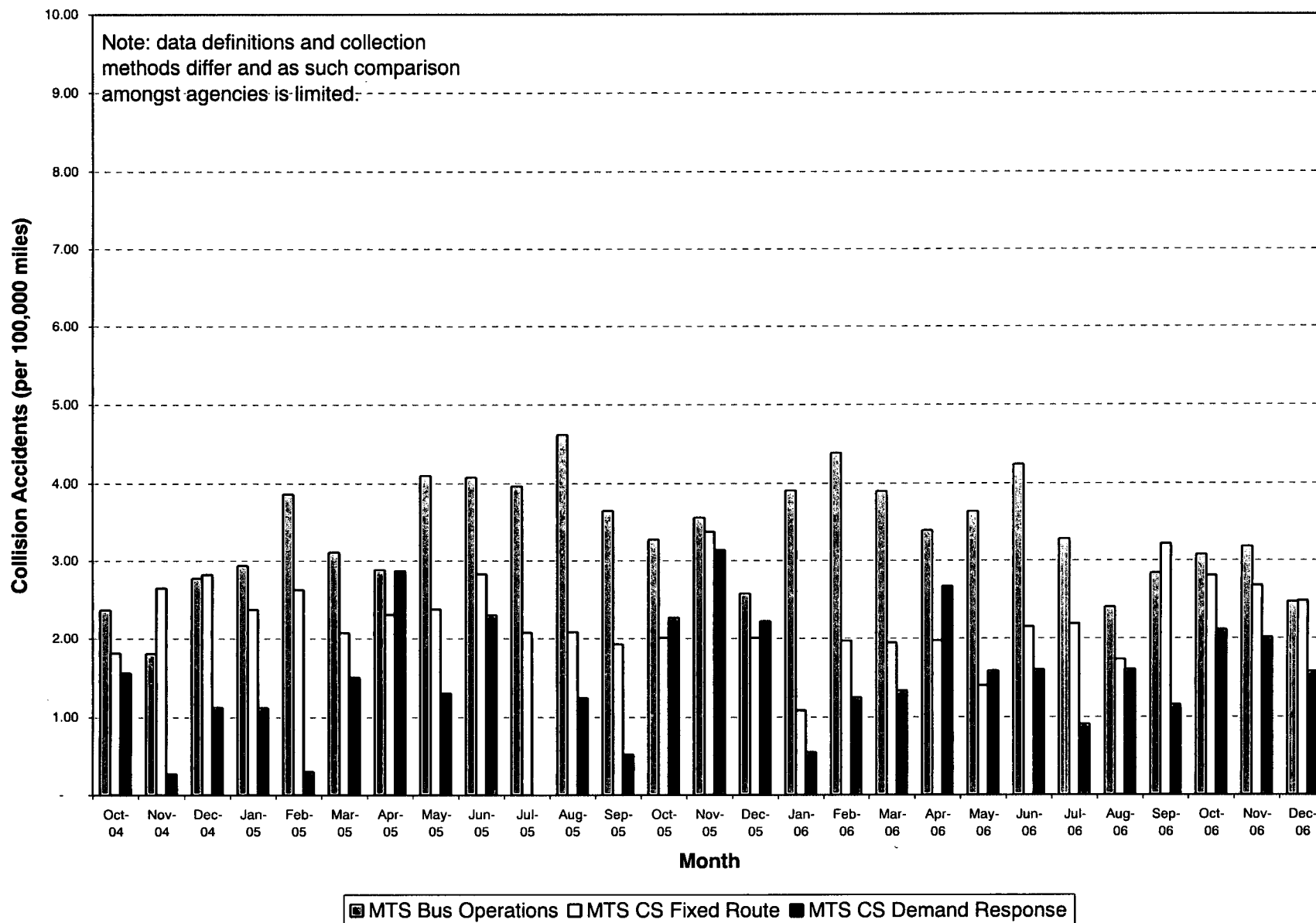


MTS Rail Mean Distance Between Failures - FY05 - FY07YTD



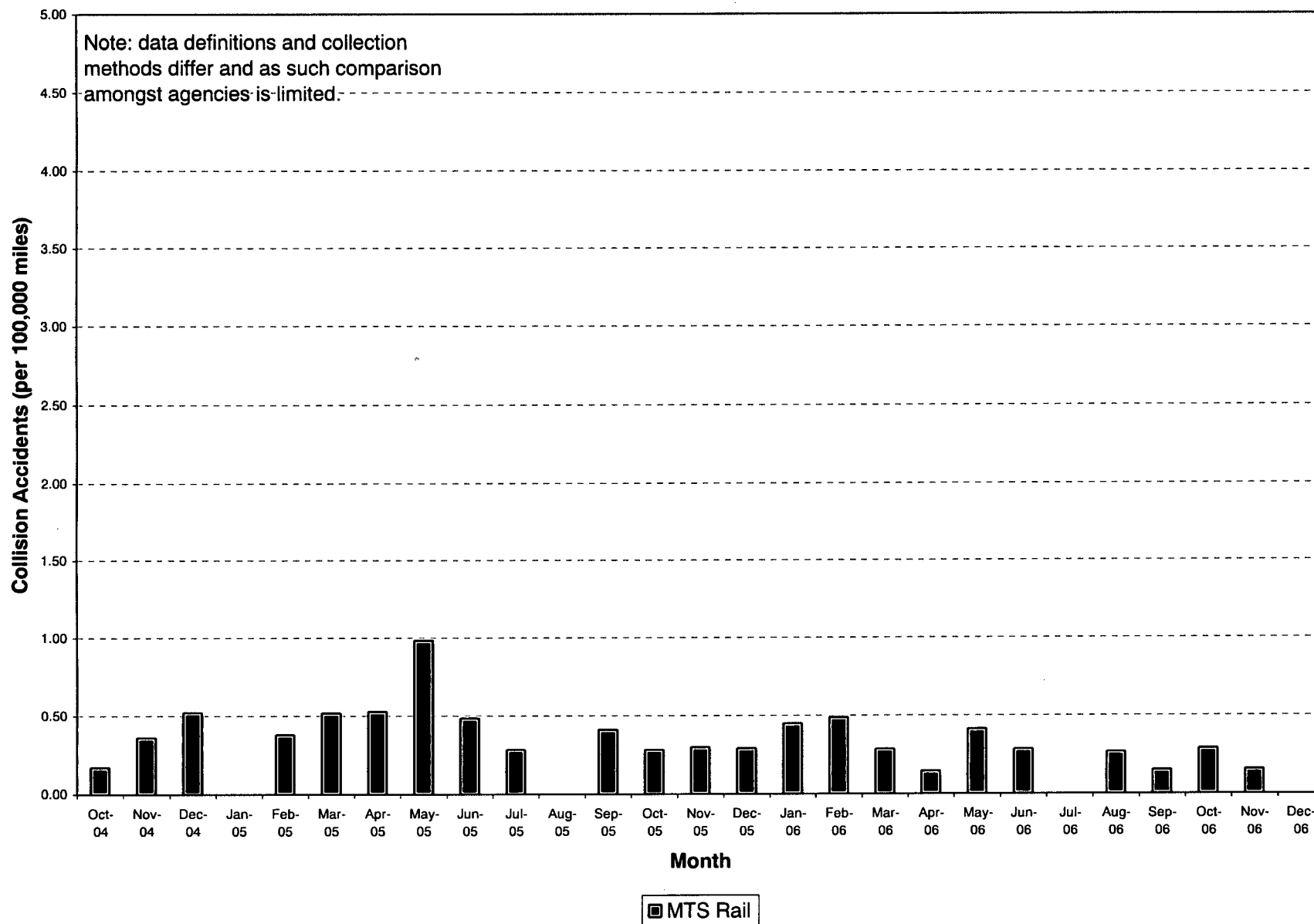


MTS Bus Collision Accidents (per 100,000 miles) - FY05 - FY07YTD



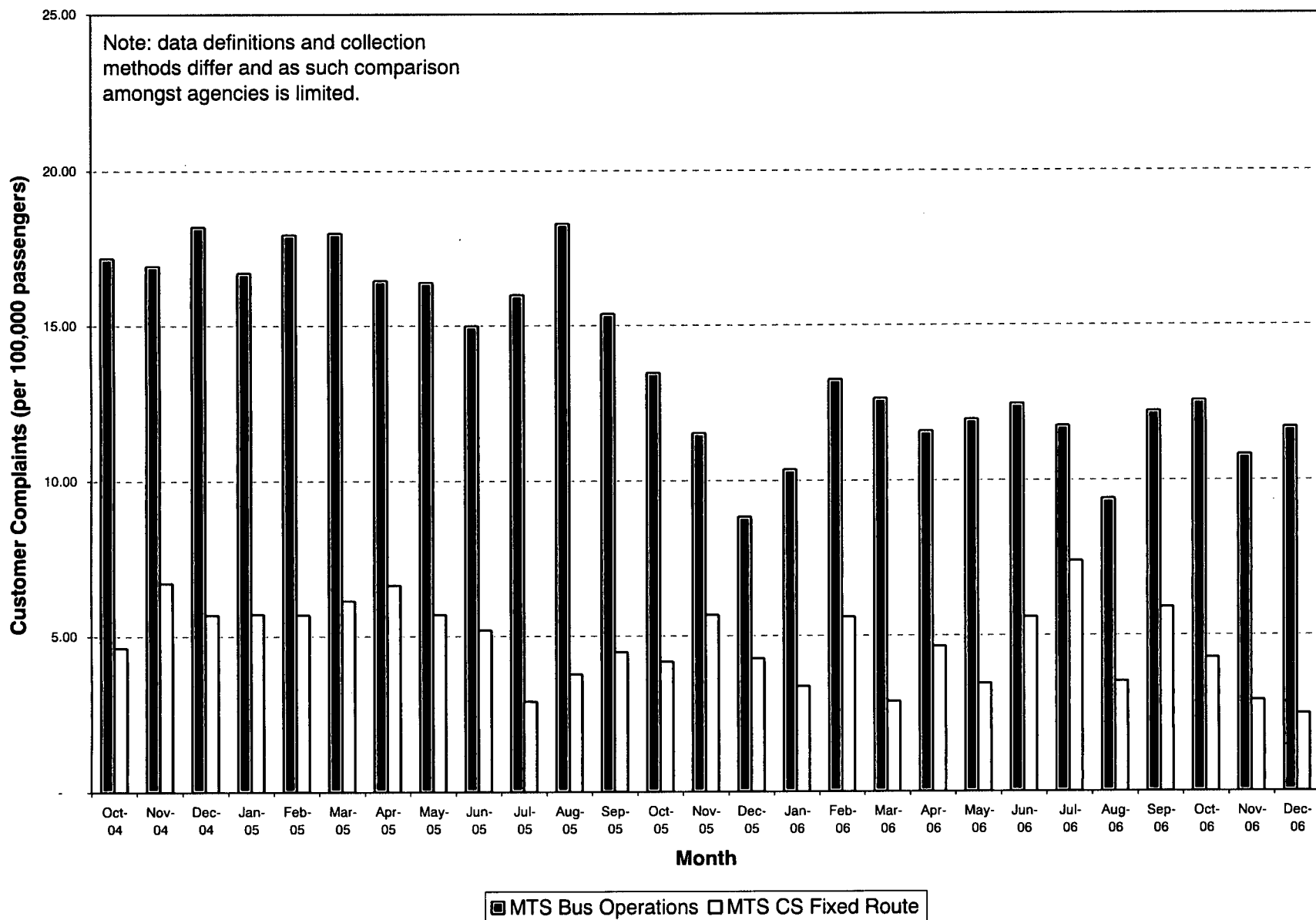


MTS Rail Collision Accidents - FY05 - FY07YTD





MTS Bus Customer Complaints (per 100,000 passengers) - FY05 - FY07YTD



Metropolitan Transit System

Second Quarter FY07 Monthly Performance Indicators

March 8, 2007

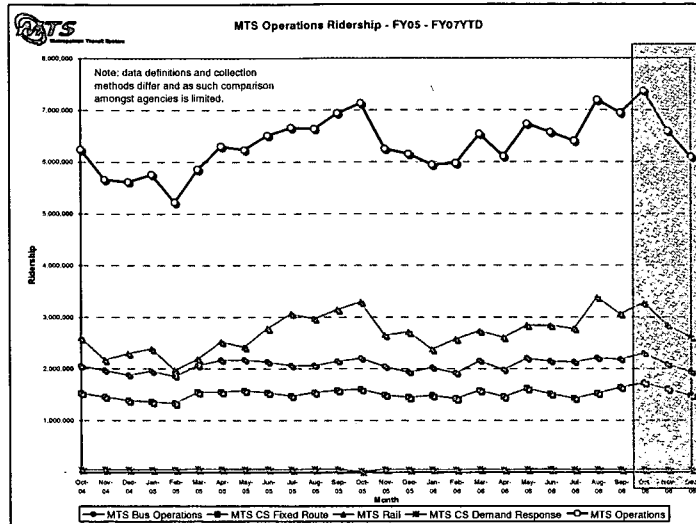


Operations Summary

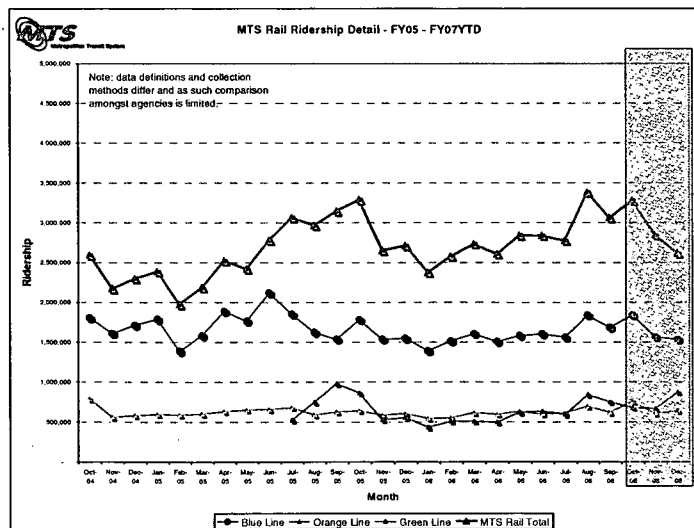
- Continued monitoring and analysis of COA changes
- Thanksgiving (November 23rd) and Christmas (December 25th) holidays, and additional New Year's Eve service
- Additional service provided for Chargers and SDSU Aztecs football games, Poinsettia Bowl and Holiday Bowl events at Qualcomm, and Cox Arena events
- International Auto Show (December 27th –31st)



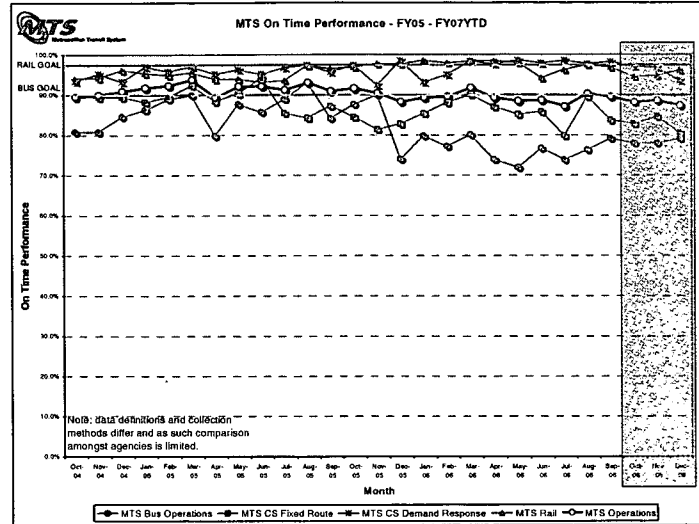
System Ridership



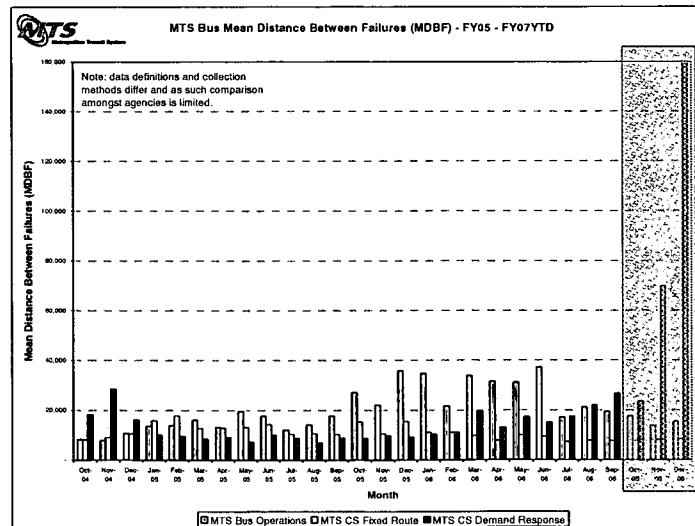
MTS Trolley Ridership



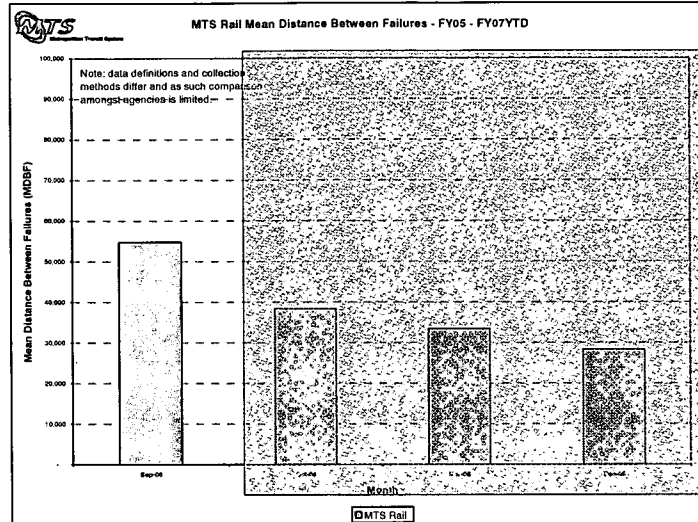
On Time Performance



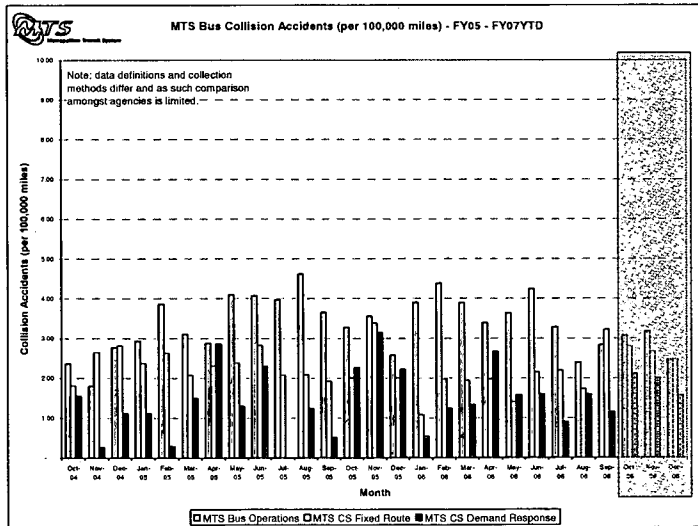
Mean Distance Between Failures - Bus



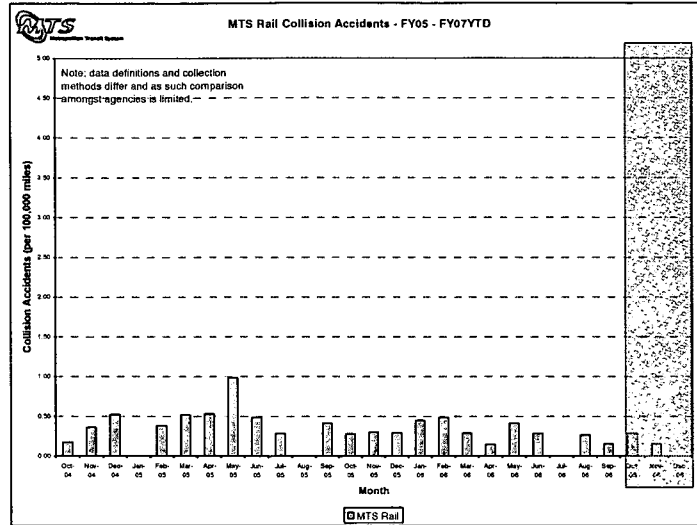
Mean Distance Between Failures - Rail



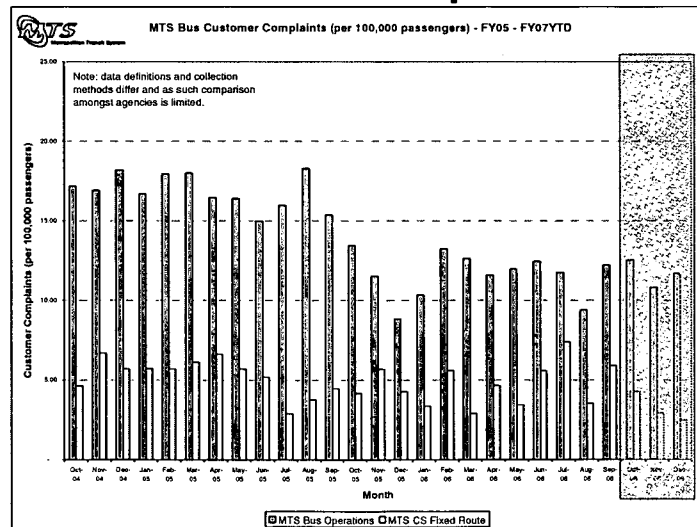
Collision Accidents - Bus



Collision Accidents - Rail



Customer Complaints



Conclusion of Report Second Quarter FY07





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)

March 8, 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 February 6, 2007 through February 26, 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

March 8, 2007

Contracts

| Organization | Subject | Amount |
|------------------------------|---|--------------|
| MARSHALL STEVENS | MISSION VALLEY EAST COST SEGREGATION ANALYSIS | \$15,000.00 |
| MOTOROLA, INC | RADIOS FOR TAXI VEHICLES | \$8,270.01 |
| COMPUTER MASTERS | 4 BLACK & WHITE PRINTERS | \$6,344.91 |
| BANK OF NEW YORK | ESCROW AGREEMENT DEBT-SERVICE PAYOFF | \$9,325.00 |
| METRO VIDEO | DIGITAL VIDEO RECORDER | \$5,846.52 |
| SIEMENS TRANSPORTATION | 190 BRAKE HOSES | \$10,484.08 |
| BECHTEL NATIONAL INC | RIGHT OF ENTRY - SOIL BORINGS - NAVY PROPERTY | (\$1,750.00) |
| HITEC ENTERPRISE | DOOR REFLECTORS | \$4,040.63 |
| UPA GROUP | RIGHT OF ENTRY - STELLA CONDO DEVELOPMENT | (\$3,440.00) |
| ADVANCED RAIL MANAGEMENT | RAIL GRINDING | \$97,300.00 |
| SAFETRAN SYSTEMS | PSO TRACK CIRCUIT KITS | \$42,113.01 |
| HELIUM MECHANICAL | EXHAUST FAN REBUILD FOR SDSU STATION | \$3,353.00 |
| SIEMENS TRANSPORTATION | CAMSHAFT UNITS | \$5,549.13 |
| PM REALTY FOR HAZARD CENTER | 2007 PARTNERSHIP AGREEMENT | (\$8,500.00) |
| ICMA RC | DEFERRED COMPENSATION 457 PLAN ADMINISTRATOR | \$0.00 |
| ACCO ENGINEERED SYSTEM | REPLACE AIR CONDITIONING HEATER IN BUILDING C | \$5,615.00 |
| LATINO FILM FESTIVAL | 2007 PARTNERSHIP | \$7,000.00 |
| RPM MATERIAL HANDLING | PURCHASE 2 FORKLIFTS | \$43,315.05 |
| ESRI | PURCHASE SOFTWARE FOR PLANNING | \$3,777.46 |
| THE WIGGANS GROUP | CONTRACT TIME EXTENSION GENERAL RIGHT-OF-WAY SERVICES | \$0.00 |
| PC MALL | 25 COMPUTER MONITORS | \$14,759.90 |
| SANDAG/NCTD/GIRO | FUNDING ALLOCATION FOR SCHEDULING SYSTEM | \$0.00 |
| WILLIAM NORRIS | CONSULTING SERVICES FOR FEDERAL GRANTS | \$25,000.00 |
| METROPOLITAN WASTEWATER DEPT | ROE FIX MANHOLES MORENA BLVD | (\$1,500.00) |

Agenda Item No. 61
Chief Executive Officers Report

March 8, 2007

Purchase Orders

| Organization | Subject | AMOUNT |
|--------------------------|----------------------------------|-------------|
| DIMENSIONAL SILKSCREEN | BUS KING LATINO FILM FESTIVAL | \$2,262.76 |
| ASSOCIATED POSTERS | BUS SHELTER LATINO FILM FESTIVAL | \$519.88 |
| THE MESA PRESS | 5 BLACK & WHITE ADS | \$625.00 |
| PRINT SYSTEMS, INC | DAILY TRIP RECORDS | \$692.90 |
| XX SPORTS RADIO | PROMOTE MTS AT PADRE GAMES | \$16,050.00 |
| CBS OUTDOOR | BUS SHELTERS | \$17,380.00 |
| NUMARA | ANNUAL SUPPORT AGREEMENT | \$3,925.00 |
| STROMBERG, INC | ANNUAL SUPPORT MAINTENANCE | \$6,739.48 |
| PRINT SYSTEMS | MTS LETTERHEAD | \$2,431.93 |
| SONIC WALL NORTH AMERICA | SONIC WALL SUPPORT | \$1,145.00 |
| METRO VIDEO SYSTEMS | VIDEO RECORDER | \$5,846.52 |
| COAST UNITED ADVERTISING | PRINTING OF BUS BENCH ART | \$2,150.00 |
| VISIBLE INK | SNIPES TO COKE SCHOLARSHIP | \$1,508.50 |
| TMD | LABOR NEGOTIATIONS SUPPORT | \$38,000.00 |
| BORDEAUX PRINTERS | TROLLEY PUNCH OUT BANK | \$2,867.23 |
| DIMENSIONAL SILKSCREEN | ROUTE DECALS | \$1,941.66 |
| MCCUNE | DODGE TRUCKS | \$69,741.93 |
| ADD-ONS INC. | DATA FIX | \$640.00 |

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UNION-TRIBUNE STAFF WRITER

March 8, 2007

National City filed an \$834,384 claim against the Metropolitan Transit System this week, accusing the agency of interfering with the city's existing contract.

MTS took over National City's bus routes Sunday, even though the city has a contract with another transit agency until June.

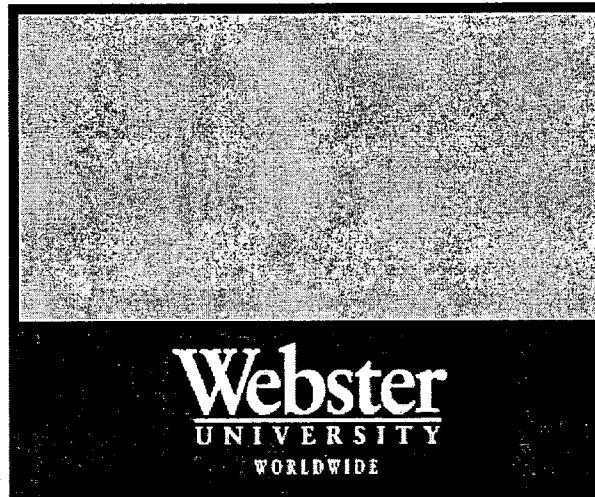
The claim for monetary damages replaces the preliminary injunction the city was seeking to stop MTS from taking over its bus routes and transportation funding. An injunction hearing scheduled for tomorrow has been canceled.

After a judge denied a temporary restraining order last week, Mayor Ron Morrison said there was no point in undoing the MTS takeover at this time.

"The routes are already changed; it doesn't make sense to try to go back," Morrison said. "The ruling made no sense."

City Attorney George Eiser said no decision has been made about whether the city will seek a permanent injunction in the future. Officials filed a lawsuit seeking a restraining order and preliminary and permanent

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injunctions in San Diego Superior Court last month.

The claim for damages was mailed to MTS on Tuesday.

MTS spokesman Rob Schupp said it would be processed like any other claim. The agency has 30 days to respond to the claim before National City can proceed with a lawsuit.

City officials based the monetary figure on income they expected when the contract was renewed with McDonald Transit Associates, which was operating the bus system in National City. There was \$39,520 left on this year's contract, plus \$794,864 from a five-year contract extension.

MTS announced in September that it planned to take over National City's buses in order to save \$575,000. The MTS board finalized the decision in December.

At the time, city officials complained that MTS made the decision in a closed meeting, which violates the state's open meeting law. The transit agency later finalized the decision in public.

Shortly after the decision, National City's City Council recalled Councilwoman Rosalie Zarate from the MTS board of directors. Morrison said Zarate's presence was a waste of time because MTS wasn't considering the city's input.

"(MTS chief executive officer) Paul Jablonski's got it in his head that government's role is to get away with whatever it can get away with," Morrison said.

■ Tanya Sierra: (619) 498-6631; tanya.sierra@uniontrib.com

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