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Agenda

06-08-07 A11:02 IN

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

June 14, 2007

9:00 a.m.

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

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

ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - May 24, 2007 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

CONSENT ITEMS

6. MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Railway Company Board of Directors at its May 22, 2007, Meeting Approve
Action would: (1) receive the San Diego and Imperial Valley (SD&IV) Railroad, Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports; and (2) ratify actions taken by the SD&AE Railway Company Board of Directors at its meeting on May 22, 2007.

Please silence cell phones and pagers
during the meeting



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

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| 7. | <u>MTS: Investment Report</u>
Action would receive a report for information. | Receive |
| 8. | <u>MTS: Payroll and Human Resources Information System - Contract Award</u>
Action would authorize the CEO to award a contract (MTS. Doc. No. G1063.0-07) to Ingentra HR Services, Inc. to provide payroll processing and a Human Resources information system. | Approve |
| 9. | <u>MTS: Capital Improvement Program Project Budget Transfers</u>
Action would: (1) forward a request to the San Diego Association of Governments (SANDAG) Transportation Committee to transfer funds from the Catenary Contact Wire Replacement Project No. 11420 to the L Street/West Park Avenue Track Rehabilitation Project No. 11287; and (2) approve a Memorandum of Understanding (MOU) to transfer funds from the MTS Crane Truck Procurement Project No. 11186 to SANDAG's City College Station Realignment Project No. 10494. | Approve |
| 10. | <u>MTS: An Ordinance Amending Ordinance No. 5, An Ordinance Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II</u>

<u>MTS: An Ordinance Amending Ordinance No. 13, An Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles and Prohibited Actions On or About a Transit Facility or a Bus Stop</u>
Action would: (1) read the title of Ordinance No. 5, An Ordinance Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II; (2) read the title of Ordinance No. 13, An Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles and Prohibited Actions on or About a Transit Facility or a Bus Stop; (3) waive further readings of the ordinances; (4) introduce the ordinances for further consideration at the next Board meeting on June 28, 2007; and (5) direct publication of ordinance summaries. | Approve |
| 11. | <u>MTS: Proposed Amendments to Board Policy No. 30 (Investments)</u>
Action would approve the proposed revisions to Board Policy No. 30 (Investments). | Approve |
| 12. | <u>MTS: June 2007 Services Changes</u>
Action would receive a report on the service changes scheduled for June 2007 implementation. | Receive |

CLOSED SESSION

- | | | |
|-----|---|-----------------|
| 24. | a. <u>SDTC: CONFERENCE WITH LABOR NEGOTIATORS</u>
Pursuant to California Government Code section 54957.6
Agency-Designated Representative - Jeff Stumbo
Employee Organization - Amalgamated Transit Union Local 1309 | Possible Action |
|-----|---|-----------------|

NOTICED PUBLIC HEARINGS

- | | | |
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| 25. | <u>MTS: FY 2008 Budget: Public Hearing and Adoption</u>
Action would: (1) hold a public hearing, receive testimony, and review and comment on the fiscal year 2008 budget information presented in the report; and (2) adopt Resolution No. 07-6 approving the operating and capital budget for MTS and approving the operating budgets for San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, Chula Vista Transit, and the Coronado Ferry. | Approve |
|-----|--|---------|

DISCUSSION ITEMS

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|-----|--|---------|
| 30. | <u>MTS: Revisions to Policy No. 42 (New and Existing Service Evaluation)</u>
Action would approve amendments to MTS Policy No. 42. | Approve |
| 31. | <u>MTS: Audit Oversight Committee</u>
Action would create an Audit Oversight Committee and adopt the proposed guidelines and responsibilities in Board Policy No. 22. | Approve |

REPORT ITEMS

- | | | |
|-----|--|-----------------|
| 45. | <u>MTS: Legislative Update</u>
Action would receive an update on state and federal activities related to transit. | Receive |
| 46. | <u>MTS: Rock 'N Roll Marathon Recap</u>
Action would receive a report for information. | Receive |
| 47. | <u>MTS: Year-to-Date Operations Budget Status Report Through April 2007</u>
Action would receive the MTS Year-to-Date Operations Budget Status Report through April 2007. | Receive |
| 60. | <u>Chairman's Report</u> | Possible Action |
| 61. | <u>Chief Executive Officer's Report</u> | Information |
| 62. | <u>Board Member Communications</u> | |

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| 63. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. | Possible Action |
| 64. | <u>Next Meeting Date:</u> June 28, 2007 | |
| 65. | <u>Adjournment</u> | |

**METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL**

MEETING OF (DATE): 6/14/07

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:11 a.m.

RECONVENE: 9:45 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 11:10 a.m.

BOARD MEMBER (Alternate)				PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>	9:08 a.m. during Consent Agenda	
CLABBY	<input checked="" type="checkbox"/>	(Selby)	<input type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/>	(Cafagna)	<input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/>	(Allan)	<input type="checkbox"/>		
FAULCONER	<input checked="" type="checkbox"/>	(Hueso)	<input type="checkbox"/>	9:08 a.m. during Consent Agenda	11:02 during AI 47
HANSON-COX	<input type="checkbox"/>	(Lewis)	<input checked="" 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 type="checkbox"/>	(Downey)	<input type="checkbox"/>		<input checked="" 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"/>	9:42 a.m. during AI 24	
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

[Signature]

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

May 24, 2007

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

FINANCE WORKSHOP

1. Roll Call

Vice Chair Rindone called the meeting to order at 8:23 a.m. A roll call sheet listing Board member attendance is attached.

2. MTS: FY 2008 Budget Development (FIN 310.1, PC 50601)

Mr. Jablonski, MTS CEO, stated that MTS's FY 2008 proposed budget has changed significantly since the last time it was presented to the Board. He reported that SANDAG notified MTS about four weeks ago that TransNet funding had been overprojected. He added that, in response to questions from MTS staff, SANDAG then evaluated sales tax returns that fund the Transportation Development Act (TDA) and have reported that these funds were also overprojected by about \$7 million. He stated that MTS is now projected to receive \$9.2 million less than previously projected. Mr. Jablonski stated that staff would be recommending a short-term solution for approval at this point in time and would come back to the Board at some time in the near future with a long-term solution that utilizes recurring revenues. He reported that staff members have been working hard to maximize State funding that is becoming available but that this funding would most likely not consist of recurring revenues.

Mr. Larry Marinesi, MTS Budget Manager, reviewed the FY 2008 budget recap and provided updates on FY 2007 and 2008 subsidy funding. Mr. Marinesi then reviewed the recommended short-term solution for addressing the current budget deficit. These solutions included using budget savings from FY 2007, expected compressed natural gas (CNG) fuel credits, and increases in State Transit Assistance (STA) recurring revenues. He reported that in seeking a long-term solution, staff will consider fare increases, service changes, union contracts under negotiation, revenue vehicle advertising, the postponing of the Performance Incentive Plan, and a hiring freeze for additional positions in the FY 2008 budget.

Mr. Lewis stated that raising fares will not encourage increases in ridership that would generate more revenues and suggested that fares be lowered instead. Mr. Rindone stated that the Budget Development Committee will be studying the elasticity of demand when evaluating whether or not to recommend increasing fares. It was stated that any potential fare increase should be looked at in conjunction with the introduction of Smart Cards and an entire restructure

of fares. Mr. Rindone explained that, at this point, staff was simply identifying options to be evaluated. Mr. Jablonski added that there are some elements of the regional fare policy that need to be reviewed given that some transit patrons are riding for 50 cents per day. He stated that staff will be reviewing all options and welcomed input from Board members with ideas. Mr. Emery stated that, even though the Comprehensive Operational Analysis (COA), has been completed, there are still some areas where service was left in place that was less productive than desired with the understanding that it would be reevaluated at a later time. He also stated that he would be less in favor of cutting service used by those who are totally transit dependent than cutting service to those who are not transit dependent.

In response to a question from Ms. Atkins, Mr. Jablonski explained that North County Transit has an even bigger challenge because they do not have budget savings for FY 2007, are not eligible for CNG rebates, have committed most of their financial resources to the Sprinter, and don't have reserves that can be used. He reported that they are facing a \$4 million deficit. Mr. Cliff Telfer, MTS CFO, reported that North County Transit is considering cutting all Sunday service.

Ms. Atkins stated that this is a regional problem and should be discussed at a regional level at SANDAG. She stated that work should be done collectively to solve this problem for air quality and traffic congestion reasons. Mr. Roberts stated that Ms. Atkins was right to the extent that MTS might get some financial relief from SANDAG but felt that idea was optimistic at best. He also expressed concern about the Governor's recent attempt to divert TDA "spillover" funds from transit to other things. He added that MTS must determine how to work within its budget and should consider anything possible to arrive at a solution. Ms. Atkins stated that she was not suggesting that SANDAG solve the problem but that everyone work as partners on this regional problem. Mr. Jablonski stated that this issue is being worked on collaboratively, and that SANDAG has been actively lobbying the Governor's office about state-wide transit funding. He pointed out that all of southern California is being affected. Ms. Atkins added that she would like to participate in the meetings with legislators.

Mr. Young suggested that MTS explore leasing opportunities related to properties it holds. Mr. Jones agreed with Mr. Young's suggestion and requested that staff prepare a report to the Board that provides information on all current leases, lease payments, and leasing opportunities. Mr. Roberts pointed out that work is already underway to identify and pursue joint development opportunities. He reported that he and MTS staff members recently traveled to Los Angeles to look at MTA's joint developments, which are among the best in the country. He reported that MTS's next joint development would probably be at Grantville, and that efforts will be made to maximize a continuing return from each project. Mr. Young stated that discussions of this topic, which have been occurring at the Executive Committee level, should be moved to the Board. Ms. Tiffany Lorenzen, MTS Legal Counsel, pointed out that a list of MTS-held properties was presented to the Board a number of months ago and would be a good place to start in providing the requested information.

Mr. Ewin stressed the importance of establishing a firm financial foundation equivalent to the cost of the services that MTS provides.

Mr. Roberts expressed concern that TransNet money is being used by SANDAG for things that are not connected to transportation such as replacement of beach sand, storm-water runoff, and

open-space management, etc. He stated that MTS Board members who also serve as representatives at SANDAG are attempting to address this concern.

Mr. McLean distributed an article from the Sacramento Bee by Dan Walters titled "Transit's pockets get picked."

Public Comment

There was no Public Comment on this item.

Action Taken

Mr. Emery moved to receive a report on the FY 2008 operating budget. Mr. Ewin seconded that motion, and the vote was 13 to 0 in favor.

The Finance Workshop was adjourned and a recess was taken at 9:15 a.m.

BOARD MEETING

4. a. Roll Call

Chairman Mathis called the meeting to order at 9:39 a.m. A roll call sheet listing Board member attendance is attached.

b. Approval of Minutes

Mr. Roberts moved to approve the minutes of the April 26, 2007, Board of Directors meeting. Mr. Emery seconded the motion, and the vote was 12 to 0 in favor.

c. Public Comment

Joy Sunyata: Ms. Sunyata stated her affection for transit and stated that transit is vital and important. She thanked MTS for everything it does. She stated that she hoped there would be a discussion of the public's reluctance to abandon cars and use public transit.

Chuck Lungerhausen: Mr. Lungerhausen reported that he contributed a total of \$7,120 to the 2007 MTS Walk. He stated that individuals who contributed would be receiving a personal thank you from him via the mail. Mr. Lungerhausen briefly discussed mixed consists and compatibility problems between different trolley car types.

SPECIAL ANNOUNCEMENT

APTA Safety Award: Mr. Jablonski announced that San Diego Transit was recently runner-up for the APTA Safety Award. He stated that this award is the result of the tremendous progress made within the agency. He recognized the following employees: Jim Byrne, Dan Trent, Kevin Richardson, Kevin Behan, Carmen Naranjo, Steve Johnson, and Michelle Sheperd.

DISCUSSION ITEMS *(Taken Out of Order)*

32. MTS: Airport Transit Plan (SRTP 840.9.1, PC 50451)
(Taken Out of Order)

Executive Committee Member of the Regional Airport Authority Board Charlene Zettel, Director of Airport Planning Keith Wilschetz, and Manager of Airport Planning Mr. Ted Anasis were introduced to the Board. Mr. Anasis presented the Airport Transit Plan and focused specifically on the recommended transit improvements. He reviewed the Plan's timeline, issues with the existing transit service to the airport, and the recommended tiered approach for making transit improvements.

Mr. Young stated that he was proud to be a representative of the City of San Diego on the Airport Authority Board and added that it was a top-notch organization like MTS. He stated that it was clear that more ways need to be identified for connecting the MTS system with the airport. He stated that he liked the concept of off-site check-in and express service to the airport. Mr. Anasis pointed out that this concept would be used along congested corridors such as the I-15 or I-805 corridors and that a building or shared space would be needed to house this function. In response to another question from Mr. Young, Mr. Wilschetz explained that the Federal Aviation Administration (FAA) can provide funding only for those services that are exclusively dedicated to the airport and may provide proportionate funding for services that are not.

Mr. Mark Thomsen, MTS Senior Transportation Planner, reported that MTS staff members have been involved in discussions of this matter since the initiation of the study. He stated that the Airport Authority Board has been informed of MTS's concerns about using the Old Town Transit Center as an originating point for transit service to the airport. He added that parking is almost at capacity now, and MTS would object to any plan that would displace existing patrons.

Mr. Roberts expressed his concern over the proposed plan. He stated that both the MTS Executive Committee and SANDAG have made comments regarding revisions that should be made to the plan yet no changes have been incorporated into the plan. He added that SANDAG actually voted against the plan and issued a White Paper on the matter. Mr. Roberts stated that individuals traveling to the airport with luggage will not be interested in using transit and making multiple transfers to get to the airport. He also stated that the airport must address the severe traffic congestion that exists on Grape and Hawthorne. Mr. Roberts also added that the MTS created a trolley station at Palm Street based on a previous airport plan that was subsequently never implemented. He stated that the recommended plan is impractical with respect to transit and is fraught with problems. He also stated that it does not appear that the airport has been working with Caltrans to resolve any of its problems. He added that the Airport Authority needs to meet with Caltrans to discuss a plan for moving people in cars. He stated that there should be some public transit serving the airport but that everyone needed to be realistic about how many people would use it.

Mr. Ewin asked if all these changes should be pursued just to serve 2,000 people per day. Mr. Monroe stated that he agreed that the Old Town Transit Center is too crowded to serve as an origination point for transit to the airport. He stated that he couldn't imagine that a dedicated transit lane would be feasible either given that Harbor Drive is projected to be gridlocked by 2009. He agreed with Mr. Roberts' comments about having a plan that addresses traffic issues related to the airport. Mr. Rindone stated that MTS would like to be part of the solution and

requested that airport staff consider the Board's input. Mr. Emery agreed that ridership on airport services would be minimal and stated that, given MTS's shortfall, he didn't know how MTS could make any service improvements to the airport. He also stated that Amtrak does not stop at the Old Town Transit Center. Ms. Atkins agreed that the proposed plan was not workable for the reasons already given and suggested that the plan be reworked to address the comments that have been made. Mr. Roberts suggested that airport staff consider the old plan, which moved airport terminals to Pacific Highway, where transit service is more feasible. He stated that transit is not competitive in this circumstance. Mr. Monroe stressed that any plan needs to be integrated to handle both auto and transit.

Mr Young suggested that the policymakers from the Airport Authority Board and the MTS Board have a joint meeting to discuss this matter. Mr. Ewin suggested that meeting participants be required to use transit to get to this meeting.

Action Taken

Mr. Young moved call for a joint meeting of the San Diego Regional Airport Authority Board and the MTS Board to discuss the proposed Airport Transit Plan. Mr. Roberts seconded the motion, and the vote was 12 to 0 in favor.

CONSENT ITEMS

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

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

Recommended Consent Items

Mr. Rindone moved to approve Consent Agenda Item No. 6. Mr. Emery seconded the motion, and the vote was 12 to 0 in favor.

NOTICED PUBLIC HEARINGS

25. MTS: Proposed North Central Area Bus Changes to Routes 25, 120, and 926/927
(S RTP 820.9, PC 50451)

Mr. Denis Desmond, MTS Senior Transportation Planner, reviewed the proposed service changes for Routes 25, 120, and 926/927. He reviewed ridership numbers as well as community comments that have been received since the original changes to these routes took place as part of the COA. He also provided an overview of the benefits of implementing the recommended changes. He projected that 300 extra passengers per day are expected, which justifies the out-of-direction travel being implemented on Route 120. Mr. Desmond added that the recommended changes will improve passenger convenience and the allocation of resources. In response to a question from Mr. Jones, Mr. Desmond explained that Route 25 doesn't have the capacity or frequency (hourly) to provide the service that the Route 120 would provide on the east side of I-163 if the proposed changes are approved.

Chairman Mathis opened the public hearing at 10:53 a.m.

Clive Richard: Mr. Richard stated that, while he is not opposed to better service for Linda Vista, he opposes out-of-direction travel.

Donna Erickson, Transportation Committee and Linda Vista Planning Group: Ms. Erickson stated that the out-of-direction travel being recommended was minimal and that Linda Vista is very happy about the changes.

Peter Warner: Mr. Warner asked why two routes were serving the east side of I-163.

Chairman Mathis closed the public hearing at 10:59 a.m.

Ms. Atkins stated that staff was doing a very good job of refining MTS's service and balancing that with community requests. She stated that she appreciated that staff was listening to comments from the communities.

Action Taken

Mr. Monroe moved to (1) conduct a public hearing on the proposed changes to Routes 25, 120, and 926/927 bus service; and (2) approve the proposed changes for implementation on September 2, 2007. Mr. Emery seconded the motion, and the vote was 11 to 0 in favor.

CLOSED SESSION: *(Taken Out of Order)*

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 11:00 a.m.

- a. MTS: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant Exposure to Litigation Pursuant to California Government Code Section 54956.9(b): (One Potential Case)

The Board reconvened to Open Session at 11:54 a.m.

Oral Report of Final Actions Taken in Closed Session

Mr. Jablonski reported the following:

- a. The Board received a report and gave direction to staff.

DISCUSSION ITEMS (Continued)

30. MTS: Audit Oversight Committee (ADM 110.7, PC 50101)

Chairman Mathis introduced Mr. Ken Kuhn, Manager of the San Diego offices of Caporicci & Larson, MTS's auditors. Mr. Cliff Telfer, MTS Chief Financial Officer, reported that recommendations for the formation of the Audit Oversight Committee and the process the Committee would use were outlined in Attachments A and B of agenda item. He stated that the first document presents a revised MTS Policy No. 22, Rules of Procedure for MTS. He added

that the second document, Draft Policies and Procedures, provides the guidelines for the revisions that were made to Policy No. 22. He reviewed elements of these documents including the guidelines for compensation for meeting participation, differentiation from the Executive Committee, goals, and basic tasks.

Mr. Young requested that his comments on this topic from the April 12, 2007, Board meeting be entered into the record. His questions and comments follow:

Mr. Young asked if having the Executive Committee serve as an Audit Oversight Committee is acceptable under official accounting guidelines. He asked legal counsel to review the duties of the Executive Committee and then questioned why MTS would not have a separate committee for audit oversight purposes. He asked if giving the Executive Committee responsibility for audit oversight would increase accountability. Mr. Young asked the Board to consider whether the Executive Committee should be given responsibility for audit oversight.

Mr. Young stated that he did not believe that it was in MTS's best interests to have the Executive Committee serve as the Audit Oversight Committee and would therefore not support the recommended action to do so. Mr. Emery pointed out that, without Mr. Young's vote in favor, the Board would not have a quorum of votes to pass this item.

Mr. Ewin stated that, in view of the fact that there is an audit going forward and in the absence of an Audit Oversight Committee, any related matters should come before the Executive Committee in order to keep the process going. Chairman Mathis stated that this is understood and staff will comply.

Action Taken

Mr. Emery moved to continue this item to the Board's next item. Mr. Monroe seconded the motion, and the vote was 8 to 0 in favor. Mr. Ewin stated that he would like the record to reflect that he voted to continue this item with regrets.

31. MTS: Budget Transfers and Construction Contract Award for the MTS 9th and 10th Floor Improvement Project (CIP 11153)

This item was not discussed and no action was taken.

REPORT ITEMS

45. MTS: Legislative Update (LEG 410, PC 50121)

This item was deferred.

60. Chairman's Report

The Chairman made no report.

61. Chief Executive Officer's Report

APTA Bus & Paratransit Conference: Mr. Jablonski advised the Board that he recently attended this conference in Nashville with Chairman Mathis, Claire Spielberg, and Jim Byrne. He stated that there was an extensive bus display and some interesting sessions, including on customer service.

APTA Awards Committee: Mr. Jablonski also reported that he is a member of this committee and recently traveled to Chicago for a meeting to select award winners for next year.

May 1, 2007, Memo Regarding Shooting Incident: As requested at a previous Board meeting, staff provided an overview of a shooting incident that occurred April 2, 2007, and involved MTS contracted security officers. Mr. Jablonski pointed out that this information was also provided to the Board in a memo that was faxed to Board members. It was reaffirmed that this incident occurred off MTS property and involved contract employees who were off duty at the time. It was reported that both of the officers involved have since returned to work.

Legislative Update Agenda Item (No. 45): Mr. Jablonski advised the Board that Ms. Sharon Cooney, MTS Director of Government Affairs and Community Relations, was recently in Sacramento meeting with government officials regarding legislative activities that relate to funding for transit. He stated that she has been working very hard to maximize transit funding at the state level.

62. Board Member Communications

TDA Triennial Audit: Mr. Monroe stated that Booz Allen, the firm that completed the TDA Triennial Audit, recently gave a report at SANDAG regarding the results of that audit. He reported that he was very unhappy with the way the results were presented because they simply presented statistics, in particular with regard to cost, without reference to extraordinary events like the rise in fuel prices, etc. He added that MTS staff tried to make corrections to the report but were ignored. He stated that he saw questionable value in participating in this audit and added that he made the same comments three years earlier when the results of the previous audit were given. He stated that MTS should determine the value of the audit to the organization and work toward the selection of a different auditor for future audits.

63. Additional Public Comments on Items Not on the Agenda

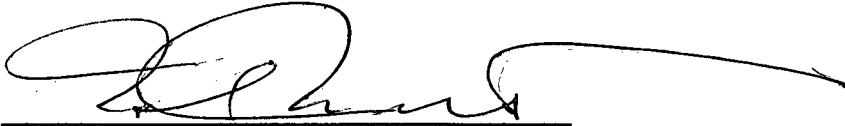
Peter Warner: Mr. Warner pointed out that while expenses are going up as pointed out by the TDA auditors, ridership is also going up. He asked where the discussion of that fact is. He also asked how much ridership has increased as a result of the COA.

64. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, June 14, 2007, at 9:00 a.m. in the same location.

65. Adjournment

Chairman Mathis adjourned the meeting at 12:09 p.m.

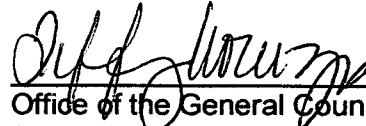


Chairperson
San Diego Metropolitan Transit System
Filed by:



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): 5/24/07

CALL TO ORDER (TIME): 8:23 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 9:15 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>	8:35 a.m. during AI 2	
CLABBY	<input type="checkbox"/> (Selby) <input checked="" type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>	8:28 a.m. during AI 2	
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input type="checkbox"/> (Hueso) <input type="checkbox"/>		<input checked="" type="checkbox"/>
HANSON-COX	<input type="checkbox"/> (Lewis) <input checked="" type="checkbox"/>		
MAIENSCHIN	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>	9:05 a.m. during AI 2	
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"/>	8:38 a.m. during AI 2	
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 Hillman

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): 5/24/07

CALL TO ORDER (TIME): 9:39 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 11:00 a.m.

RECONVENE: 11:54 a.m.

ORDINANCES ADOPTED: _____

ADJOURN: 12:09 p.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		11:56 a.m. during AI 30
CLABBY	<input type="checkbox"/> (Selby) <input checked="" type="checkbox"/>		
EMERY	<input checked="" type="checkbox"/> (Cafagna) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input type="checkbox"/> (Hueso) <input type="checkbox"/>		<input checked="" type="checkbox"/>
HANSON-COX	<input type="checkbox"/> (Lewis) <input checked="" type="checkbox"/>		11:30 a.m. during AI 24
MAIENSCHIN	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/> (Janney) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Downey) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (McCann) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		10:48 a.m. during AI 25
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>		11:30 a.m. during AI 24
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

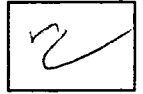
Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

[Signature]



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

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 2007-06-14
Name (PLEASE PRINT) Clive Richard
Address 5153 La Dorna St
San Diego, CA 92115
Telephone 619-582-4036
Organization Represented (if any) _____

Subject of your remarks: Correction of the minutes

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.****





pub. comment

AGENDA ITEM NO.

3

REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

1

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

1. INSTRUCTIONS

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Date 10/14/07

Name (PLEASE PRINT) Elizabeth Cox

Address _____

Telephone _____

Organization Represented (if any) Elite Racing Rock n Roll Marathon

Subject of your remarks: _____

Agenda Item Number on which you request to speak 3 public comment

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

☐

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

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REQUEST TO SPEAK FORM

Don Agenda
Public
AGENDA ITEM NO. 3
Comment
ORDER REQUEST RECEIVED 2

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

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Date 6/14/07
Name (PLEASE PRINT) JOY SUNYATA
Address 255 G ST #302
92401
Telephone 858-576-3886
Organization Represented (if any) NONE

Subject of your remarks: Rider Use of system
+ bike racks

Agenda Item Number on which you request to speak non agenda public comment
Your comments are presenting a position of: SUPPORT ☐ OPPOSITION ☐

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

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

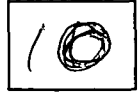
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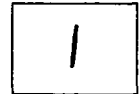




AGENDA ITEM NO.

**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*Did not speak*

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 2007-06-14
Name (PLEASE PRINT) Clive Richard
Address 5153 La Donna Street
San Diego, CA 92115
Telephone 619.582.4036
Organization Represented (if any) _____

Subject of your remarks: move toward sworn force

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.

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



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

Agenda

Item No. 6

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

SDAE 710.1 (PC 50771)

June 14, 2007

SUBJECT:

MTS: SAN DIEGO AND ARIZONA EASTERN (SD&AE) RAILWAY COMPANY
QUARTERLY REPORTS AND RATIFICATION OF ACTIONS TAKEN BY THE SD&AE
RAILWAY COMPANY BOARD OF DIRECTORS AT ITS MAY 22, 2007, MEETING

RECOMMENDATION:

That the Board of Directors:

1. receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports (Attachment A); and
2. ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on May 22, 2007 (Attachments B - D).

Budget Impact

None.

DISCUSSION:

Quarterly Reports

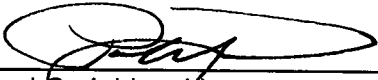
Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV, Museum, and Carrizo have provided the attached quarterly reports of their operations during the first quarter of calendar year 2007 (Attachment A).



SD&AE Property Matters

Under its adopted policy for dealing with the SD&AE Railway, the MTS Board of Directors must review all property matters acted on by the SD&AE Board. At its meeting of May 22, 2007, the SD&AE Board approved:

- easements for the Park Boulevard Pedestrian Bridge (Attachment B); and
- the *Summary of SD&AE Documents Issued Since January 23, 2006* (Attachment C).



Paul C. Jablonski
Chief Executive Officer

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

JUNE14-07.6.SDAE RPTS.TLOREN.doc

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

Agenda

Item No. 2

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

SDAE 710.1 (PC 50771)

May 22, 2007

SUBJECT:

STATEMENT OF RAILWAY FINANCES

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

A report will be given during the meeting.

JGarde
2-RAILWYFINANCES
5/14/07

Attachment: Financial Statement Ending March 30, 2007

SAN DIEGO & IMPERIAL VALLEY RAILROAD

1501 National Avenue, Suite 200

San Diego, CA 92113-1029

(619 239-7947 fax 239-5616)

SAN DIEGO AND ARIZONA EASTERN RAILWAY**FINANCIAL STATEMENT**

Period Ending March 30, 2007

CHECKING ACCOUNT:**BALANCE**

Ending Balance as of December 30, 2006

\$ 8,875.66

\$ 8,875.66

Plus

1	Jan-07	Deposit
2	Feb-07	Deposit
3	Mar-07	Deposit

\$

\$

LESS:

	DATE	CHECK NUMBER	ACTIVITY DESCRIPTION		
1	Jan-07		Monthly Service Charge	\$	8.74
2	Feb-07		Monthly Service Charge	\$	8.52
3	Mar-07		Monthly Service Charge	\$	9.35
4					
5					
6					
7					
8					

SUB TOTAL:

\$ 26.61

Balance Checking:

\$ 8,849.05

Agenda

Item No. 3

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

SDAE 710.1 (PC 50771)

May 22, 2007

SUBJECT:

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

RECOMMENDATION:

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

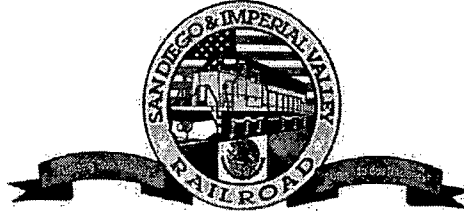
Budget Impact

None.

DISCUSSION:

An oral report will be given during the meeting.

Attachment: Periodic Report for the 1st Quarter of 2007



May 22, 2007

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

Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company; activities of interest for the 1st Quarter of 2007 are listed as follows:

1. Labor

At the end of March 31, 2007 the San Diego & Imperial Railroad had 14 employees:

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

2. Marketing

In the 1st Quarter of 2007 versus 2006, carloads grew primarily do to an increase in LPG carloads to Mexico. US traffic remained steady despite a decline in the lumber market.

3. Reportable Injuries/Environmental

Through year to date, March 31, 2007, there were no FRA Reportable injuries on the SDIY Railroad.

Days FRA Injury Free: 2601

Days FRA Incident Free: 2581

4. Summary of Freight

	2007	2006	2005
Total rail carloads that moved by SDIY Rail Service in the quarter.	1,939	1,833	2,143
Total railroad carloads Terminating/Originating Mexico in the quarter.	1,555	1,440	1,411
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	384	393	732
Total customers directly served by SDIY in the quarter	12	12	12
Regional Truck trips that SDIY Railroad Service replaced in the quarter	12,797	12,097	14,144

Respectfully,

Pete Jespersen

General Manager

Agenda

Item No. 4

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

SDAE 710.1 (PC 50771)

May 22, 2007

SUBJECT:

REPORT ON PACIFIC SOUTHWEST RAILWAY MUSEUM

RECOMMENDATION:

That the SD&AE Board of Directors receive a report for information and grant a temporary 30-day extension of the Museum's operating agreement extending the termination date to July 30, 2007.

Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting.

JGarde
/4-PSRM
5/29/07

Attachment: First Quarter Report for 2007

Pacific Southwest Railway Museum

4695 Nebo Drive
La Mesa, CA 91941-5259

April 20, 2007

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

FIRST QUARTER REPORT FOR 2007

The year 2007 represents the Museum's 46th anniversary year, our 27th year at Campo and our 22nd year operating passenger trains on the San Diego & Arizona Eastern Railway.

Our operating agreement will expire prior to the next SD&AE meeting. Action will be required at this meeting to either approve an extension or directing staff to approve an extension.

Here are the highlights for this quarter:

1. Using all volunteer crews, we ran 46 passenger trains and carried 4,464 passengers, with no accidents or incidents. Our check for the 1st quarter 2007 revenue is being sent under separate cover.
2. Our Tecate trains remain popular with Huell Howser shows still playing on KPBS of our trip.
3. There was yet another change between in agreements between Admicarga and

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

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

A-8

CZRy. While CZRy asked the Museum to pay CZRy for train operations in Mexico, it turns out that CZRy did not have the right to charge us. So, we paid CZRy and then were billed by Admicarga. So, we were squeezed by both agencies and we wound up paying both.

4. We have turned wheels under our main locomotive and a considerable expense. New wheels have been delivered for our #1509 car and will be installed this quarter.

5. In working with Tim Alison, CZRy and the Museum, we have conceptually discussed a property trade between PSRM and the SD&AE, whereby PSRM gives the access road to the Campo depot to SD&AE and the SD&AE gives the Campo Depot parking lot, structures and property 10 feet away from the existing tracks to existing museum Campo Junction switch to the Museum. This trade allows the SD&AE highway access to their property at Campo, and, brings the historic Campo Depot and Section House into the ownership of the railroad museum, thereby saving this historic area for future generations. This swap of property would require an easement from Forrest Gate Road to the Campo Depot parking lot to be granted. In speaking with CZRy, they have suggested that they grant access to Sheridan Road on leased private property, which would allow the Museum to not use the new easement through their yard. In addition, the MTS would gain legal access to the existing bus parking site. This entire proposal appears to be a win-win-win-win situation for all parties involved – the SD&AE, PSRM, CZRy and MTS. We continue to look forward to meaningful discussion of this proposal with the SD&AE.

6. CZRy and PSRM have jointly requested the operation of a motorcar event over the SD&AE from Campo to Plaster City and return sometime in the Spring. Details of the event have been passed along via email to the SD&AE. We understand that consideration of this event is awaiting the inspection of the SD&AE by an outside company. We would hope that the SD&AE approves this joint cooperative effort.

7. The new public bathrooms with funding from Supervisor Dianne Jacob of the County of San Diego were permitted by the County and construction is underway.

8. Rehabilitation of the Campo Depot continues, with the upstairs 99.5% completed. Remaining work is installation of a railing for the stairs, ramp and deck.

9. For the past several years, the Museum has had a project funded by the SD&AE waiting for CZRy cooperation to install a brick platform. This effort requires a cooperative effort between the Museum and CZRy as we need to install new ties and rail on the house track in front of the depot, and new ties on the main, with a slight

SD&AE

April 20, 2007

regarding of the tracks to fall away from the depot. The current condition of the ties and the rail on the house track remains critical. I have been in communication with CZRy and we hope this project can start very soon.

10. The MOU was signed by CZRy and PSRM and delivered to all affect parties.

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

Sincerely,

Jim Lundquist

Jim Lundquist, President
Pacific Southwest Railway Museum

Agenda

Item No. 5

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

SDAE 710.1 (PC 50771)

May 22, 2007

SUBJECT:

REPORT ON THE DESERT LINE

RECOMMENDATION:

That the SD&AE Board of Directors receive the Periodic Report for information and an update on the following items:

- a. Insurance Status – current certificate expired on March 8, 2007.
- b. New officers and directors of CZRy.
- c. Payment of April car movements.
- d. Any other outstanding items.

Budget Impact

Possible impact (dependent upon Board action).

JGarde
5-DESERTLINE
5/29/07

Attachment: Periodic Report 1st Quarter 2007



Periodic Report

to the San Diego & Arizona Eastern Railway Company

1st Quarter 2007

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

© 2007
Carrizo Gorge Railway, Inc.

CONTENTS

1st QUARTER 2007 ACTIVITY

Appendix A– MOW Summary

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

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



CARRIZO GORGE RAILWAY, INC.

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

May 11, 2007

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

Pursuant to reporting agreement, here is the summary of 1st Quarter activity for 2007.

PERIODIC REPORT

1. Labor

As of September 30, 2006, the *Carrizo Gorge Railway* had 23 employees to cover overall administration of the road and operation in the U.S. on the Desert Line.

- 6 Administration (covers U.S.A. and Mexico)
- 1 Marketing
- 2 Revenue Freight Administrators
- 6 Maintenance-of-Way
- 2 Mechanical
- 4 Train Service
- 2 Railroad Police

2. Marketing

The railroad industry in general has decreased 5% in volume for Class 1 railroads, according to Union Pacific, and decreased up to 15% according to some Short line carriers. Carrizo Gorge Railway, however, has not seen this decline in general freight.

Although the local sand haul has been suspended until the San Diego construction industry improves, the overall general freight is up and continues to show a steady and healthy growth. The month of March 2007 CZRY saw a doubling of rail cars from February. New customers and products on the railroad include steel and concrete pipe for infrastructure projects in Baja California, lumber for a rebounding construction industry in Baja California and corn starch.

The Carrizo Gorge Railway marketing team is aggressively going after new business as the Tijuana and Tecate industrial base continues to expand. We anticipate additional customer activity throughout 2007, including cement, plastic, scrap metal, sugar and additional construction material activity.

3. Mexican Railroad

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

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

4. Desert Line

Carrizo Gorge Railway is the rail freight operator on the Desert Line by contractual agreement with *RailAmerica / SD&IV* and with the approval of *SD&AE / MTDB*.

The Desert Line condition is improving due to heavy maintenance, weed abatement and general clean up and repairs. Contracted bridge repair crews are currently working on six different bridges, approximately 45 miles of track has been sprayed for brush control and all scrap and trash is being removed. USG's business has improved enough to call all stored centerbeam cars off the Desert Line and instead CGRy will store cement hoppers. Carrizo Gorge Railway has temporarily discontinued the sand haul due to the current economics of the construction industry's supply and demand. There were no weather or geological problems during the 1st quarter of 2007. We had two FRA and two PUC inspections in the last three months from operations inspectors and motive power and equipment inspectors, with no violations and only one PUC inspection showing some mechanical defects that were quickly corrected.

5. Reportable Injuries / Environmental Incidents

There were no reportable injuries during the 1st Quarter of 2007.

There were no reportable accident in the 1st Quarter of 2007


There were no environmental incidents during the 1st Quarter of 2007.

6. Freight Activity

From January 1, 2007 to March 31, 2007

MOW Sand carloads moved on the Desert Line	0
Revenue Sand carloads moved on the Desert Line	127
Revenue Freight carloads moved to/from Seeley via interchange with <i>UPRR</i> , on the Desert Line	74
Non-Revenue Freight carloads moved from <i>UPRR</i> and <i>USG</i> , on the Desert Line	87
Revenue Freight carloads terminating / originating in México to/from San Ysidro via interchange with <i>SD&IV</i> Railroad	1518
Total Overall 1st Quarter 2007 Carloads Moved:	1806

Respectfully,



Ken Kahan
V.P. Operations
Carrizo Gorge Railway, Inc.

Images are courtesy of the *Mountain Empire Historical Society*,
International Border Rail Institute, or individual photographers as noted.



DESERT LINE

January, February, and March of 2007

TRACK

Ties Installed (6" x 8" x 8')	545 each
(7" x 9" x 9")	80 each
90 lb. Rail Change Out	234 ft.
113 lb. Rail Change Out	156 ft.
Angle Bar Repair, Broken or Cracked (75 lb.)	26 each
(90 lb.)	12 each
Repair Open Joints	8 each
Track Regaging	915 ft.
Separator Rails (4" x 8" x 20')	14 each
Replace Missing Track Bolts	118 each
Rail Anchors Replaces	62 each
Repair broken angle bars (60 lb.)	6 each
(75 lb.)	15 each
(90 lb.)	12 each
Track Surfaced	1015 ft.
Track Spikes Used (new)	11 Kegs
Switch Ties Installed	10 each

BRIDGE & TUNNEL

Bridges- Repairs begun at end of quarter will be reported In the 2 nd quarter upon completion	
Bridge Walkway Repair	125 ft.
Tunnels- loose Rockfall Clearance	1145 ft.

GENERAL RIGHT-OF-WAY

Weed and Brush Control	2.3 miles
------------------------	-----------

Appendix B

OFFSET FINANCIAL SUMMARY



DESERT LINE REHABILITATION

January, February, and March of 2007

There was no production or commercial sale of sand from M.O.W. activity on the Desert Line during 1st Quarter 2007.

January, February, and March of 2007

Agenda

Item No. 6a

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

SDAE 710.1 (PC 50771)

May 22, 2007

SUBJECT:

EASEMENTS FOR THE PARK BOULEVARD PEDESTRIAN BRIDGE

RECOMMENDATION:

That the SD&AE Board of Directors approve granting bridge, pedestrian, and nonvehicular access easement agreements for the construction and maintenance of the proposed Park Boulevard Pedestrian Bridge Crossing at Park Boulevard along the Bayside Corridor in the City of San Diego.

Budget Impact

If approved, Center City Development Corporation (CCDC) shall pay the appraised value for the easements as determined by an appraiser certified by the State of California and the Appraisal Institute approved by MTS.

DISCUSSION:

The City of San Diego plans to construct a new at-grade vehicular crossing at Park Boulevard adjacent to PETCO Park in downtown San Diego on the Bayside Corridor. As part of the crossing, the City plans to include a grade-separated pedestrian crossing adjacent to and easterly of the new at-grade crossing. The bridge will be constructed by CCDC and/or the City of San Diego and maintained by the City of San Diego.

Construction of the bridge will affect San Diego and Imperial Valley Railroad and MTS operations and will be the subject of a Construction and Maintenance Agreement between the CCDC/City of San Diego and SD&AE/MTS and a right of entry permit between SD&AE, MTS, and the bridge contractor. Attached are the easement plat maps (Attachment A) and the bridge plan (Attachment B).

MAY22-07.6a.PARK BLVD BRIDGE.TALLISON

Attachments: A. Easement Plats
B. Bridge Plan



BRIDGE & PEDESTRIAN AND NON-VEHICULAR
ACCESS EASEMENT PARCEL 'A'
AREA: 4,639 SF (0.106 AC)



BRIDGE & PEDESTRIAN AND
NON-VEHICULAR ACCESS
EASEMENT PARCEL 'B'
AREA: 1,557 SF (0.036 AC)

BASIS OF BEARINGS:

CENTERLINE OF PARK BLVD
PER P.M. 18855
I.E. NORTH 45°24'05" EAST

APN:

535-563-18 & 535-570-18

OWNER:

SD&AE Rwy CO.

DESCRIPTION:

PARCEL 18 OF PM 18855
& POR. BLK. 158 HORTON'S
ADDN D.B.13, PG. 522

EXHIBIT "B"

SD&AE Board Meeting

Att. A, AI 6a, 5/22/07

SCALE: 1"=60'

BOULEVA
DEDICATED ON PM 18855

N45°24'05"E

133.16'

N44°35'55"W

72.00'

N74°48'23"W (R)

PCL 11
PM 18855
APN 535-563-11

PCL 'A'

PCL 'B'

SD&AE Rwy CO.
DB405, PG411
REC. 2/1/1907
APN 535-563-18
PCL 18
PM 18855

SD&AE Rwy CO.
DB414, PG211
REC. 6/6/1907
APN 535-570-18
POR. BLK. 158
HORTON'S ADDN
D.B.13, PG.522

T.P.O.B.
PCL 'A'

7TH AVENUE

DEDICATED ON PM 18855

POB

PARK

9TH AVENUE

BLK

COMMERCIAL

BLK

8TH AVE.

SEE DETAIL ON SHEET 2

ORDINARY HIGH WATER MARK

HARBOR DRIVE

(SDUPD DOC. 71)

DEDICATED PER RESOLUTION NO. 227

120'

8TH AVE.

BRIDGE & PEDESTRIAN AND NON-VEHICULAR
ACCESS EASEMENTS

DATE: 07/27/06 W.O. 12388 DRFT: SD CHK'D BY: BAS



LINTVEDT, McCOLL
& ASSOCIATES

■ PLANNING
■ CIVIL ENGINEERING
■ LAND SURVEYING

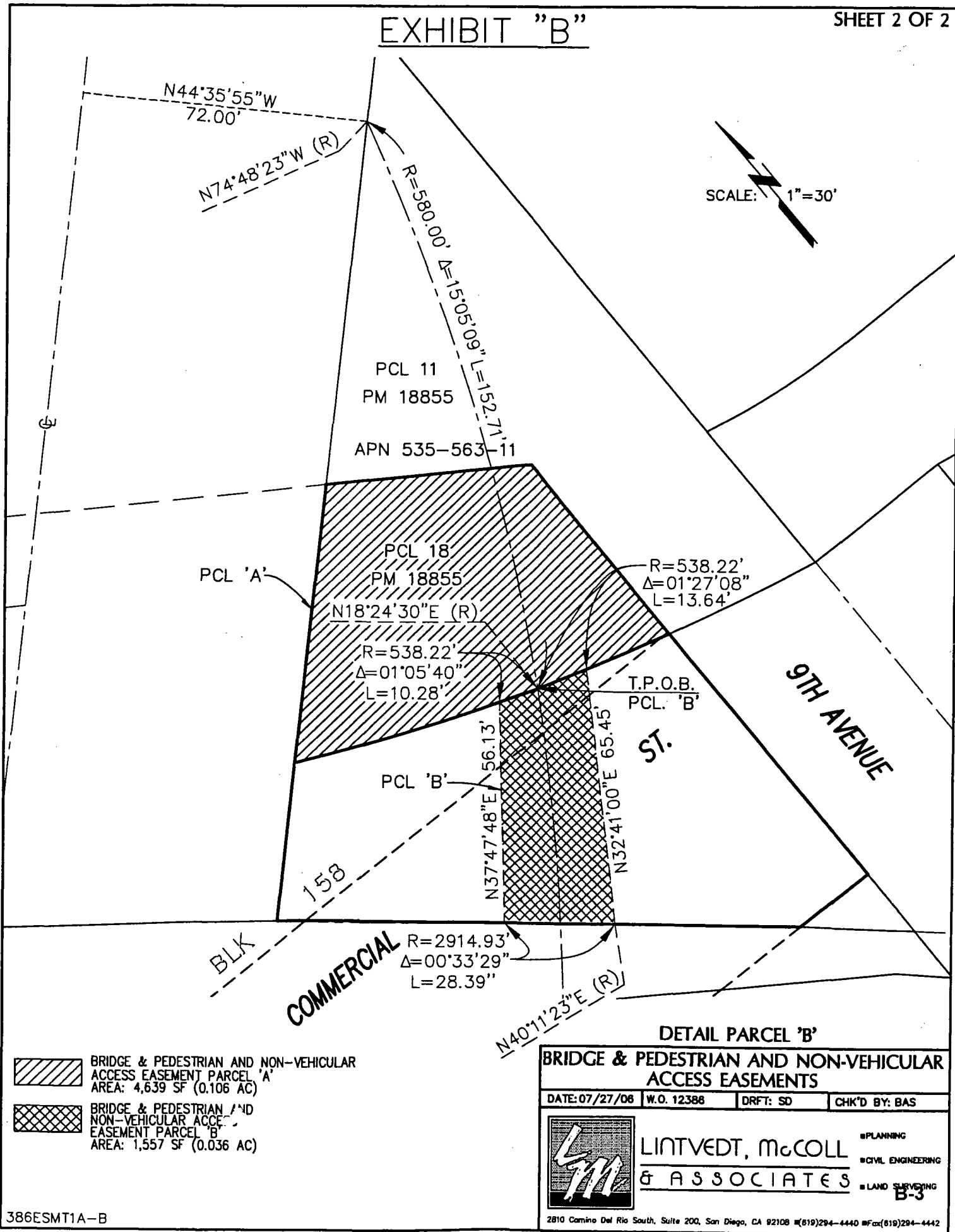
B-2

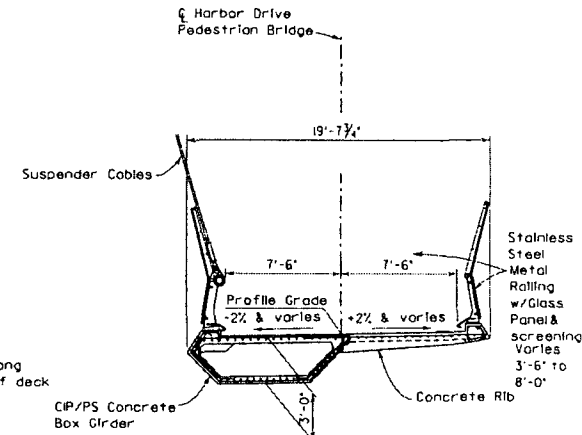
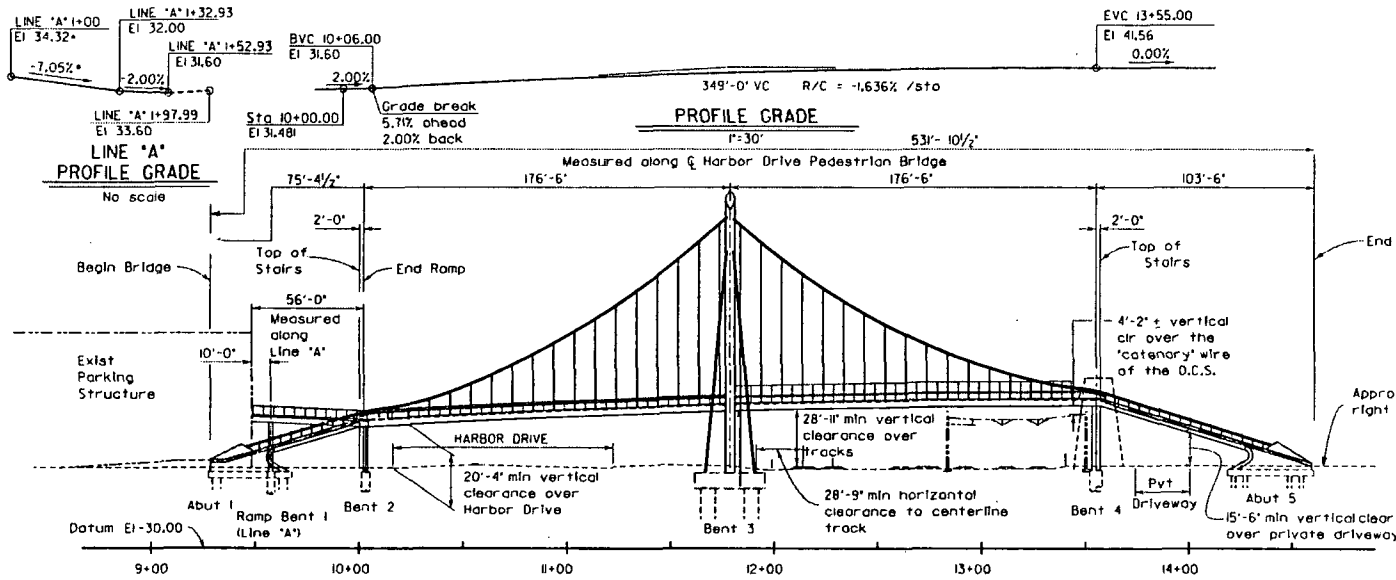
2810 Camino Del Rio South, Suite 200, San Diego, CA 92108 (619)294-4440 (619)294-4442

386ESMT1A-B

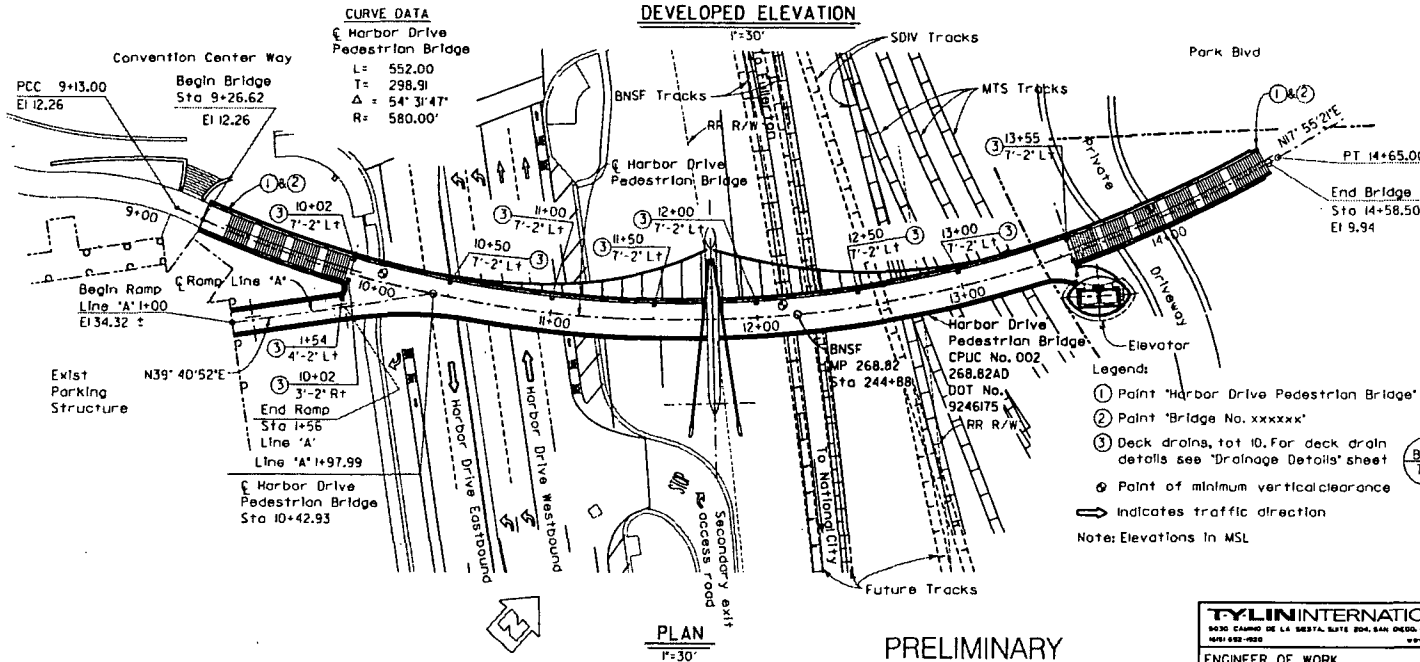
EXHIBIT "B"

SHEET 2 OF 2





TYPICAL SECTION
1/4" = 1'-0"



PRELIMINARY
NOT FOR CONSTRUCTION

TYLIN INTERNATIONAL
8030 CAMINO DE LA BENTA, SUITE 204, SAN DIEGO, CA 92108
619-592-1989
www.tylin.com

ENGINEER OF WORK

PROJECT: ENGINEER: J. Tognoli DATE: 5/22/07

		PLANS FOR THE CONSTRUCTION OF:	
		HARBOR DRIVE PEDESTRIAN BRIDGE	
CITY OF SAN DIEGO, CALIFORNIA ENGINEERING & CAPITAL PROJECTS DEPARTMENT SHEET 1 OF 10 SHEETS		S.D. NO. 421025	
CONTRACTOR MUST NOTIFY THE BELOW LISTED AGENCY AT LEAST TWO (2) WORKING DAYS PRIOR TO COMMENCEMENT OF EXCAVATION:		SECTION HEAD	
FOR CITY ENGINEER	DATE	PROJECT MANAGER	
DESCRIPTION	BY	APPROVED	DATE
FILE NO.	DATE	FILED	FILED
DESIGN ENGINEER		TAMBERT COORDINATOR	
CONTRACTOR		DATE STARTED	34134-
INSPECTOR		DATE COMPLETED	

Agenda

Item No. 6b

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

SDAE 710.1 (PC 50771)

May 22, 2007

SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE JANUARY 23, 2007

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

Since the January 23, 2007, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-84-323.2: Second amendment with RailAmerica, Inc. to operate freight services on SD&AE railway.
- S200-02-194.3: Second option to operate the Desert Line with Carrizo Gorge Railway, Inc. (CZRy).
- S200-04-234.1: Agreement with US Customs to use right-of-way for law enforcement.
- S200-06-286: License to NTC Development, Inc. to maintain landscaping along El Cajon Boulevard in El Cajon.
- S200-07-327: License to NextG Networks for an aerial fiber crossing at 36th Street in the City of San Diego.
- S200-07-328: License to Next G Networks for an aerial fiber crossing at 69th Street in the City of San Diego.
- S200-07-331: Confidentiality agreement with CZRy.

- S200-07-334: Right of entry permit to Omega Industrial Marine to widen crossing within the Goodrich property on the Coronado Branch in Chula Vista.
- S200-07-336: Right of entry permit to Bechtel National Inc. to perform solid borings near 32nd Street in San Diego.
- S200-07-337: right of entry permit to AMG Demolition to Perform Building Demolition near Lemon Grove Avenue in Lemon Grove.
- S200-07-338: Right of entry permit to J. E. Grant to construct a development at 54th Street in San Diego.

JGarde
MAY22-07.6b.DOCS ISSUED.TALLISON
5/14/07



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

Agenda

Item No. 7

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

FIN 300 (PC 50601)

June 14, 2007

SUBJECT:

MTS: INVESTMENT REPORT

RECOMMENDATION:

That the Board of Directors receive a report for information.

DISCUSSION:

Attachment A is a report of MTS investments as of April 2007. It is broken into two columns—the first column relates to investments restricted for capital support or debt service, and the second column is the unrestricted portion.

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

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

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

Paul C. Jablonski
Chief Executive Officer

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

JUNE14-07.7.INVEST RPT.LMUSENGO.doc

Attachment: A. Investment Report as of 4/07



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
4/30/2007**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Avg. Rate of Return</u>
<u>Cash and Cash Equivalents</u>	\$ -	\$ 26,293,763	N/A
<u>Investments - Working Capital</u>		40,434,669	4.96%
<u>Cash - Restricted for Capital Support</u>	5,764,306		N/A
<u>Investments - Restricted for Debt Service</u>	144,202,310	-	4.58%
Total Cash and Investments	\$ 149,966,616	\$ 66,728,432	

Controller: _____

Date: _____



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.

CIP 11192

June 14, 2007

SUBJECT:

MTS: PAYROLL AND HUMAN RESOURCES INFORMATION SYSTEM – CONTRACT
AWARD

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to award a contract (MTS Doc. No. G1063.0-07, in substantially the same format as Attachment A) to Ingentra HR Services, Inc. for payroll processing and a Human Resources information system.

Budget Impact

Estimated Annual Budget Impact	
Year 1	\$ 189,500
Year 2	\$ 124,750
Year 3	\$ 124,750
Year 4	\$ 128,598
Year 5	\$ 128,598
TOTAL BASE CONTRACT	\$ 696,196

DISCUSSION:

A Request for Proposals (RFP) to provide payroll processing and a Human Resources information system was issued on March 1, 2007. Proposals were due on April 10, 2007, and two firms responded with responsive proposals (ADP and Ingentra HR Services). The Procurement Department reviewed the two proposals for responsiveness and responsibility and then prepared a bid summary.




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.

An evaluation committee consisting of representatives from the MTS Information Technology, Finance, Payroll, Human Resources, and Procurement Departments rated all of the proposals received (see Attachment B). Utilizing careful consideration, the evaluation committee conducted several rounds of oral interviews and system demonstrations and performed a final rating on all vendors who submitted a proposal.

The evaluation criteria were scored on four components, and their respective rates are:

- | | | |
|----|---|-----|
| 1. | Qualifications and Technical Experience | 20% |
| 2. | Staffing, Project Organization, and Management Plan | 20% |
| 3. | Work Plan, Business Solution, and Implementation Plan | 35% |
| 4. | Cost and Price | 25% |

After conscientious calculation and deliberation, the selection committee proposed that Ingentra HR Services, Inc. provide payroll processing and Human Resources information system services for MTS as outlined in the RFP's Scope of Work. Staff recommends that the service commence on July 1, 2007. The contract would be awarded for five years with five one-year renewal options to be exercised solely at the discretion of MTS.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Michele Giovinazzo, 619.238.0100, Ext. 6412, Michele.giovinazzo@sdmts.com

JUNE14-07.8.PAYROLL HR INFO SYSTEM.BCALMES.doc

Attachment: A. MTS Doc. No. G1063.0-07
B. Memo dated 6/7/07 re: Evaluation Process **(Board Only)**

STANDARD SERVICES AGREEMENT

Doc. No. G1063.0-07
CONTRACT NUMBER

DRAFT

CIP 11192
FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2007, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Ingentra HR Services, Inc. Address: 425 Oser Avenue
 Form of Business: Corporation Hauppauge, NY 11788-0815
 (Corporation, partnership, sole proprietor, etc.)
 Telephone: (866) 486-2642

Authorized person to sign contracts: Al Cipoletti President
 Name Title

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

Provide a payroll processing system and Human Resource information system (HRIS) as specified in MTS's Request for Proposals (RFP) No. G1063.0-07 for a Payroll and Human Resources Information System, including Addendum No. 1; MTS's Responses to Questions/Clarifications; and in accordance with the Standard Services Agreement, Standard Conditions Services, Federal Requirements, Scope of Work, and Ingentra HR Services, Inc.'s Proposal dated April 10, 2007. Billing rates shall be in accordance with the MTS-approved Contractor Cost Proposal. If there are any conflicts between the Standard Services Agreement, Standard Conditions Services, Scope of Work, Cost Proposal, and, where applicable, Federal Requirements, the following order of precedence shall apply:

1. MTS's RFP G1063.0-07 for a Payroll and Human Resources Information System, Addendum No. 1, and MTS's Responses to Questions/Clarifications.
2. Standard Services Agreement, Standard Conditions Services, and Federal Requirements.
3. Ingentra HR Services, Inc.'s Proposal dated April 10, 2007, in response to RFP G1063.0-07.

This contract shall remain in effect for a five-year term with five one-year options, which are exercisable at the sole discretion of MTS. The total cost of this Agreement shall not exceed \$696,196 for the five-year base period without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTOR AUTHORIZATION

By: _____
 Chief Executive Officer

Firm: _____

Approved as to form:

By: _____
 Signature

By: _____
 Office of General Counsel

Title: _____

AMOUNT ENCUMBERED

BUDGET ITEM

FISCAL YEAR

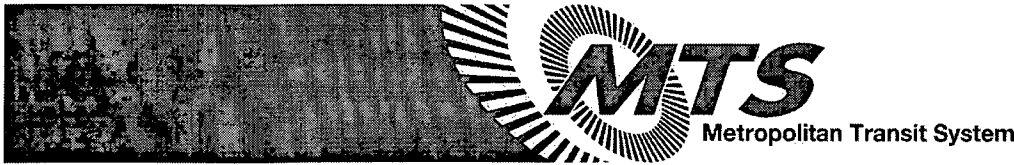
\$696,196.00

CIP 11192 (IT Elipse Financial System)

07

By: _____
 Chief Financial Officer

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.

11420, 11287, 11186
10494

June 14, 2007

SUBJECT:

MTS: CAPITAL IMPROVEMENT PROGRAM PROJECT BUDGET TRANSFERS

RECOMMENDATION:

That the Board of Directors:

1. forward a request to the San Diego Association of Governments (SANDAG) Transportation Committee to transfer funds from the Catenary Contact Wire Replacement Project No. 11420 to the L Street/West Park Avenue Track Rehabilitation Project No. 11287 (as shown on Attachment A, Budget Transfer Summary); and
2. approve a Memorandum of Understanding (MOU) to transfer funds from the MTS Crane Truck Procurement Project No. 11186 to SANDAG's City College Station Realignment Project No. 10494 (in substantially the form as shown on Attachment B and summarized as shown on Attachment A, Budget Transfer Summary).

Budget Impact

No change to the overall Capital Improvement Program (CIP) amount. \$200,000 would be added to the L Street/West Park Avenue Track Rehabilitation Project from the Catenary Contact Wire Replacement Project, and \$250,000 would be added to the City College Station Realignment Project from the Crane Truck Procurement Project.

DISCUSSION:

This request for fund transfers is generated due to deteriorating track infrastructure at two locations on the oldest segment of the rail system, the Blue Line.



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 track crossover between 8th and 9th Avenues on C Street is extremely worn. Additionally, this crossover experiences excessive wear due to its location in a reverse curve in the track alignment. This project would have been included in the FY 08 CIP, as it was felt that the overall condition could be tolerated into FY 09. However, this has not proven to be the case with recent track defects and interim efforts to maintain the crossover hardware in operational condition. Switch points are worn such that a proper fit with the running rail is difficult to achieve, ties under the switches have deteriorated due to constant pounding, pavement surrounding the switch points and frogs is broken allowing water to seep into the track bed, and rail frogs in the crossover are developing cracks that require frequent welding.

Major rehabilitation is required at this crossover. Simply replacing worn parts with new parts will not solve the underlying problem—the crossover is installed on a curve creating excessive wear. As a permanent solution, the crossover should be relocated one block east between 9th and 10th Avenues on C Street on straight track where there are no other conflicts. This relocated crossover would greatly improve reliability and maintainability.

SANDAG is currently completing the City College Station Relocation Project in this area. The most cost-effective and expeditious way to resolve this issue is with a change order for the crossover relocation work to the City College Station Relocation Project. SANDAG staff agrees with this approach; however, they cannot accommodate this within the current contract budget. MTS currently has a Crane Truck Procurement Project with a budget of \$250,000 in the FY 07 CIP. Due to the urgency and importance of rehabilitating this worn crossover, San Diego Trolley, Inc. staff recommends deferring the Crane Truck Procurement Project to a future year and use the funds for a change order to relocate and install a new crossover (in substantially the same format as Attachment B).

On January 18, 2007, the MTS Board approved an emergency work authorization and a fund transfer to SANDAG for rehabilitation of two grade-crossing tracks at L Street and at West Park Avenue on the Blue Line. After negotiations with the contractor, the cost to rehabilitate both grade crossings exceeds the original transferred amount of \$350,000 by an additional \$200,000. The original engineer's estimate upon which the funds were transferred was low for the following reasons:

1. The original estimate assumed that the track work contractor would be the prime contractor for this work; however, the contractor for the project under which this change order is contemplated is a general civil engineering contractor who in turn will hire a track work contractor as a subcontractor to get work done. This arrangement will add a 15% markup for the prime contractor for subcontractor's work, which will increase our cost.
2. The original estimate did not include electrical work as it assumed that SDTI staff would perform such work. SANDAG construction staff pointed out that if there are any coordination issues between SDTI and the contractor, it would generate claims from the contractor considering the work window is very small and limited to nighttime hours only. SANDAG staff recommends that the contractor be responsible for all work, which would remove the possibility of delays and claims.

3. Street closures are required for L Street and West Park Avenue during this work. This requires detour and street closure plans approved by the Chula Vista City Council and the California Department of Transportation (Caltrans) for L Street and from the City of San Diego for West Park Avenue. The cost for this work was not included in the original estimate.
4. Construction contingency funds required for any unforeseen conditions encountered during construction were not included in the original estimate.

After careful review of the contractor's cost proposal and construction management costs, both SANDAG and MTS staffs recommend transferring an additional \$200,000 to this project to complete crossing rehabilitation work. The Catenary Contact Wire Replacement Project (from which these funds will come) is a large, multiyear construction project, and formal design of the project has not started (pending results of an engineering assessment of the wire condition). This transfer would not affect the project this year.



Paul C. Jablonski
Chief Executive Officer

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

JUNE14-07.9.CIP BUDGET TRANSFERS.RDESAI.doc

Attachments: A. Budget Transfer Summary
B. Memorandum of Understanding

BUDGET TRANSFER SUMMARY

CIP NO.	PROJECT NAME	BUDGET:		
		<i>Existing</i>	<i>Proposed</i>	<i>Change</i>
1142000	Catenary Contact Wire Replacement	\$4,843,000	\$4,646,000	-\$200,000
1128700	L Street/West Park Ave Track Rehab	\$350,000	\$550,000	\$200,000
11186	Crane Truck Procurement	\$250,000	\$0.00	-\$250,000
1049400	City College Station Realignment	\$16,282,049	\$16,530,049	\$250,000



1255 Imperial Avenue, Suite 1000
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Agenda

Item No. 10

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

ADM 110.3 (PC 50121)

June 14, 2007

SUBJECT:

MTS: AN ORDINANCE AMENDING ORDINANCE NO. 5, AN ORDINANCE RELATING TO THE ENFORCEMENT AUTHORITIES OF CODE COMPLIANCE INSPECTORS, ASSISTANT CODE COMPLIANCE SUPERVISORS, THE CODE COMPLIANCE INSPECTION SUPERVISOR, AND TAXICAB INSPECTORS I & II

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

RECOMMENDATION:

That the MTS Board of Directors:

1. read the title of Ordinance No. 5, An Ordinance Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II;
2. read the title of Ordinance No. 13, An Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles and Prohibited Actions on or About a Transit Facility or a Bus Stop;
3. waive further readings of the ordinances;
4. introduce the ordinances for further consideration at the next Board meeting on June 28, 2007; and
5. direct publication of ordinance summaries.



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.

Budget Impact

This action would result in no fiscal impact.

DISCUSSION:

Ordinance No. 5 Amendments

The Board is vested with the duty to adopt all ordinances and make all rules and regulations proper and necessary to regulate the use, operation, and maintenance of its property and facilities, including its public transit systems and related transportation facilities and services (Section 120105). Code Compliance Inspectors (CCIs) are vested specific authorities under MTS Ordinance No. 5, Section 5.3. The proposed amendments would update Section 5.3 and supplement existing authorizations for CCIs. The proposed amendments would authorize the CCIs to enforce the following:

- Penal Code Sections

417.25(a) – Persons who use laser pointers in a threatening manner are guilty of a misdemeanor. ***Individuals have used laser pointers in both bus drivers' and train operators' eyes. This amendment would enable CCIs to enforce this section and deter a serious safety concern.***

587(a) – Persons who tamper with any apparatus in or upon a train or any device used to provide in the operation of a train are guilty of a misdemeanor. ***Individuals who pull the latch on light rail vehicles cause the train to come to an emergency stop, which has resulted in injuries to passengers. This amendment would enable CCIs to enforce this section and is more applicable with a heavier fine than currently authorized.***

602(o) and (q) – Persons guilty of willful acts of trespass are guilty of a misdemeanor. ***These sections were approved in Ordinance No. 5 Section 5.3 in 2003 under 602(n) and 602(p). The Penal Code sections were changed in 2004 to 602(o) and 602(q). This amendment would update the ordinance to reflect this change and enable resumed enforcement of these sections.***

653(k) – Persons who possess a switchblade knife in public are guilty of a misdemeanor. ***CCIs have encountered several problems with this type of weapon. This amendment would enable CCIs to enforce this provision.***

647(a) – Persons who engage in lewd conduct in public are guilty of a misdemeanor. ***CCIs have encountered several problems with individuals behaving in lewd conduct on MTS property in public view. This amendment would provide CCIs with a more appropriate violation than currently authorized.***

647(j) – Persons lodging in a vehicle, structure, or place, whether public or private, without permission of the owner is guilty of disorderly conduct, which is a misdemeanor. ***CCIs have encountered problems with people trespassing and lodging on MTS property. This amendment would enable CCIs to address chronic trespassers more appropriately than currently authorized.***

- Municipal Code and San Diego County of Regulatory Ordinances Sections

San Diego Municipal Code sections 58.05(b)(1), 58.05(b)(2), and the San Diego County Code of Regulatory Ordinance Section 32.1303 make daytime loitering by juveniles subject to compulsory education unlawful during school hours.

This amendment would improve CCLs' ability to effectively address juvenile-related problems and assist other law enforcement agencies during special operations. San Diego, La Mesa, and El Cajon Police Departments have requested CCLs be authorized to enforce these sections.

- California Vehicle Sections

5204(a) – Vehicles that fail to display current month and year tabs or display expired tabs are a violation of this section. ***CCLs have encountered problems with vehicles in the parking facilities that are not otherwise in violation of a MTS ordinance. This amendment would enable CCLs to address problem vehicles in MTS parking facilities.***

21461(a) – It is unlawful for driver of a vehicle to fail to obey regulatory signs or signals. ***This amendment would assist CCLs in addressing violators of "Bus Only" zones.***

22500 – Stopping, parking, or leaving a vehicle unattended is prohibited except in authorized, designated areas. ***This amendment would assist CCLs in addressing violators of "Bus Only" zones.***

Ordinance No. 13 Amendments

Ordinance 13 defines prohibited conduct on transit facilities and prohibited actions on or about a transit facility. Tailgating has become a problem at transit facilities, including 12th and Imperial and Grantville Trolley Stations. This amendment would prohibit tailgating at transit facilities to reduce the problems associated with such activities.

Currently, Ordinance No. 13 prohibits smoking, littering, or drinking at a transit facility. In addition, disregarding or disobeying posted signs at facilities is prohibited. This amendment will supplement those provisions by explicitly defining and prohibiting tailgating activities at transit facilities.

This item is being placed before the Board for its first reading; the second reading is scheduled for June 28, 2007. The proposed revisions of Ordinance Nos. 5 and 13 are provided in Attachments A and B.



Paul C. Jablonski
Chief Executive Officer

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

JUNE14-07.10.ORDINANCE NOS 5 & 13.TLOREN.doc

Attachments: A. Proposed Amended Codified Ordinance No. 5
B. Proposed Amended Codified Ordinance No. 13

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

CODIFIED ORDINANCE NO. 5

(as Adopted 7/25/83, as amended through 8/9/01, and as amended through 10/28/04 6/14/07)

An Ordinance Relating to the Enforcement
Authorities of Code Compliance Inspectors,
Assistant Code Compliance Supervisors,
the Code Compliance Inspection Supervisor,
and Taxicab Inspectors I & II

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

Section 5.1 Statutory Authorities

A. The Metropolitan Transit Development Board System has been created by State law (Public Utilities Code Section 120000 through 12054) as a public agency with the authority and duty to plan and construct exclusive public mass transit guideways (Section 120260) and to acquire, construct, maintain, and operate or let a contract to operate public transit systems and related transportation facilities and services (Section 120264).

B. Additionally, the Board is vested with the duty to adopt all ordinances and make all rules and regulations proper and necessary to regulate the use, operation, and maintenance of its property and facilities, including its public transit systems and related transportation facilities and services (Section 120105). The violation of any ordinance, rule, or regulation enacted by the Board relating to evasion of fares in any transit facility owned or controlled by the Board is an infraction and upon a violation after the second conviction is a misdemeanor (Section 120450).

C. The provision of information known to be false to a Code Compliance Inspector, Assistant Code Compliance Supervisor, the Code Compliance Inspection Supervisor, or the Transit Security Administrator (hereinafter cumulatively referred to as Inspectors) is similarly an infraction or misdemeanor (Section 120450.5).

D. The violation of any ordinance, rule, or regulation prohibiting unauthorized operation or manipulation of transit facilities or prohibiting unauthorized tampering or interference with transit facilities is similarly an infraction or misdemeanor (Section 120451).

E. The violation of any ordinance, rule, or regulation prohibiting the unauthorized entering into, climbing upon, holding onto, or in any manner attaching oneself to vehicles operated upon exclusive public mass transit guideways is an infraction or misdemeanor (Section 120452).

F. In implementation of those provisions of State law, the Board has adopted Ordinance No. 13, prohibiting specified conduct onboard transit vehicles and prohibiting specified actions on or about the transit facilities. The Board has further adopted Ordinance No. 2 requiring proof of fare payment by passengers using the San Diego Trolley and Ordinance No. 3, regulating parking in the San Diego Trolley parking lots and other transit facilities.

G. The Board is authorized to contract with cities and the County to license or regulate by ordinance any transportation services within such cities or the unincorporated area (Section 120266) and has done so by adoption of Ordinance No. 11, the enforcement of which will be done by Taxicab Inspectors I & II, and other Taxicab Administration staff designated in Section 5.3.

H. Pursuant to Penal Code Section 836.5, the Board may authorize public officers and employees to arrest a person without warrant, including officers and employees of a nonprofit transit corporation wholly owned by a local agency and formed to carry out the purposes of the local agency and San Diego Trolley, Inc., is such a corporation.

(Section 5.1 amended 7/12/01)

(Section 5.1 amended 9/26/96)

(Section 5.1 amended 1/11/96)

(Section 5.1 amended 11/10/94)

(Section 5.1 amended 8/12/93)

Section 5.2 Purposes

In view of the multitude of regulations applicable to the facilities and vehicles of the San Diego Metropolitan Transit Development Board, it is desirable to clarify and specify the authority of the Inspectors, relative to various acts committed on or about the property.

Section 5.3 Duties and Authorizations

A. Inspectors employed by the San Diego Metropolitan Transit ~~Development Board~~System (~~MTDB~~MTS) and Inspectors employed by San Diego Trolley, Inc., are hereby vested with the duty to enforce ~~MTDB~~MTS Ordinances No. 2, No. 3, No. 4, No. 11, and No. 13. Business and Professions Code Sections 4140 and 25662, Health and Safety Code Sections 11364 and 11357(b), and 11532, Public Utilities Code Sections 5411.5, 120450, 120450.5, 120451, and 120452, Penal Code Sections 148, 219.2, 308(b), 369(g), 417.25(a), 470(a), 481.1, 555.1, 555.2, 587(a), 594, 594.1, 594.2, 594.4, 602(f), 602(~~no~~), 602(~~pg~~), 640, 640(a), 640.5, 647(a), and 647(c), 647(j), and 653(k), Vehicle Code Sections 5204(a), 21456, 21461(a), 21955, 22500, 22507, 22521, and 22526, and San Diego City Municipal Code Sections 56.54 (at transit facilities owned, controlled, or used by the Board, including but not limited to transit centers, rail stations, bus shelters, and bus stops on public and private property), 58.05(b)(1), and 58.05(b)(2), and San Diego County Code of Regulatory Ordinances Section 32.1303, and in accordance with Penal Code Section 836.5 are authorized to arrest a person without a warrant whenever an Inspector has reasonable cause to believe that the person to be arrested has committed an infraction or misdemeanor in the Inspector's presence which is a violation of the statutes and ordinances which he or she has the duty to enforce.

B. Regulatory Specialists and the Taxicab Administrator, employed by ~~MTDB~~MTS, are hereby vested with the duty to enforce ~~MTDB~~MTS Ordinance No. 11 and, in accordance with Penal Code Section 836.5, are authorized to arrest a person without a warrant whenever a Taxicab Inspector has reasonable cause to believe that the person to be arrested has committed an infraction or misdemeanor in the Inspector's presence which is a violation of the statutes and ordinances which he or she has the duty to enforce.

C. Right-of-Way Agents, designated by the General Manager and employed by MTDB MTS are hereby vested with the duty to enforce MTDB-MTS Ordinance No. 3 and, in accordance with Penal Code Section 836.5, are authorized to arrest a person without a warrant whenever an agent has reasonable cause to believe that the person to be arrested has committed an infraction or misdemeanor in the Agent's presence which is a violation of the statutes and ordinances which he or she has the duty to enforce.

(Section 5.3 amended 10/3/02)

(Section 5.3 amended 7/12/01)

(Section 5.3 amended 3/23/00)

(Section 5.3 amended 9/26/96)

(Section 5.3 amended 1/11/96)

(Section 5.3 amended 11/10/94)

(Section 5.3 amended 8/12/93)

(Section 5.3 amended 10/28/04)

Section 5.4 Severability

The provisions of this Ordinance are severable, and if any of the provisions, clauses, sentences, subsections, sections, words, or parts thereof is held illegal, invalid, or unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, subsections, sections, words or parts of this Ordinance or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Ordinance would have been adopted if such illegal, invalid, or unconstitutional provision, clause, sentence, subsection, section, word, or part had not been included therein or such person or circumstance to which the Ordinance or part thereof is held inapplicable has been specifically exempted therefrom.

Amended: 10/28/04

Amended: 10/3/02

Amended: 8/9/01

Amended: 3/23/00

Amended: 9/26/96

Amended: 1/11/96

Amended: 11/10/94

Amended: 8/12/93

Repealed & Readopted: 12/12/91

Amended: 2/8/90

Amended: 10/13/88

Amended: 10/4/84

Amended: 2/27/84

Adopted: 7/25/83

GWilliams/TLoren

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6/1/07

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CODIFIED ORDINANCE NO. 13
(as Adopted 8/9/01 and amended 01/18/07)

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

The Board of Directors of the San Diego Metropolitan Transit System (MTS) do ordain as follows:
Section 13.1: General

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

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

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

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

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

Section 13.2: Definitions

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

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

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

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

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

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

F. Tailgate – Any person standing, sitting, or remaining in the area of a vehicle, chair, table, ice-chest, barbeque, or similar device for the purpose of consuming any food or beverage, or for the purpose of socializing before during or at the conclusion of an event.

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

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

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

Section 13.3: Fares

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

(Section 13.3 amended 6/28/07)

Section 13.4: Prohibited Conduct Onboard Transit Vehicles

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

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

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

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

D. Expectorate.

E. Discard litter.

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

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

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

(Section 13.4 amended 01/18/07)

Section 13.5: Prohibited Actions on or About a Transit Facility

- A. No person (except MTS/SDTI/SDTC employees, agents, or authorized visitors) shall enter upon the roadbed, tracks, structures, right-of-way, or other parts of a transit facility, which are not open to passengers or to the public.
- B. No person shall drink any alcoholic beverage or possess an open alcoholic beverage container on or in a transit facility except on premises licensed therefor.
- C. No person shall sit, lie, or stand with any portion of his/her body extending within 8 feet 6 inches of the centerline of the outside rail on straight track or within 9 feet 6 inches of the centerline of the outside rail on curved track except while entering or alighting from a trolley stopped at that station.
- D. No person shall injure, deface, destroy, loosen, remove, or tamper with the transit facility.
- E. No person shall injure, mutilate, deface, alter, change, displace, remove, or destroy any sign, notice, signal, or advertisement on the transit facility.
- F. No person shall interfere with any lamp, electric light, electric fixture, or density on the transit facility.
- G. No person shall write, paint, or draw any inscription or figure on or deface any transit facility.
- H. No person shall disobey or disregard the notices, prohibitions, instructions, or directions on any sign posted on the transit facility.
- I. No person shall interfere with, encumber, obstruct, or render dangerous any transit facility.
- J. No person shall throw or project a stone or other missile at any trolley, bus or at any person or thing on or in the transit facility.
- K. No person shall throw or project a stone or other missile from any transit facility or transit vehicle.
- L. No person shall fail or refuse to comply with any lawful order or direction of any MTS inspector, security officer, whether an employee or designated agent of MTS, or any peace officer.

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

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

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

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

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

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

S. No person shall loiter in the immediate vicinity of any posted property.

T. No person shall Tailgate.
(Section 13.5 amended 06/28/07)

Section 13.6: Animals

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

(Section 13.6 amended 6/28/07)

Section 13.7: Meetings

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

Section 13.8: Selling, Peddling, Leasing, Etc.

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

Section 13.9: Bicycles

Bicycles are permitted on transit vehicles under the following conditions:

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

(Section 13.9 amended 01/18/07)

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

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

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

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Amended: 06/28/07
Amended: 01/18/07
Amended: 06/09/05
Amended: 05/26/05
Amended: 10/28/04
Adopted: 8/9/01



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Agenda

Item No. 11

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

FIN 300 (PC 50601)

June 14, 2007

SUBJECT:

MTS: PROPOSED AMENDMENTS TO BOARD POLICY NO. 30 (INVESTMENTS)

RECOMMENDATION:

That the Board approve the proposed revisions (Attachment A) to Board Policy No. 30.

Budget Impact

None.

DISCUSSION:

Staff is proposing the following changes to Board Policy No. 30:

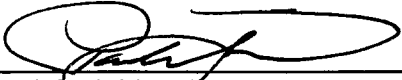
1. Update position titles.
2. Clarify that internal controls on investments will be reviewed with the MTS independent outside audit firm as well as the MTS internal auditor.
3. Change the language on Section 30.7 regarding selection of Financial Institutions and Broker/Dealers deleting "MTS investment advisor." The purpose is to place the responsibility on the Finance Department for these selections rather than delegate them outside of the agency.
4. Change the diversification criteria. The current policy is unclear whether amounts invested in the State of California's Local Agency Investment Fund (LAIF) are included in the percentage. As funds invested in LAIF are very safe, limited in the amount and time to be invested, and are tightly controlled by



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.

state law, finance staff feels these amounts should be excluded from the diversification percentage.

Additionally, for investments that are not large scale, it is impractical to place into a large number of different investments particularly as these will be for periods of 90 days or less. A diversification criteria percentage of 10% means there must be a minimum of 10 separate investments. For a relatively smaller amount of money being invested, this creates additional administrative work.



Paul C. Jablonski
Chief Executive Officer

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

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Attachment: A. Proposed Revisions to Policy No. 30

Policies and Procedures

No. 30

SUBJECT:

Board Approval: 3/11/046/14/07

INVESTMENTS

PURPOSE:

To identify various policies and procedures that enhances opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities.

The investment Policies and Procedures of MTS are based on state law and prudent money management. All funds will be invested in accordance with the California Government Code, Sections 53600, 53601, and 53635, et seq. and MTS's Investment Policy.

30.1 Scope

It is intended that this policy cover surplus funds. Bond proceeds will be governed by relevant bond documents.

30.2 Objectives

The primary objectives, in priority order, of MTS's investment activities shall be:

1. Safety. Safety of principal is the foremost objective of the investment program. MTS's investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
2. Liquidity. MTS's investment portfolio will remain sufficiently liquid to enable MTS to meet its cash flow requirements.
3. Return on Investment. MTS's investment portfolio shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

30.3 Prudence

Investments shall be made with judgment and care—under circumstances then prevailing—which persons of prudence, discretion, and intelligence exercise in



the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. All persons investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds shall act with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims to safeguard the principal and maintain the liquidity needs of MTS.

30.4 Delegation of Authority

The management and oversight responsibility for the investment program is hereby ~~delegated~~ vested in to the Chief Financial Officer (or his or her delegate) ~~Finance Manager or other position designated by the Chief Executive Officer for a one-year period, renewable annually, who shall monitor and review all investments for consistency with this investment policy. No person shall engage in an investment transaction except as provided under the limits of this policy. The Board may delegate the day-to-day investment decision-making and execution authority to an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. The advisor shall follow the policy and such other written instructions as are provided.~~

30.5 Ethics and Conflict of Interest

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program or which could impair their ability to make impartial decisions. Officers and employees involved in the investment process shall abide by MTS's Conflict of Interest Code, California Government Code Section 1090 et seq., and the California Political Reform Act (California Government Code Section 81000 et seq.).

30.6 Internal Controls

The Chief Financial Officer (or his or her delegate) ~~Finance Manager~~ shall establish a set of internal controls. The internal controls will be reviewed with both the outside independent auditor and MTS's internal auditor. The controls shall be designed to prevent employee error, misrepresentations by third parties, and imprudent actions by employees or officers of MTS.

30.7 Selection of Financial Institutions and Broker/Dealers

To provide for the optimum yield in MTS's portfolio, MTS's procedures shall be designed to encourage multiple bids and offers on investment transactions from an approved list of broker/dealers.

The Chief Financial Officer (or his delegate)~~Finance Manager, or MTS's investment advisor,~~ shall maintain a list of authorized broker/dealers and financial institutions that are approved for investment purposes, and it shall be the policy of MTS to purchase securities only from those authorized institutions or firms. Purchases of investments through brokers, dealers, and financial institutions shall be permitted as stated in California Government Code Section 53635.5.

30.8 Authorized Instruments

1. Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. Obligations issued by Banks for Cooperatives, Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, Federal Home Loan Banks, the Federal Home Loan Bank Board, the Federal Home Loan Mortgage Corporation, the Resolution Funding Corporation, or in obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise, or such agencies or enterprises that may be created.
3. Obligations of the State of California or any local agency within the state, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by the state or any local agency or by a department, board, agency, or authority of the state or any local agency; provided that the obligations are rated in one of the two highest categories by Moody's or Standard and Poor's.
4. Repurchase Agreements used solely as short-term investments not to exceed 90 days.

MTS may enter into Repurchase Agreements with primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York.

The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities, as described in Sections 30.8.1 and 2, will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to MTS's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each Repurchase Agreement must equal or exceed 102 percent of the total dollar value of the money invested by MTS for the term of the investment. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed at least weekly. Since the

market value of the investments in repurchase agreements underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

Market value must be calculated each time there is a substitution of collateral.

MTS, or its trustee, shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to the Repurchase Agreement.

MTS will have properly executed a Public Securities Association (PSA) agreement with each counterparty with which it enters into Repurchase Agreements.

5. Reverse Repurchase Agreements may be used only after prior approval by MTS's Board of Directors. If a reverse repurchase agreement is authorized, it may be utilized only if the security to be sold on reverse repurchase agreement has been owned and fully paid for by MTS for a minimum of 30 days prior to the sale; the total of all reverse repurchase agreements on investments owned by MTS does not exceed 20 percent of the base value of the portfolio; and the agreement does not exceed a term of 92 days unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of the security using a reverse repurchase agreement and the final maturity date of the same security. The proceeds of the Reverse Repurchase Agreement may not be invested in securities whose maturity exceeds the term of the Reverse Repurchase Agreement.

MTS may enter into Reverse Repurchase Agreements only with primary dealers in U.S. Government securities who are eligible to transact business with and who report to the Federal Reserve Bank of New York.

MTS will have properly executed PSA agreements with each counterparty with which it enters into Reverse Purchase Agreements.

6. Bankers' Acceptances issued by domestic or foreign banks that are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest category by Moody's Investors Services or by Standard & Poor's Corporation.

Purchases of Bankers' Acceptances may not exceed 180 days maturity or 40 percent of MTS's investment portfolio. No more than 10 percent of MTS's investment portfolio may be invested in the Bankers' Acceptances of any one commercial bank.

7. Commercial paper rated in the highest short-term rating category as provided by Moody's Investors Services, Inc. or Standard & Poor's

Corporation; provided that the issuing corporation is organized and operating within the United States, has total assets in excess of \$500 million, and has an "A" or higher rating for its long-term debt, if any, as provided by Moody's or Standard & Poor's.

Purchases of eligible commercial paper may not exceed 180 days maturity and may not represent more than 10 percent of the outstanding paper of an issuing corporation.

Purchases of commercial paper may not exceed 15 percent of MTS's investment portfolio. An additional 15 percent or a total of 30 percent of MTS's investment portfolio may be invested only if the dollar-weighted average of the entire amount does not exceed 31 days.

8. Medium-term corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a rating category "A" or its equivalent by a nationally recognized rating service. If rated by more than one service, both ratings must meet the minimum credit standards.

Purchase of medium-term corporate notes may not exceed 30 percent of MTS's investment portfolio.

9. Federal Deposit Insurance Corporation (FDIC)-insured or fully collateralized time certificates of deposit in financial institutions located in California, including U.S. branches of foreign banks licensed to do business in California. All time deposits must be collateralized in accordance with California Government Code section 53561, either at 150 percent by promissory notes secured by first mortgages and first trust deeds upon improved residential property in California eligible under section (m) or at 110 percent by eligible marketable securities listed in subsections (a) through (l) and (n) and (o). MTS, at its discretion and by majority vote of the Board of Directors, on a quarterly basis, may waive the collateralization requirements for any portion of the deposit that is covered by federal insurance.

10. Negotiable certificates of deposit or deposit notes issued by a nationally or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank; provided that the senior-debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's.

Purchase of negotiable certificates of deposit may not exceed 30 percent of MTS's investment portfolio and are limited to a maximum maturity of one year. No more than 10 percent of the portfolio may be invested in any one bank's name.

11. State of California's Local Agency Investment Fund (LAIF). Investment in LAIF may not exceed the maximum amount allowed by LAIF.
12. San Diego County Investment Pool.
13. Insured savings account or money market account.
14. Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Act of 1940. The company must have met either of the following criteria: (1) attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations or (2) retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

The purchase price of shares shall not exceed 15 percent of the investment portfolio of MTS.

15. Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, ~~equipment leaseback certificate~~, consumer receivable pass-through certificate, or consumer receivable-backed bond with a maximum effective maturity of five years. Eligible securities must be rated, by a nationally recognized rating service, as "AAA" and the issuer of the security must have an "A" or higher rating for its debt as provided by a nationally recognized rating service. These securities are further limited to fixed rate, publicly offered securities. The deal size must be a minimum of \$250 million, and the tranche size must be a minimum of \$25 million. No more than 10 percent of the agency's surplus funds may be invested in this type of security.

Credit criteria listed in this section 30.8 refers to the credit of the issuing organization at the time the security is purchased. MTS may from time to time be invested in a security whose rating is downgraded. In the event a rating drops below "A," the ~~Finance Manager~~Chief Financial Officer shall immediately notify the Chief Executive Officer and will report to the Executive Committee, at its next regularly scheduled meeting, both the downgrade and an evaluation of possible actions that can be taken. The investment manager shall make a written recommendation to the ~~Finance Manager~~Chief Financial Officer as to whether this security should be held or sold.

Where this section 30.8 specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase.

30.9 Diversification

A. Amounts over \$20 million, excluding investments in the State of California's LAIF.

No more than 2040 percent of MTS's portfolio, excluding investments in State of California's LAIF, shall be invested in any one bank or corporation.

B. Amounts under \$20 million, excluding investments in the State of California's LAIF.

No more than 50 percent of MTS's portfolio, excluding investments in the State of California's LAIF, shall be invested in any one bank or corporation.

30.10 Maximum Maturity

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit MTS to meet all projected obligations.

Unless otherwise specified in this section, no investment shall be made in any security that has an effective maturity of more than five years from the date of purchase unless the instrument is specifically approved by the Board.

The average duration of the externally managed funds subject to this policy shall not exceed 150 percent of the benchmark duration.

30.11 Ineligible Investments

MTS shall not invest any funds in derivative securities, which is defined as any security that derives its value from an underlying instrument, index, or formula. The derivative universe includes, but is not limited to, structured and range notes, securities that result in zero-interest accrual if held to maturity, variable rate, floating rate, or inverse floating rate investments, financial futures and options, and mortgage derived interest or principal-only strips. Callable or putable securities with no other option features, securities with one interest rate step-up feature, and inflation-indexed securities meeting all other requirements of this Policy are excluded from this ineligible list as are fixed rate mortgage-backed securities and asset-backed securities.

MTS shall not invest any funds in reverse repurchase agreements.

30.12 Sales Prior to Maturity

Securities shall not be purchased for the specific purpose of trading. However, sales prior to maturity are permitted under the following circumstances: (1) to meet an unanticipated disbursement or (2) earn a higher overall rate of return by selling a security and reinvesting the proceeds. Certain investment

opportunities may involve the recognition of value losses. Book value trading losses are permitted. Any trading loss greater than 1 percent of principal value of any investment holding requires the following: (1) explanation of source of loss, (2) rationale for transactions resulting in recognition of loss, and (3) estimation of time necessary to recoup the loss.

30.13 Reporting Requirements

The Chief Financial Officer ~~Finance Manager~~ shall render to the ~~internal auditor,~~ ~~the Chief Executive Officer and the Board of Directors~~ an investment report each quarter, which shall include, at a minimum, the following information for each individual investment:

- Type of investment instrument (i.e. Treasury Bill, medium-term note)
- Issuer name (i.e., General Electric Credit Corp.)
- Purchase date (trade and settlement date)
- Maturity date
- Par value
- Purchase price
- Current market value and the source of the valuation
- Overall portfolio yield based on cost
- Statement of compliance of the portfolio to the statement of investment policy or the manner in which the portfolio is not in compliance
- ~~Description of any of MTS's funds, investments or programs that are under the management of contracted parties, including lending programs~~
- Statement denoting the ability of MTS to meet its expenditure requirements for the next six months or an explanation as to why sufficient money shall or may not be available

This quarterly report shall be submitted within 60~~30~~ days following the end of the quarter.

The Chief Financial Officer ~~Finance Manager~~ shall periodically (but at least every three years) ~~annually~~ render to the Board of Directors ~~MTS~~ revisions to ~~at this statement of investment policy,~~ which ~~can be~~ MTS ~~shall~~ considered at a public meeting.

30.14 Safekeeping and Custody

All securities, whether negotiable, bearer, registered, or nonregistered, whether purchased for MTS by the County or by financial advisors, consultants, or managers, shall be delivered, either by book entry or physical delivery, to MTS's third-party custodian and held in MTS 's name.

30.15 Benchmarks

External investment managers' performance shall be evaluated over a 3- to 5-year market cycle against the Merrill Lynch 1- to 3-year Gov./Corp. Index (B1A0).

DDarro/SChamp/JGarde
POLICY.30.INVESTMENTS
7/14/06

Attachment: Reasonably Prudent Person Rule (Trust Standard of Care)

Original Policy accepted on 10/23/86.
Policy revised on 9/23/93.
Policy repealed and readopted 6/13/96.
Policy revised on 12/11/97.
Policy revised on 8/12/99.
Policy revised on 8/10/00.
Policy revised on 9/13/01.
Policy revised on 3/11/04.
Policy revised on 6/14/07.

PROBATE CODE

SECTION 16040-16042

16040. (a) The trustee shall administer the trust with reasonable care, skill, and caution under the circumstances then prevailing that a prudent person acting in a like capacity would use in the conduct of an enterprise of like character and with like aims to accomplish the purposes of the trust as determined from the trust instrument.

(b) The settlor may expand or restrict the standard provided in subdivision (a) by express provisions in the trust instrument. A trustee is not liable to a beneficiary for the trustee's good faith reliance on these express provisions.

(c) This section does not apply to investment and management functions governed by the Uniform Prudent Investor Act, Article 2.5 (commencing with Section 16045).

16041. A trustee's standard of care and performance in administering the trust is not affected by whether or not the trustee receives any compensation.

16042. (a) Notwithstanding the requirements of this article, Article 2.5 (commencing with Section 16045), and the terms of the trust, all trust funds that come within the custody of the public guardian who is appointed as trustee of the trust pursuant to Section 15660.5 may be deposited or invested in the same manner, and would be subject to the same terms and conditions, as a deposit or investment by the public administrator of funds in the estate of a decedent pursuant to Article 3 (commencing with Section 7640) of Chapter 4 of Part 1 of Division 7.

(b) Upon the deposit or investment of trust property pursuant to subdivision (a), the public guardian shall be deemed to have met the standard of care specified in this article and Article 2.5 (commencing with Section 16045) with respect to this trust property.



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(REVISED – CORRECT ATTACHMENT ADDED)

Agenda

Item No. 12

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

SRTP 830 (PC 50451)

June 14, 2007

SUBJECT:

MTS: JUNE 2007 SERVICE CHANGES

RECOMMENDATION:

That the Board of Directors receive a report on the service changes scheduled for June 2007 implementation.

Budget Impact

None.

DISCUSSION:

Changes to MTS bus and trolley services are implemented three times a year in the fall, winter, and summer. These regularly scheduled service changes provide an opportunity to: (1) improve the routing, operation, and schedules of the transit system consistent with service evaluation and customer comments; (2) implement changes as a result of service plans, including implementing new services; (3) optimize service according to the MTS service vision; and (4) adjust service levels according to budget constraints. The next scheduled dates for implementing transit service changes are Sunday, June 17, and Monday, June 18, 2007.

This report is provided to the MTS Board of Directors so that members are aware of upcoming changes to the regional transit system and services.



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.

Attachment A provides a detailed description of the service changes that will be implemented in June 2007. Highlights of these changes include the following:

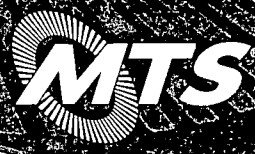
- Routes 13 and 603 – As the final service change to be implemented as part of the Comprehensive Operational Analysis, Routes 13 and 603 will be combined into one route. Route 13 is currently operated by MTS Bus (San Diego Transit Corporation) and provides service every 15 minutes from Euclid Avenue Trolley to Kaiser Hospital via Fairmont Avenue and Mission Gorge Road. Route 603 is currently operated by MCS (Veolia) and provides service every 30 minutes from Euclid Avenue Trolley Station to 24th Street Trolley Station via Euclid Avenue and 18th Street. In June, these routes will be combined and operated by MTS Bus every 15 minutes from Kaiser Hospital to 24th Street Trolley Station.
- Summer Schedule for Routes 8/9 and 30 – As traditional, summer schedule adjustments will be implemented on Routes 8/9 and 30 to account for additional traffic through Pacific Beach and La Jolla and to provide earlier and later service to SeaWorld.
- Routes 901 and 929 – Weekend service frequencies on Route 929 will be improved from 30 minutes to 20 minutes to address severe overcrowding and pass ups. This service enhancement will be offset by a reduction in midday weekday trips on Route 901.
- Schedule Adjustments – Several routes have been retimed and rescheduled to improve on-time performance. Routes with significant improvements include Routes 3, 11, 901, 929.


Paul C. Jablonski
Chief Executive Officer

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

JUNE14-07.12.JUNE07 SVC CHGS.CCHEUNG.doc

Attachment: A. June 2007 Service Change Take One



¡Aviso al Pasajero!

ESTA INFORMACION ESTA DISPONIBLE EN DIFERENTES FORMATOS. Para solicitar esta información en un formato diferente, por favor llame al (619) 231-1466. Los operadores del Metropolitan Transit System siguen una política que prohíbe la discriminación con respecto a los servicios e instalaciones.

A cualquier parte de San Diego, podemos ayudar.

Le ayudaremos a organizar sus planes de viaje personalizados si nos visita en www.sdmts.com o nos llama al 5-1-1.



Cambios en el servicio en junio de 2007 Horario del servicio del Día de la Independencia

El 17 de junio, 2007, MTS implementará cambios en las rutas y ajustes en el horario. Se recomienda a los pasajeros visitar nuestro sitio en Internet www.sdmts.com, donde podrán obtener mapas detallados, horarios e información acerca de estos cambios.

Los cambios en el servicio se implementarán de la siguiente manera:

- Los cambios en los horarios de los domingos y días festivos tendrán efecto a partir del domingo 17 de junio del 2007.
- Los cambios en los horarios de entre semana tendrán efecto a partir del lunes 18 de junio del 2007.

No olvide tomar uno de los folletos de horarios nuevos para las rutas con cambios en el servicio, como se indica a continuación:

RUTA	DESCRIPCION
2	Desde el 17.06.07: se agregarán viajes hacia el centro de San Diego durante las mañanas los días de entre semana para aliviar el exceso de pasajeros.
3	Desde el 17.06.07: se implementarán cambios mayores en el horario para mejorar la puntualidad y la fiabilidad del servicio.
8/9	Desde el 17.06.07: el servicio a Sea World comenzará más temprano y finalizará más tarde para ajustarse al horario extendido de verano. Además, se realizarán ajustes en el horario teniendo en cuenta el tráfico en la playa durante el verano.
11	Desde el 17.06.07: se implementarán cambios mayores en el horario para mejorar la puntualidad y la fiabilidad del servicio.
13	Desde el 17.06.07: la Ruta 13 se extenderá desde la estación de trolley Euclid hasta la estación de trolley 24th Street en National City, por Euclid Ave. y 18th St. Esta extensión de la Ruta 13 reemplazará a la Ruta 603. El servicio tendrá una frecuencia de 15 minutos los días de entre semana y 30 minutos los fines de semana en toda la ruta. Consulte el mapa al reverso para obtener más detalles.
27	Desde el 17.06.07: se implementarán cambios mayores en el horario para mejorar las conexiones en Kearny Mesa y aumentar servicio más tarde en la dirección al este.



Rider Alert!

THIS INFORMATION WILL BE MADE AVAILABLE IN ALTERNATIVE FORMATS UPON REQUEST. To request this notice in an alternative format, please call (619) 231-1466. The Metropolitan Transit System operators adhere to a nondiscrimination policy with regard to both services and facilities.

No matter where you want to go in San Diego, we can help.

We'll help you design your personalized transit travel plans at www.sdmts.com or by calling 5-1-1.



June 2007 Service Changes Independence Day Service Schedule

MTS will be implementing route changes and schedule adjustments on June 17, 2007. Passengers are encouraged to refer to our website www.sdmts.com for more detailed maps, schedules, and information about these changes.

The following service changes will take effect as follows:

- Sunday/Holiday schedule changes take effect on Sunday, June 17, 2007.
- Weekday schedule changes take effect on Monday, June 18, 2007.

Please be sure to pick up a new timetable for the routes with changes, as listed below:

ROUTE	DESCRIPTION
2	Effective 6/17/07: Added weekday morning trips into downtown S.D. to relieve overcrowding.
3	Effective 6/17/07: Major schedule changes to improve on-time performance and reliability.
8/9	Effective 6/17/07: Service into Sea World runs earlier and later for extended summer hours. Also, schedule adjustments for summer beach traffic.
11	Effective 6/17/07: Major schedule changes to improve on-time performance and reliability.
13	Effective 6/17/07: Route 13 is extended from Euclid Trolley Station to 24th Street Trolley Station in National City, via Euclid Ave. and 18th St. This extension of Route 13 will replace Route 603. Service will be provided every 15 minutes on weekdays and every 30 minutes on weekends on the entire route. Please see map inside for more route details.
27	Effective 6/17/07: Major schedule changes to improve connections at Kearny Mesa and provide later eastbound service.
30	Effective 6/17/07: Schedule adjustments for summer beach traffic.
48	Effective 6/17/07: Route 48A trips are discontinued.
603	Effective 6/17/07: Route 603 is discontinued and replaced by an extended Route 13. Service on Euclid Ave. and 18th St. in National City is increased to operate every 15 minutes during the weekday and every 30 minutes on weekends. Please see map inside for more route details. Regular cash fare remains \$1.75 on Route 13.
709, 712	Effective 6/17/07: Minor schedule adjustments.

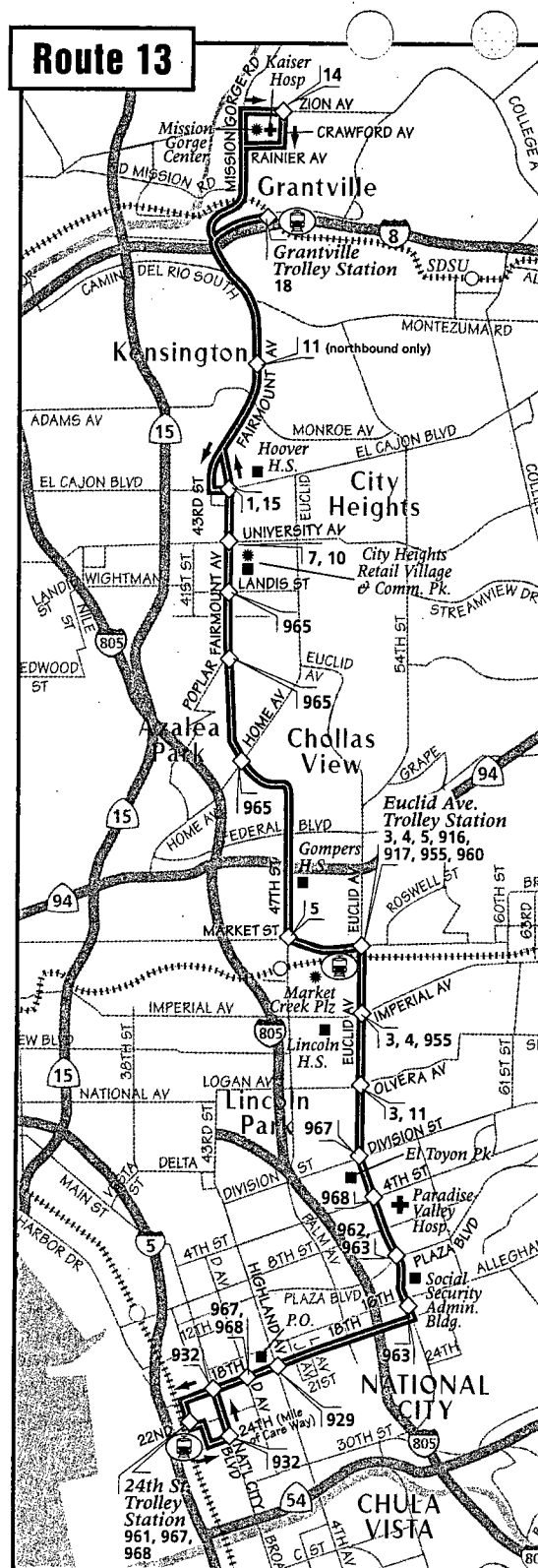
- 834 **Effective 6/8/07:** Route 834 will continue to run during the summer months. Please see a new timetable for dates of service.
- 850, 860 **Effective 6/18/07:** Two early afternoon trips added northbound from downtown, operating as a combined route. Please see new timetable for details.
- 901 **Effective 6/17/07:** Major schedule changes to improve on-time performance. There is also a reduction in the weekday midday service frequency. In addition, the first stop in Downtown San Diego for southbound Route 901 will be at Broadway & Front St.
- 929 **Effective 6/17/07:** Major schedule changes seven days per week. Route 929 will now operate every 20 minutes on weekends from approximately 9 a.m. to 5 p.m. to reduce overcrowding and for better on-time performance. In addition, the first stop in Downtown San Diego for southbound Route 929 will be at Broadway & Front St.
- 933, 934 **Effective 6/17/07:** Major schedule changes to improve on-time performance and reliability.
- 992 **Effective 6/17/07:** Minor schedule adjustments.

Independence Day Service Schedule (Wednesday, July 4, 2007):

- All MTS bus and trolley services will operate on a Sunday schedule.
- All NCTD BREEZE services will operate on a Sunday schedule.
- Any MTS or NCTD services that do not operate on Sundays (including COASTER) will not operate.
- Special 'Red Line' trolley service, plus added Blue and Orange Lines service, will operate to/from PETCO Park for the Padres game.
- Telephone Information (5-1-1) will have reduced hours, from 8 a.m. through 5 p.m.
- The Transit Store will be closed.
- MTS Access and ADA Paratransit subscriptions are cancelled for July 4, 2007. Subscription passengers who want to maintain their trip on this day must call to arrange their transportation.



A-2
We all want a quick trip.
Exiting from the rear doors speeds
the trip for everyone!



- 30 **Desde el 17.06.07:** se realizarán ajustes en el horario de acuerdo con el tráfico en la playa durante el verano.
- 48 **Desde el 17.06.07:** se suspenderán los viajes por la ruta 48A.
- 603 **Desde el 17.06.07:** se suspenderá el servicio en la Ruta 603 y será reemplazada con la Ruta 13 extendida. Se aumentará el servicio en Euclid Avenue y 18th St. en National City, el cual funcionará con una frecuencia de 15 minutos los días de semana y 30 minutos los fines de semana. Consulte el mapa al lado para obtener más detalles. La tarifa normal en efectivo sigue siendo de \$1.75 en la Ruta 13.
- 709, 712 **Desde el 17.06.07:** Tendrán leves ajustes en los horarios.
- 834 **Desde el 08.06.07:** la Ruta 834 seguirá funcionando durante los meses de verano. Si desea conocer las fechas de disponibilidad del servicio, consulte los nuevos horarios.
- 850, 860 **Desde el 18.06.07:** se agregarán dos viajes durante las primeras horas de la tarde con dirección norte desde el centro, que funcionarán como una ruta combinada. Para obtener más detalles, consulte los nuevos horarios.
- 901 **Desde el 17.06.07:** se implementarán cambios mayores en el horario para mejorar la puntualidad del servicio. También, se reducirá la frecuencia del servicio de mediodía durante los días de entre semana. Asimismo, la primera parada en el centro de San Diego para la Ruta 901 con dirección sur será en Broadway y Front St.
- 929 **Desde el 17.06.07:** se implementarán cambios mayores en el horario los siete días de la semana. La Ruta 929 funcionará cada 20 minutos los fines de semana desde las 9 a.m. hasta las 5 p.m. aproximadamente, a fin de evitar el exceso de pasajeros y mejorar la puntualidad del servicio. Asimismo, la primera parada en el centro de San Diego para los autobuses de la Ruta 929 con dirección sur será en Broadway y Front St.
- 933, 934 **Desde el 17.06.07:** se implementarán cambios mayores en el horario para mejorar la puntualidad y la fiabilidad del servicio.
- 992 **Desde el 17.06.07:** Tendrá leves ajustes en el horario.

Horario del servicio el Día de la Independencia (miércoles 4 de julio del 2007):

- Todos los servicios de autobuses y trolleys de MTS funcionarán de acuerdo con el horario de domingo.
- Todos los servicios de BREEZE de NCTD funcionarán de acuerdo con el horario de domingo.
- Todos los servicios de MTS o NCTD que no funcionen los domingos (incluso COASTER) no estarán disponibles.
- Servicio especial del trolley "Red Line" y servicio adicional en las líneas azul y naranja, operará a/de PETCO Park para el juego de los Padres.
- El servicio de información telefónica (5-1-1) tendrá un horario reducido (de 8 a.m. a 5 p.m.).
- La tienda "The Transit Store" permanecerá cerrada.
- Las suscripciones a MTS Access y ADA Paratransit se cancelarán para el 4 de julio, 2007. Los pasajeros suscriptos que deseen hacer uso del servicio en este día deberán llamar para planificar su transporte.

Todos desean un viaje rápido.
¡Favor de usar las puertas de
atrás para ahorrar tiempo!





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619.231.1466 FAX 619.234.3407

Agenda

Item No. 25

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

FIN 310.1 (PC 50601)

June 14, 2007

SUBJECT:

MTS: FY 2008 BUDGET: PUBLIC HEARING AND ADOPTION

RECOMMENDATION:

That the Board of Directors:

1. hold a public hearing, receive testimony, and review and comment on the fiscal year 2008 budget information (Attachment A) presented in this report; and
2. adopt Resolution No. 07-6 (Attachment B) approving the operating and capital budget for MTS and approving the operating budgets for San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, Chula Vista Transit, and the Coronado Ferry.

Budget Impact

The action today establishes the fiscal year 2008 budget.

DISCUSSION:

Summary

During the budgetary process, staff presented the Budget Development Committee and the MTS Board of Directors with a variety of issues and policy decisions, including FasTrak funding reductions, State Transit Assistance (STA) funding reductions, and energy projections. As early as April 2007, staff presented the Board a balanced budget using recurring revenues.



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.

In May, the San Diego Association of Governments (SANDAG) updated its subsidy projections on TransNet and the Transportation Development Act (TDA) for fiscal years 2007 and 2008 creating a \$9.2 million budget shortfall. The MTS Board of Directors provided guidance in resolving this significant shortfall. A short-term solution to balance both FY 07 and FY 08 included the following:

- Adding \$1 million to STA operating revenues based upon the latest figures from the governor's budget.
- Using fiscal year 2007 operating budget savings of approximately \$3.5 million.
- Using compressed natural gas (CNG) fuel credits that MTS has applied for that total approximately \$5.3 million for both fiscal years 2007 and 2008.

Staff will continue to meet with the Budget Development Committee and MTS Board of Directors in the summer to review long-term solutions to solve this long-term subsidy funding issue.

FY 2008 Overview

The fiscal year 2008 total budgeted revenue is projected at \$239,025,000, and total projected expenses are budgeted at \$239,025,000 resulting in a balanced budget for fiscal year 2008.

FY 2008 Revenue

Please refer to Section 3.01 through Section 3.06 for a summary of fiscal year 2008 budgeted revenues. Section 3.02 provides a written detail of fiscal year 2008 operating revenues. Section 9 provides a detailed description of the funding sources and their distribution within the organization.

FY 2008 Expenses

Please refer to Section 2 for consolidated functional budgets, Section 4 for detailed operations budgets, Section 5 for detailed administrative budgets, Section 6 for detailed other activities budgets, and Section 7 for detailed debt-service budgets.

FY 2008 Other Information

Section 10 provides detail on our five-year forecast, operating statistics, and position information.

Five-Year Forecast

Section 10.01 provides the latest look at MTS's five-year operating projection through FY 2012 and includes the latest subsidy projections provided by SANDAG. Passenger revenues are projected to increase by approximately 2.5 to 3 percent over the next four years primarily due to Comprehensive Operational Analysis system improvements. Within the subsidy related revenues, Congestion Mitigation and Air Quality funding is

scheduled to end at the end of FY 08 and will be replaced in FY 09 when TransNet II funding becomes available. Expenses are projected to increase by approximately 3.5 percent over the following four fiscal years primarily due to expected continued operating expense increases, including energy costs. Expenses in fiscal year 2010 increase over the 3.5 percent levels due to the ceasing of the CNG rebates that MTS is eligible to receive through FY 09.



Paul C. Jablonski
Chief Executive Officer

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

JUNE14-07.25.FY08BUDGET.PUBLIC HRG.LMARINESI.doc

Attachments: A. Proposed FY 08 Budget
B. Resolution No. 07-6

San Diego Metropolitan Transit System

Resolution No. 07-6

Resolution Approving the Fiscal Year 2008 Budget

WHEREAS, the Metropolitan Transit System (MTS) staff has coordinated with the staffs of San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services, Chula Vista Transit, and Coronado Ferry (hereafter referred to as MTS Operators) throughout the budget preparation process to ensure consistent budget assumptions; and

WHEREAS, the budgets have been prepared using the budget assumptions approved by the MTS Board of Directors; NOW THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the MTS Board of Directors (hereinafter referred to as Board) as follows:

1. That the budget for fiscal year (FY) 2008, on file with the Clerk of the Board, is hereby adopted (including MTS Operators); and
2. That the Chief Executive Officer is authorized to transfer appropriate amounts up to \$100,000 between object accounts so long as the total amount authorized to be spent for an object account by the FY 08 budget is not exceeded by more than \$100,000, the total amount authorized to be spent by the FY 08 budget is not exceeded, and all such transfers are reported to the Board in the monthly Budget Monitoring Report; and
3. That the Chief Executive Officer is authorized to approve expenditures up to a maximum of \$100,000; and
4. That the check-signing authority on behalf of the Board shall be governed by MTS Policy No. 41, Signature Authority; and
5. That the annual lease and debt-service payments are included in the FY 08 budget as set forth in Section 7.02; and
6. That the MTS Budget establishes absolute spending limits, and that the budgeted expenditures cannot be exceeded without prior written approval of the Board; and
7. That any budget variances will be reported to the Board; and
8. That MTS is authorized to withhold monthly subsidy payments to those operators who do not provide the information according to an established schedule; and
9. That the position schedules of MTS, SDTC, and SDTI as contained in the FY 08 budget are approved; and

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

AYES:

NAYES:

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

JUNE14-07.25.AttB.RES NO 07-6.LMARINESI.doc

**Metropolitan Transit System
FY 2008 Budget
Public Hearing and
Proposed Board Adoption**

MTS Board of Directors Meeting
June 14, 2007



Public Hearing Agenda

- Fiscal Year 2008 Budget Recap
- Short Term Budget Closure / Final FY08 Budget
- Five Year Forecast
- Long Term Solutions



Fiscal Year 2008 Budget Recap

- Reviewed and Approved FY07 Mid Year Budget
- Reviewed Operating and Non-Operating Revenues
- Discussed Policy Issues
 - State Transit Assistance (STA)
 - FasTrak Revenues (Inland Breeze)
- Reviewed Operating Expenditures
 - Personnel Expenses (Position Tables)
 - Non-Personnel Expenses
 - Energy, Internalizing TPA
- Had achieved a balance budget (April 2007) from a preliminary \$4.0M projected shortfall



Fiscal Year 2008 Budget Recap

- In May, SANDAG updated TDA/TransNet subsidy projections for 2007 and 2008

	Original Budget Projections	5/15/2007 Latest Proj.	Revenue Variance
FY07 Transnet	\$ 17.3	\$ 16.3	\$ (1.1)
FY08 TDA	\$ 82.4	\$ 75.7	\$ (6.6)
FY08 Transnet	20.0	18.5	(1.5)
FY08 Subtotal	\$ 102.4	\$ 94.3	\$ (8.1)
Grand Total	\$ 119.7	\$ 110.5	\$ (9.2)



MTS Short-Term Interim Solution Fiscal Years 2007 / 2008

	Total Savings	Use in FY07/ FY08 Budget
STA FY08 latest projections:	1.0	1.0
FY07 Operating Budget Savings:		
Mid Year Projections	2.2	2.2
Additional Savings (Through April 2007)	1.3	1.3
Total FY07 Operating Budget Savings:	3.5	3.5
CNG Fuel Credits		
FY07 Projected Rebate	2.3	1.7
FY08 Projected Rebate	3.0	3.0
Total CNG Fuel Credit	5.3	4.7
Grand Total	9.8	9.2



FY 2008 Combined Budget - Revenue / Expense Schedule Excluding Debt Service / FY07 Transnet Revenue Shift in (000's)

	Mid Year FY 2007	Budget FY 2008	Variance	Variance Percentage
TOTAL REVENUES				
Operating Revenues	75,784	77,249	1,465	1.9%
Non Operating Revenues	139,027	141,090	2,063	1.5%
Combined Revenues	214,811	218,339	3,528	1.6%
TOTAL EXPENSES				
Personnel Expenses	97,388	101,699	4,312	4.4%
Purchased Transportation	52,909	56,550	3,641	6.9%
Outside Services	16,343	16,617	274	1.7%
Materials and Supplies	7,735	7,353	(382)	-4.9%
Energy	26,268	25,504	(764)	-2.9%
Risk Management	5,695	4,634	(1,060)	-18.6%
General and Administrative	1,290	1,105	(185)	-14.4%
Debt Service	4,626	4,431	(196)	-4.2%
Vehicle/Facility Lease	363	446	84	23.1%
Combined Expenses	212,617	218,339	5,722	2.7%
Total Revs Less Exps	2,194	(0)	(2,194)	



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATING BUDGET

FIVE YEAR PROJECTIONS - SUMMARY

in (000's)

	Proposed Budget FY 2008	Projected FY 2009	Projected FY 2010	Projected FY 2011	Projected FY 2012
Total Recurring Revenues	208,815	220,356	227,299	233,675	240,271
Total Recurring Expenses	218,339	225,880	236,787	244,967	253,431
Non Recurring Revenues	9,523	200	150	100	100
Net Debt Service	-	-	-	-	-
Net Operating Subsidy	(0)	(5,324)	(9,337)	(11,192)	(13,060)



Potential Long Term Options

- Discuss with BDC and MTS Board of Directors
 - Other Revenue Impacts (Subsidy, Advertising, Land, etc.)
 - Service Adjustments
 - Operating Budget Expense Reductions
 - Fare Increases
 - Labor Contracts in Negotiation
 - Postponing of Performance Incentive Program (PIP)
 - Partial Freeze hiring of positions in FY08 budget.



Staff Recommendation

- Hold a public hearing, receive testimony, and review and comment on the FY08 budget information (Attach A) presented within this report; and
- Adopt Resolution 07-6 (Attach B) approving the operating and capital budget for MTS and approving the operating budgets for SDTC, SDTI, MTS Contract Services, CVT and the Coronado Ferry.



Next Steps...

SANDAG Transportation Committee - June 15th
Provide Final Balanced Budget

Budget Development Committee - July 2007



**Metropolitan Transit System
FY 2008 Budget
Public Hearing and
Proposed Board Adoption**

MTS Board of Directors Meeting
June 14, 2007





AGENDA ITEM NO.

25

REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

1

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

1. INSTRUCTIONS

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

Date Jun 14-07
Name (PLEASE PRINT) STEVE ALCOVE
Address 10393 SAN DIEGO MISSION AVE #205
Telephone 619-563-1309
Organization Represented (if any) SAN DIEGO BUS DRIVERS UNION

Subject of your remarks: _____

Agenda Item Number on which you request to speak 25

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.****





AGENDA ITEM NO.

25

REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

2

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

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Date Jun 13-07Name (PLEASE PRINT) JERRY Butkiewicz

Address _____

Telephone 619-284-8307Organization Represented (if any) S.D. Imperial County Labor CouncilSubject of your remarks: BudgetAgenda Item Number on which you request to speak 25

Your comments are presenting a position of: SUPPORT

☐

OPPOSITION

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

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

3. DISCUSSION OF AGENDA ITEMS

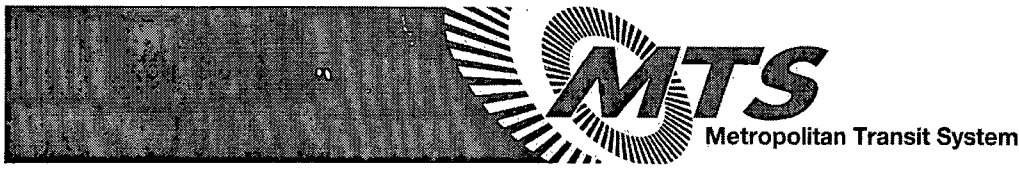
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1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
619.231.1466, FAX: 619.234.3407

Agenda

Item No. 30

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

SRTP 830 (PC 50451)

June 14, 2007

SUBJECT:

MTS: REVISIONS TO POLICY NO. 42 (NEW AND EXISTING SERVICE EVALUATION)

RECOMMENDATION:

That the Board of Directors approve amendments to MTS Policy No. 42 (Attachment A).

Budget Impact

None.

DISCUSSION:

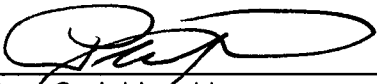
The current Policy No. 42 (Attachment B) outlines a process for evaluating new and existing services based on quantitative (e.g. passengers per revenue mile and hour, subsidy per passenger) and qualitative (e.g. supportive land use, regional priorities, quality of service) measures. In addition, the policy outlined a process for prioritizing new services for the Short-Range Transit Planning (SRTP) process. However, as a result of the Comprehensive Operational Analysis (COA) and Senate Bill 1703 (Peace), this policy no longer reflects the direction of MTS service design and planning responsibilities. Therefore, Policy No. 42 has been revised (Attachment A) to directly reflect the following vision statements approved by the MTS Board on June 23, 2005, and to omit language on the SRTP process which is no longer a function of the transit agencies.



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.

A Vision for MTS Services

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



Paul C. Jablonski
Chief Executive Officer

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

JUNE14-07.30.POLICY42 REVISIONS.CCHEUNG.doc

Attachment: A. Revised Policy No. 42: Transit Service Evaluation and Adjustment
B. Current Policy No. 42 (for reference)



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

Att. A, AI 30, 6/14/07

DRAFT

Policies and Procedures

No. 42

SUBJECT:

Board Approval: 6/14/07

TRANSIT SERVICE EVALUATION AND ADJUSTMENT

PURPOSE:

To establish:

- (1) a process for evaluating and adjusting existing transit services to improve performance; and
- (2) procedures for implementing service changes.

BACKGROUND:

On June 23, 2005, the MTS Board of Directors approved the following vision for MTS services.

A Vision for MTS Services

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



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

This policy establishes a process for evaluating existing transit services based on these vision statements. In addition, the policy outlines procedures for implementing minor and major service adjustments.

POLICY:

42.1 Categories of Transit Service

To ensure that transit services are evaluated against other similar services, routes are designated into seven service categories based on route characteristics. These categories include: Regional, Express, Light Rail, Urban Frequent, Urban Standard, Circulator, Rural, and Demand-Responsive, as defined below. These categories also ensure that fares are consistent with the type and characteristics of the service. Attachment A specifies the services within each category.

Fixed-Route Services

Premium Express – High-speed, point-to-point service geared towards commute markets. Service provided during weekday peak periods only and scheduled to meet primary work shift times. May use over-the-road coaches for maximum comfort and highway operations.

Express – High-speed service geared toward linking major subregional residential, employment, and activity centers. Service is generally provided throughout the weekday and possibly on weekends. Operates primarily on highways and major arterials.

Light Rail – High-frequency service (15 minutes or better during the base weekday) operating on exclusive railroad right-of-way. Serves multiple trip purposes and generally experiences high turnover along the line.

Urban Frequent – High-frequency service (15 minutes or better during the base weekday) primarily operated along major arterials in denser urban areas. Serves multiple trip purposes and generally experiences high turnover along the route. May be operated as regular (all stops) or limited (stopping only at major transfer points and activity centers).

Urban Standard – Basic transit service with base weekday frequencies generally between 30 and 60 minutes. Operates in less dense urban and suburban areas. Serves multiple trip purposes and provides access to all stops.

Circulator – Neighborhood feeder/distributor to transfer stations or shuttle service to local destinations. Operates on arterials and local streets to provide access to residences, businesses, activity, and transfer centers.

Figure 1
Characteristics of Fixed-Route Services

	Trip Distance	Speed	Stop Spacing	Streamlined Routing	Fares
	<i>Longer</i>	<i>Faster</i>	<i>Greater</i>	<i>More</i>	<i>Higher</i>
Premium Express	↑	↑	↑	↑	↑
Express	↑	↑	↑	↑	↑
Light Rail	↑	↑	↑	↑	↑
Urban Frequent	↓	↓	↓	↓	↓
Urban Standard	↓	↓	↓	↓	↓
Circulator	↓	↓	↓	↓	↓
	<i>Shorter</i>	<i>Slower</i>	<i>Lesser</i>	<i>Less</i>	<i>Lower</i>

Specialized Services

Rural – Lifeline service that provides a link between rural communities and the San Diego urban core. Very limited service levels; generally a few round-trips operating a few days per week given limited demand.

Demand-Responsive - Paratransit services that complement fixed-route services in accordance with the Americans with Disabilities Act (ADA), as well as services that provide transit access to areas difficult to serve by conventional fixed-routes (e.g., due to terrain, discontinuous street patterns, and extremely low densities).

42.2 Performance Indicators

The following performance indicators, summarized in Figure 2, ensure that the service evaluation is consistent with the vision statements established for MTS services.

Figure 2
Transit Service Performance Indicators

CUSTOMER FOCUSED / COMPETITIVE										INTEGRATED	SUSTAINABLE									
PRODUCTIVITY			QUALITY							CONNECTIVITY	RESOURCES		EFFICIENCY							
Total Passengers	Average Weekday Passengers	Passengers/Revenue Hour	Passengers/In Service Hour	Passenger Load Factor	On-Time Performance	Mean Distance between Failures	Accidents/100,000 Miles	Missed Trips/100,000 Trips	Comments/100,000 Passengers	Frequency at Major Transfer Points	Span of Service Consistency	Transfer Opportunities	In-Service Miles	In-Service Hours	Peak Vehicle Requirement	In-Service Speeds	In-Service/Total Miles	In-Service/Total Hours	Farebox Recovery Ratio	Subsidy/Passenger

Bold – Key indicators used for ranking route performance.

Total Passengers – Total number of unlinked boardings.

Average Weekday Passengers – Average of weekday unlinked boardings excluding abnormal weekday boardings due to unusual circumstances, such as inclement weather, special events, and other unusual impacts to daily ridership levels.

Passengers per Revenue Hour – Total number of unlinked boardings divided by the sum of in-service and layover (including recovery) hours. Does not include pull and deadhead hours. Consistent with National Transit Database (NTD) definitions, this indicator is generally used to compare the productivity of MTS services with other agencies.

Passengers per In Service Hour – Total number of unlinked boardings divided by in-service hours. Does not include layover, recovery, pull, and deadhead hours. This indicator is a more accurate measure of service performance because it only includes scheduled hours available for loading, unloading, and transporting passengers.

Passenger Load Factor – Percent of revenue hours exceeding the passenger load target.

On-Time Performance – Percent of service that is within zero minutes zero seconds (00m:00s) early and four minutes fifty nine seconds (04m:59s) late.

Mean Distance between Failures – Average distance (measured in total miles) between major mechanical failures.

Accidents per 100,000 Miles – Average number of collision accidents (preventable and nonpreventable) for every 100,000 miles operated (measured in total miles).

Missed Trips per 100,000 Trips – Average number of trips not provided for every 100,000 trips scheduled.

Comments per 100,000 Passengers – Average number of passenger comments for every 100,000 unlinked boardings.

Frequency at Major Transfer Points – Indication of the quality of transfers at major transfer locations given the base frequency of the routes serving each location.

Span of Service Consistency – Indication of consistency in service span for route groups that experience high levels of transfers between the services.

Transfer Opportunities – Indication of the destinations served within one transfer at major transfer locations.

In Service Miles – Scheduled miles of service available for loading, unloading, and transporting passengers (measured as scheduled miles between departure from the first stop and arrival to the last stop of a trip).

In-Service Hours – Scheduled hours of service available for loading, unloading, and transporting passengers (measured as scheduled hours between departure from the first stop and arrival to the last stop of a trip).

In-Service Speed – Average scheduled speed of transit service between departure from the first stop and arrival to the last stop of a trip.

In-Service Miles/Total Miles – Percent of total miles operated that are attributed to service available for loading, unloading, and transporting passengers.

In-Service Hours/Total Hours – Percent of total hours operated that are attributed to service available for loading, unloading, and transporting passengers.

Peak Vehicle Requirement – Maximum number of vehicles available to provide scheduled service during the heaviest service period of the week.

Farebox Recovery Ratio – Percent of total operating cost recovered through fare revenue.

Subsidy/Passenger – The amount of public subsidy required to provide service for each unlinked boarding (measured as total operating cost minus fare revenue divided by total passengers).

42.3 Performance Targets

Performance targets represent aggressive yet realistic service expectations based on service design, route characteristics, and operating environments. In addition to setting service expectations, targets are also used to flag and evaluate negative impacts that may occur when balancing an improvement in one aspect of performance at the expense of another aspect. Therefore, using targets ensures that service is designed to achieve the overall goals of the system through a balanced approach.

To ensure that targets are stable, yet reflect changes to market and operating conditions, they will be reviewed and adjusted, if needed, on a three-year basis. In addition to evaluating performance indicators against their targets, tracking the performance trend of each indicator will help ensure that no aspect of performance is unduly impacted over time as a result of overemphasizing other performance priorities. Attachment B presents the performance targets for each indicator.

42.4 Performance-Monitoring Process

Annual Service Evaluation - The MTS operating budget is adopted annually by the Board of Directors prior to the start of the fiscal year (July 1). This budget is developed around initial assumptions of service levels to be provided in the upcoming year, including anticipated service changes as well as expected performance in achieving the vision for MTS services.

The annual service evaluation will be conducted at the conclusion of each fiscal year to compare actual performance of the system with the targets outlined in Section 42.3 and to identify opportunities for adjustments and improvements based on this analysis.

Key indicators for flagging low-performing routes are passengers per in service hour and subsidy per passenger. Routes on the bottom quartile of each route group for each of these indicators will be identified for further analysis on a segment basis (temporal and geographic) as well as closer look at other aspects of the route's performance.

Service Change Evaluation – The triannual service evaluation will be conducted at the conclusion of each regularly scheduled service change period. This evaluation will present initial results of service changes and provide an early indication of significant trends. The analysis also provides a basis for tracking the progress of performance throughout the year.

Figure 3 identifies the key performance indicators that will be used for analysis during the triannual and annual service evaluations.

Figure 3
Hierarchy of Service Evaluation

			System	Operator	Route Category	Route
CUSTOMER FOCUSED/COMPETITIVE	PRODUCTIVITY	Total Passengers	X*		X*	X*
		Average Weekday Passengers	X	X	X	X
		Passengers/Revenue Hour	X		X	X
		Passengers/In-Service Hour	X		X	X
	QUALITY	Passenger Load Factor	X*		X*	X*
		On-Time Performance	X	X	X	X
		Mean Distance between Failures		X		
		Accidents/100,000 Miles		X		
		Missed Trips/100,000 Trips		X		
		Comments/100,000 Passengers		X	X	X
INTEGRATED	CONNECTIVITY	Frequency at Major Transfer Points	X			
		Span-of-Service Consistency	X			
		Transfer Opportunities	X			
SUSTAINABLE	RESOURCES	In-Service Miles	X	X		
		In-Service Hours	X	X		
		Peak Vehicle Requirement	X	X		
	EFFICIENCY	In-Service Speeds	X	X		
		In Service/Total Miles	X	X		
		In Service/Total Hours	X	X		
		Farebox Recovery Ratio	X		X	X*
		Subsidy/Passenger	X		X	X*

Notes

X* - Annual evaluation only

X – Target set at this level

42.5 Service Changes

Changes to MTS bus and trolley services are implemented three times a year in the fall, winter, and summer. These regularly scheduled service changes provide an opportunity to: (1) improve the routing, operation, and schedules of the transit system consistent with service evaluation and customer comments, (2) implement changes as a result of service plans, including the implementation of new services, (3) optimize service according to the MTS service vision, and (4) adjust service levels according to budget constraints. Service changes can be classified into minor and major changes.

42.5a Minor Service Changes. Minor service changes generally include schedule adjustments for routes that are chronically late or to improve scheduling efficiencies or trip-level adjustments to address overcrowding and productivity improvements. Minor service changes can also include slight routing adjustments to serve a new trip generator, eliminate unproductive segments, or to streamline and optimize service.

Since minor service changes address service maintenance issues, it is important that they are implemented expeditiously. To streamline the process, these changes should not result in a significant impact to ridership. To ensure that impacts are minimized, minor service changes will not represent more than a 25 percent change in a route's weekly in-service miles or hours. Therefore, no action will be required of the MTS Board for approval and implementation of these changes.

42.5b Major Service Changes. Major service changes represent a change that is greater than 25 percent of a route's weekly in-service miles or hours. These changes are generally a result of in-depth research and analyses to address a significant change in a route's demand, operating environment, or performance. Changes may include significant route realignment, changes in scheduled headways, or subarea restructuring.

Major service changes must generally be cost-neutral or cost-reducing. Therefore, even though these changes are strategically designed to maximize public benefit and minimize negative impacts, they often result in tradeoffs or reduction in benefits for some riders. Due to the significance and potential negative impacts, approval of these changes is contingent on a properly noticed public hearing.

42.5c New Service Implementation. All new services will be implemented on a trial basis for one year. New service can include new routes, increased frequency during a significant part of the service day, new days of operation, or a significant route extension. These services should perform to equal or better than the system average for passenger per in-service hour and subsidy per passenger within the first year of operation. After the first year, the MTS Board of Directors must take action to approve the new service as regular service.

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JUNE14-07.30.POLICY42 SVC EVAL.CCHEUNG.doc

Attachments: A. Service Categories
B. FY 2008 – FY 2011 Performance Targets

Original Policy Accepted on 4/8/93.
Policy Revised on 12/8/94.
Policy Repealed and Readopted on 1/13/00.
Policy Revised on 10/26/00.
Policy Revised on 12/14/00.
Policy Revised on 4/25/02.
Policy Revised on 4/29/04.
Policy Revised on 6/14/07.

Attachment A
Service Categories

Category	Routes
<u>Premium Express</u> – High-speed, point-to-point service geared toward commute markets. Service provided during weekday peak periods only and scheduled to meet primary work shift times. May use over-the-road coaches for maximum comfort and highway operations.	Routes 810, 820, 850, 860, 870
<u>Express</u> – High-speed service geared toward linking major subregional residential, employment, and activity centers. Service is generally provided throughout the weekday and possibly on weekends. Operates primarily on highways and major arterials.	Routes 20, 50, 150, 210, 960
<u>Light Rail</u> – High-frequency service (15 minutes or better during the base weekday) operating on exclusive railroad right-of-way. Serves multiple-trip purposes and generally experiences high turnover along the line.	Blue Line, Orange Line, Green Line
<u>Urban Frequent</u> – High-frequency service (15 minutes or better during the base weekday) primarily operated along major arterials in denser urban areas. Serves multiple-trip purposes and generally experiences high turnover along the route. May be operated as regular (all stops) or limited (stopping only at major transfer points and activity centers).	Routes 1, 2, 3, 5, 6, 7, 8/9, 10, 11, 13, 15, 30, 41, 44, 120, 701, 709, 712, 901, 929, 932, 933/934, 955, 961, 992
<u>Urban Standard</u> – Basic transit service with base weekday frequencies generally between 30 and 60 minutes. Operates in less dense urban and suburban areas. Serves multiple-trip purposes and provides access to all stops.	Routes 4, 14, 27, 28, 31, 35, 48/49, 105, 115, 704, 705, 707, 815, 816, 832, 833, 834, 844, 845, 848, 854, 855, 856, 864, 871, 872, 874/875, 878, 904, 905, 916/917, 921, 923, 926/927, 928, 936, 962, 963, 967, 968
<u>Circulator</u> – Neighborhood feeder/distributor to transfer stations or shuttle service to local destinations. Operates on arterials and local streets to provide access to residences, businesses, activity, and transfer centers.	Routes 18, 25, 83, 89, 851, 964, 965, 966, 971, 972, 973, 974, 975, 976, 977, 978
<u>Rural</u> – Lifeline service that provides a link between rural communities and the San Diego urban core. Very limited service levels; generally a few round-trips operating a few days per week given limited demand.	Routes 888, 891, 892, 894
<u>Demand-Responsive</u> - Paratransit services that complement fixed-route services in accordance with the Americans with Disabilities Act (ADA) as well as services that provide transit access to areas difficult to serve by conventional fixed-routes (e.g., due to terrain, discontinuous street patterns, and extremely low densities).	RB DART, SR DART, ACCESS ADA, Suburban ADA

Attachment B
FY 2008 – FY 2011 Performance Targets

		Performance Indicator	Level of Analysis	Target
CUSTOMER FOCUSED/COMPETITIVE	PRODUCTIVITY	Total Passengers	System wide	<ul style="list-style-type: none"> Percent change in passengers should equal or exceed percent change in average daily traffic within the MTS urban network area
		Average Weekday Passengers	System wide	<ul style="list-style-type: none"> Improve ratio between ridership and average daily traffic within the MTS urban network area
		Passengers/Revenue Hour	Route Category	<ul style="list-style-type: none"> Improve route category average
		Passengers/In-Service Hour	Route Category	<ul style="list-style-type: none"> Improve route category average
	QUALITY	Passenger Load Factor	Route Category	<ul style="list-style-type: none"> No more than 20% of revenue hours exceeding one standee per 4 ft² on local street operation (55 passengers on a standard bus, and 90 passengers on an articulated bus), and seated capacity on freeway operations and minibus service
		On-Time Performance	Route Category	<ul style="list-style-type: none"> 85% for Urban Frequent, and 90% for all other route categories
		Mean Distance between Failures	Operator	<ul style="list-style-type: none"> Improve operator average
		Accidents/100,000 Miles	Operator	<ul style="list-style-type: none"> Improve operator average
		Missed Trips/100,000 Trips	Operator	<ul style="list-style-type: none"> Improve operator average
		Comments/100,000 Passengers	Operator	<ul style="list-style-type: none"> Improve operator average
INTEGRATED	CONNECTIVITY	Frequency at Major Transfer Points	System wide	<ul style="list-style-type: none"> Improve number of routes with 15 min or better frequencies
		Span of Service Consistency	System wide	<ul style="list-style-type: none"> Improve for routes that share common transfers
		Transfer Opportunities	System wide	<ul style="list-style-type: none"> Improve number of routes at major transfer points
SUSTAINABLE	RESOURCES	In-Service Miles	Operator	<ul style="list-style-type: none"> Not to exceed budget
		In-Service Hours	Operator	<ul style="list-style-type: none"> Not to exceed budget
		Peak Vehicle Requirement	Operator	<ul style="list-style-type: none"> Not to exceed budget
	EFFICIENCY	In-Service Speeds	Operator	<ul style="list-style-type: none"> Improve operator average
		In-Service/Total Miles	Operator	<ul style="list-style-type: none"> Improve operator average
		In-Service/Total Hours	Operator	<ul style="list-style-type: none"> Improve operator average
		Farebox Recovery Ratio	System wide	<ul style="list-style-type: none"> TDA requirement of 31.9 percent system wide for fixed-route (excluding regional routes that have a 20 percent requirement)
		Subsidy/Passenger	Route Category	<ul style="list-style-type: none"> Improve route category average

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Existing Policy for Reference

Policies and Procedures

No. 42

SUBJECT:

Board Approval: 4/29/04

NEW AND EXISTING SERVICE EVALUATION

PURPOSE:

To establish:

1. A process for evaluating and adjusting existing transit services to improve performance.
2. A process for evaluating and recommending new transit services for implementation.

BACKGROUND:

This policy establishes: (1) a process for evaluating existing transit services; (2) guidelines for implementing operational adjustments; and (3) a process for evaluating and recommending proposed new transit services for implementation through the annual Short-Range Transit Plan (S RTP) and five-year budget processes.

The policy provides an objective methodology for evaluating existing services on the basis of efficiency and effectiveness. This evaluation helps to identify services that could benefit from service adjustments, marketing, or additional analysis.

Based on the evaluation of existing services, minor and major operational adjustments can be implemented to address deficiencies in the service. Minor operational adjustments allow individual transit operators the discretion to address immediate route issues through minor trip-level adjustments to service. Major operational adjustments that improve overcrowding and on-time performance must be approved by the MTS Board during the annual budget process.

The methodology for evaluating and recommending new services for implementation is based on a more comprehensive evaluation of each service's overall benefits. The evaluation considers quantitative measures of efficiency and effectiveness, as well as qualitative benefits, such as supportive land uses, supporting regional priorities, and improving the quality of service.



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

This policy applies to all Metropolitan Transit System (MTS) transit operators providing service in the MTS area.

POLICY:

42.1 Categories of Transit Service

To ensure that existing and new services are evaluated against other similar services, routes are designated into seven service categories based on route characteristics. These categories include: line-haul, crosstown, all-day express, premium express, urban feeder, suburban, and demand responsive, as defined below.

Line-Haul. Services that operate to or through downtown San Diego, generally on longer-distance routes.

Crosstown. Those services that travel between communities without passing through or going to downtown.

All-Day Express. Faster service with infrequent stops that operate throughout the day.

Premium Express (Peak and Commuter). Faster service with infrequent stops that operate only during peak periods on weekdays.

Urban Feeder. Service that travels within a specific community and feeds into major trunk lines (e.g., line-haul and express services). Local feeders are characterized by relatively short trips but relatively high passenger demand due to denser residential and employment areas.

Suburban. Service that travels within a specific community and feeds into major trunk lines (e.g., line-haul and express services). Suburban services are characterized by relatively short trips and low passenger demand due to lower residential and employment densities.

Demand-Responsive Services. Paratransit services that serve intracommunity trips and provide transit access to areas difficult to serve by conventional fixed-routes (e.g., due to terrain, discontinuous street patterns, and extremely low densities).

42.2 Service Evaluation Methodologies

This policy outlines the analytical methodologies used for evaluating new and existing services.

42.2a Quantitative Analysis. The quantitative analysis evaluates the efficiency and effectiveness of an existing route or new service

proposal based on objective measures of productivity. For existing services, the following performance measures are used: passengers per revenue mile, passengers per revenue hour, subsidy per passenger, and passenger mile per seat mile. For new service proposals, only passengers per revenue mile, passengers per revenue hour, and subsidy per passenger are used.

Existing routes and new services are evaluated against other routes within their service category using the performance measures listed above. Index scores for each performance measure are calculated by comparing the specific route or new service with the average of its service category. The index score, calculated as the ratio of the route or new service's performance over the category average, denotes its relative performance for each of the performance measures. These individual index scores are averaged into one overall quantitative index score for the route or new service proposal.

42.2b Qualitative Analysis. The qualitative analysis, further described in Attachment A, evaluates additional benefits of new service proposals using the following three qualitative criteria:

- Transit Supportive Land Use – measures the population and employment densities, pedestrian orientation, and major activity centers served along a proposed new service.
- Regional Transportation Priorities – measures the extent to which a proposed new service supports major transportation capital investments or regional transportation priorities.
- Quality of Service – measures the ability of a new service proposal to improve identified overcrowding and on-time performance issues.

To reduce subjectivity inherent in any qualitative process, a Policy No. 42 working group will assist in evaluating new service proposals using each of these criteria. The working group will be comprised of transportation and land use representatives from MTS, each of the transit operators, and the San Diego Association of Governments (SANDAG). Each new service proposal will be evaluated using the following numeric scoring scale:

- One Point – Does not satisfy criteria
- Two Points – Somewhat satisfies criteria
- Three Points – Satisfies criteria

Similar to the quantitative analysis, the qualitative analysis results in a relative index score that compares the overall qualitative benefits of each new service proposal with the average of all proposals.

42.3 Service Changes

Service changes, including adjustments to existing services and implementation of new services, are performed three times a year, in January, June, and September. Service changes include minor operational adjustments, major operational adjustments, and implementation of new services as described below.

- 42.3a Minor Operational Adjustment. Each MTS operator is authorized to implement minor operational adjustments to service totaling \$25,000 (\$50,000 for SDTC) maximum per year without prior approval from the MTS Board. These types of changes rely on trip-level analysis of passenger complaints, field reports, and operator input to determine where minor adjustments could be made to existing service. Solutions include trip-level adjustments that are performed three times a year to improve trips that are chronically late, overcrowded, or have poor transfer connections due to factors, such as traffic congestion or increases in ridership.
- 42.3b Major Operational Adjustment. Transit operators are also authorized to implement major operational adjustments in excess of \$25,000 per year to improve on-time performance. These adjustments are defined as adding vehicles in order to maintain headways and on-time performance. Major operational adjustments are not considered new service since additional levels of service are not added to the route. This type of service change is exempt from the New Service Evaluation Process outlined in Section 42.5; however, it is subject to advanced budget approval by the MTS Board.
- 42.3c Implementation of New Service. Service changes not included under minor and major operational adjustments are considered new services and must be evaluated through the New Service Evaluation Process, outlined in Section 42.5, prior to implementation. Implementation of new services is dependent on availability of funding and MTS Board discretion.

42.4 Existing Service Evaluation Processes

Three levels of service evaluation are conducted for existing services, as presented in Attachment B and described below. Each level requires a varying degree of analysis and corresponding action.

- 42.4a Trip-Level Evaluation Process – Trip-level evaluation is done as part of the ongoing service evaluation process. This analysis uses passenger complaints, field reports, and operator input to determine where minor adjustments could be made to the existing system. Adjustments are then identified that would remedy trips that are chronically late, overcrowded, or offer poor transfer connections. Service adjustments in this category could be handled as minor operational adjustments and are not subject to MTS Board approval.

42.4b Route-Level Evaluation Process – This annual evaluation provides detailed route-level analyses that measure service productivity, cost-effectiveness, and subsidy levels. Existing routes will be evaluated using the following process:

Step 1: Each route is categorized by service category as defined in Section 42.1

Step 2: Routes are then evaluated using the quantitative analysis outlined in Section 42.2a.

Step 3: Based on the overall quantitative index score, routes are further evaluated as follows:

- Average/Above Average (1.0 or above) – Existing routes that fall within this category are performing generally satisfactorily and trigger no additional analysis. However, a route in this tier is not precluded from special analysis if some operating aspect is felt to require improvement.
- Ongoing Monitoring (0.99 - 0.75) – Existing routes that fall within this category are performing slightly below the system-wide average but are generally assumed to meet a marginal performance level. These routes require no action, but ongoing monitoring is needed to ensure that the level of performance does not decline.
- Evaluate (0.74 - 0.50) – Existing routes that fall within this category are performing well below the system-wide average and require some level of evaluation. A route-segment analysis may be required, which evaluates the route by time of day and route segment to determine where service improvements can be made.
- Action (0.49 or below) – Existing routes that fall within this category are performing at half the system-wide average, and measurable action is required. Steps that can be taken include major route restructuring, fare restructuring, or route elimination.

MTS has rarely eliminated entire routes in the past, and route elimination would be a last resort under this policy. Individual routes that are designated for elimination would be subjected to the lifeline service plan review outlined in Section 42.6.

In addition to the overall index score, the individual index scores for each of the performance measures may be used to trigger further review or action on a particular route.

Step 4: Any solutions and service adjustments resulting from the analysis will be evaluated for implementation as a minor operational adjustment, major operational adjustment, or new service proposal as defined in Section 42.3.

In conjunction with the annual route-level analysis, a three-year rolling average will be completed to determine if the averages within the year being analyzed are reflective of how a category has been performing over time.

42.4c Regional and Subregional Evaluation Process - Regional and subregional planning studies are conducted on an annual basis to focus on possible improvements in service coverage, efficiency, and connectivity. These studies may result in proposals for major service additions and changes, which will be evaluated and recommended for implementation using the New Service Evaluation Process outlined in Section 42.5.

42.5 New Service Evaluation Process (Attachment C)

42.5a New Service Categories - New services subjected to this policy are defined in Section 42.3c, and include the following:

- New bus routes;
- Geographic extensions of existing routes;
- Any frequency or span-of-service improvements to existing routes that result in an increase in projected operating cost or mileage above and beyond the limit for minor operational adjustments as defined in Section 42.3a; and
- Other new services (demand-responsive, employee shuttles, etc.).

42.5b Proposal Guidelines - New service proposals are submitted annually by MTS transit operators and evaluated by MTS as part of the Short-Range Transit Plan (SRTP) process. These proposals should address unmet transit needs, deficiencies in existing services, and changes in operating environment as identified through the evaluation processes described in Section 42.4. Proposals should be developed based on the following guidelines:

- The proposal must be described in sufficient detail to be able to estimate cost, revenue, revenue miles, hours of operation, and ridership, and must be accompanied by an 8-1/2 inch by 11-inch map of the proposal;
- The proposal must be described in sufficient detail to be able to estimate benefits as measured by transit-supportive land uses,

support of regional transportation priorities, and improvements to quality of service;

- MTS staff will review all proposals for consistency and reasonableness. As a guide:
 - Cost estimation should rely on existing unit costs for similar types of service. Fully allocated costs should be used for new routes while existing route extensions and frequency or span-of-service improvements should use the marginal cost of service expansion plus an overhead factor of 15 percent.
 - Revenue estimation will rely on the average fare for similar existing types of service.
- The proposal will be evaluated in accordance with this policy and included in the annual SRTP update.
- Only new services proposed for implementation in the first two programming years of the SRTP will be eligible for implementation.

42.5c Evaluation Process - New service proposals will be evaluated using the following process. This process provides a comprehensive evaluation of the benefits of each proposal, consistent with an MTS Board-adopted service investment strategy.

Step 1: New service proposals will be evaluated using the quantitative analysis outlined in Section 42.2a resulting in an overall quantitative index score for each proposal.

Step 2: New service proposals that achieve an overall quantitative index score of 0.50 or higher will be further evaluated using the qualitative analysis outlined in Section 42.2b, resulting in an overall qualitative index score for each proposal. The results of the qualitative analysis will be reviewed and approved by the MTS Board Executive Committee. Proposals that do not achieve a quantitative index score of 0.50 or higher are no longer considered for further evaluation.

Step 3: The resulting quantitative and qualitative index scores are then normalized to ensure equal weighting (i.e., a 1.00 quantitative index score has the same importance as a 1.00 qualitative index score). The normalized quantitative and qualitative index scores are averaged together to develop a final combined index score for each proposal. These evaluation results are included in the annual SRTP update for MTS Board approval.

Step 4: The MTS Board will annually adopt a new service investment strategy, coinciding with the annual budget process, to provide policy direction on:

- The importance of each qualitative criterion within the overall qualitative index score;
- The importance of qualitative vs. quantitative criteria; and
- The overall service improvement strategy (e.g., implementing new services vs. improving existing services)

Step 5: Proposals are then reevaluated and ranked based on the adopted investment strategy.

Step 6: Revenue constrained investment packages will be developed for the MTS Board consideration during the annual budget process. Investment packages will be based on:

- Final combined index score;
- Overall service improvement strategy and final combined index score; and
- Transit operator staff recommendation consistent with the MTS Board-adopted investment strategy.

The prioritized list of new services will be approved for implementation as part of the MTS Board adoption of the annual budget.

Any new service proposals not implemented must be resubmitted for implementation consideration, and are not automatically carried forward to the next new service evaluation cycle.

42.5d Service Implementation - All new services will be implemented as trial routes, and will not be considered part of the overall system until they have been in service for two years and/or achieved quantitative index scores of 0.75 to 0.99. Ongoing evaluation will be conducted throughout the first 24 months of service. Quarterly reports on the status of these routes will be provided as part of the Quarterly Operations Report, with interim six-month and one-year evaluations.

At the end of the evaluation time frame, the Board must act to include the service as a permanent part of the transit system. If the Board does not vote to make the service part of the regular system, the service will not be continued. A decision not to continue a trial project would not require a public hearing. MTS staff can propose early

acceptance of a trial project as a permanent part of the transit system if the service's performance meets its targets before the end of the two-year evaluation time frame. MTS staff can also propose early discontinuation of a trial route if its early performance is well below expected levels.

All trial services will be identified in the affected route's timetable brochure and for new routes with onboard bus cards.

- 42.5e Marketing - Marketing efforts will be undertaken for all new services. These efforts are not specified in the policy because different markets of potential riders will require use of a variety of techniques.

42.6 Service Reductions/Lifeline Services

In the event that available funding for transit operations is not sufficient to maintain existing services, service reductions will be necessary. MTS will evaluate and identify services for elimination in accordance with a phased lifeline service approach.

First, based upon the existing service quantitative evaluation processes outlined in Section 42.4, the weak-performing components of all routes (e.g., late hours, weekend hours) will be evaluated for elimination with the objective of preserving the route.

Second, if the above service reductions are insufficient to achieve the necessary savings, service levels for each route (e.g., frequency and span of service) during unproductive hours and days of operation will be examined for reduction with the objective of preserving the current level of service during the most productive periods of operation and the basic route structure.

Third, if further savings are required, a comprehensive evaluation of MTS service will be conducted to identify adjustments in operations, including routing and schedules, that will result in overall subsidy reductions. To guide this evaluation, MTS will maintain a Lifeline Service Plan (LSP) that will provide a "footprint" of minimum geographic coverage of transit service to preserve. The LSP will be used as a framework to help guide the MTS Board's actions.

Maintaining geographic coverage and service productivity will be considered when developing the LSP. The LSP will be developed and evaluated in accordance with the criteria outlined in Attachment D. This evaluation will be completed as needed or at a minimum of every five years.

42.7 Ferry Services

On an annual basis, an analysis of the ferry service between September and October will be conducted. This analysis will involve a review of the existing year's performance data compared to previous years. A downward trend in performance will trigger an MTS Board review.

DDarro/SChamp/JGarde
POLICY.42.NEW EXISTING SVC EVAL
7/18/06

Attachments: A. Qualitative Criteria Scoring Process
B. Existing Service Evaluation Processes
C. New Service Evaluation Process
D. Lifeline Service Plan Criteria

Original Policy Accepted on 4/8/93.
Policy Revised on 12/8/94.
Policy Repealed and Readopted on 1/13/00.
Policy Revised on 10/26/00.
Policy Revised on 12/14/00.
Policy Revised on 4/25/02.
Policy Revised on 4/29/04.

ATTACHMENT A QUALITATIVE CRITERIA SCORING PROCESS

1. Transit-Supportive Land Uses

The Transit Supportive Land Use criteria are comprised of three subcriteria: population and employment densities; service to major activity centers; and pedestrian orientation/integration of transit. New service proposals will be evaluated against each of the subcriterion using a numeric scoring range of one to three points. One point is equal to the lowest score, while three points equals the highest score. The three subcriterion scores will be averaged to calculate a single Transit Supportive Land Uses index score.

- Population/Employment Densities (1 – 3 points)

Population and employment densities within 1/4 mile of a new service will be calculated. The combined population and employment densities will then be averaged over the length of the new service, excluding freeway miles.

Routes will be scored based on the population and employment densities per square mile within 1/4 of the proposed new service. The new service proposals will then be ranked based on the average densities per mile. The top 1/3 percent will be given 3 points: the middle 1/3 will be given 2 points, while the lowest 1/3 will be given 1 point.

As a guide, according to San Diego Transit Orientated Development (TOD) Design Guidelines, residential densities for areas lying within 1/4 mile of a transit stop/ station, must be a minimum of 12 units per acre, and a minimum average density of 18 units per acre in neighborhood TODs, and must be a minimum of 18 units per acre and have a minimum acreage density of at least 25 units per net acre in urban TODs. These densities are ideal for transit and should be attained in areas receiving trunk-line transit service (i.e., light rail, bus rapid transit [BRT], and/or frequent bus service).

- Serves Major Activity Centers (1 – 3 points)

a. There are nine major types of activity centers identified in the San Diego Region by the San Diego Association of Governments' (SANDAG's) GIS database (SanGIS Land Base). These are:

- i. *Major Private Employers* – 500 or more persons on-site
- ii. *Office Buildings* – 25,000 or more square feet
- iii. *Industrial Parks* – 100,000 square feet at a single site
- iv. *Government Centers* – Minimum of 50 employees, all city halls and school sites

- v. *Shopping Centers* – At least 75,000 sq. ft. of retail space
- vi. *Hospitals* – all major hospitals in the county
- vii. *Major Attractors* – SeaWorld, the Zoo, Seaport Village, LEGOLAND, Lindbergh Field, and major hotels. Major hotels contain at least 200 rooms and have a 100 or more employees.
- viii. *Colleges and Universities* – Major colleges, both public and private.
- ix. *Public Schools* – this includes K – 12 elementary, middle, and high schools.
- b. New services will be ranked based on the number of activity centers served. The top 1/3 of the proposals will receive 3 points, while the second highest will receive 2 points, and so on.
- Pedestrian Orientation/Integration of Transit (1 – 3 points)
 - a. Transit-supportive environments will create a pedestrian-friendly environment, which includes the following design characteristics:
 - i. Interconnected street network with minimal building setbacks from sidewalks;
 - ii. Transit is integrated into community, which includes providing transit priority measures; and
 - iii. The pedestrian is the priority, focus on easing pedestrian access, mixed-use facilities that promote walking rather than using the automobile.
 - b. New service proposals will receive one point for each characteristic served.
- 2. Regional Transportation Priorities (Yes or No) Yes = 1 point/No = 0 points

New service proposals will receive one point for each of the three regional transportation priorities served:

 - Transit First (Pilot Projects)
 - *Showcase Projects*
 - *Early Action Projects*
 - *Regional Transportation Plan Projects*

- Major Capital Investments
 - *Serves one or more of the existing or planned major transit capital investments, such as light rail lines, transit centers, or exclusive bus facilities.*
- Serves Congested Areas
 - *Serves one or more congested corridors/areas identified by the SANDAG Congestion Management Program.*

3. Quality of Service Issues (Yes or No) Yes = 1 point/No = 0 points

New service proposals will receive one point for each of the three quality of service issues served:

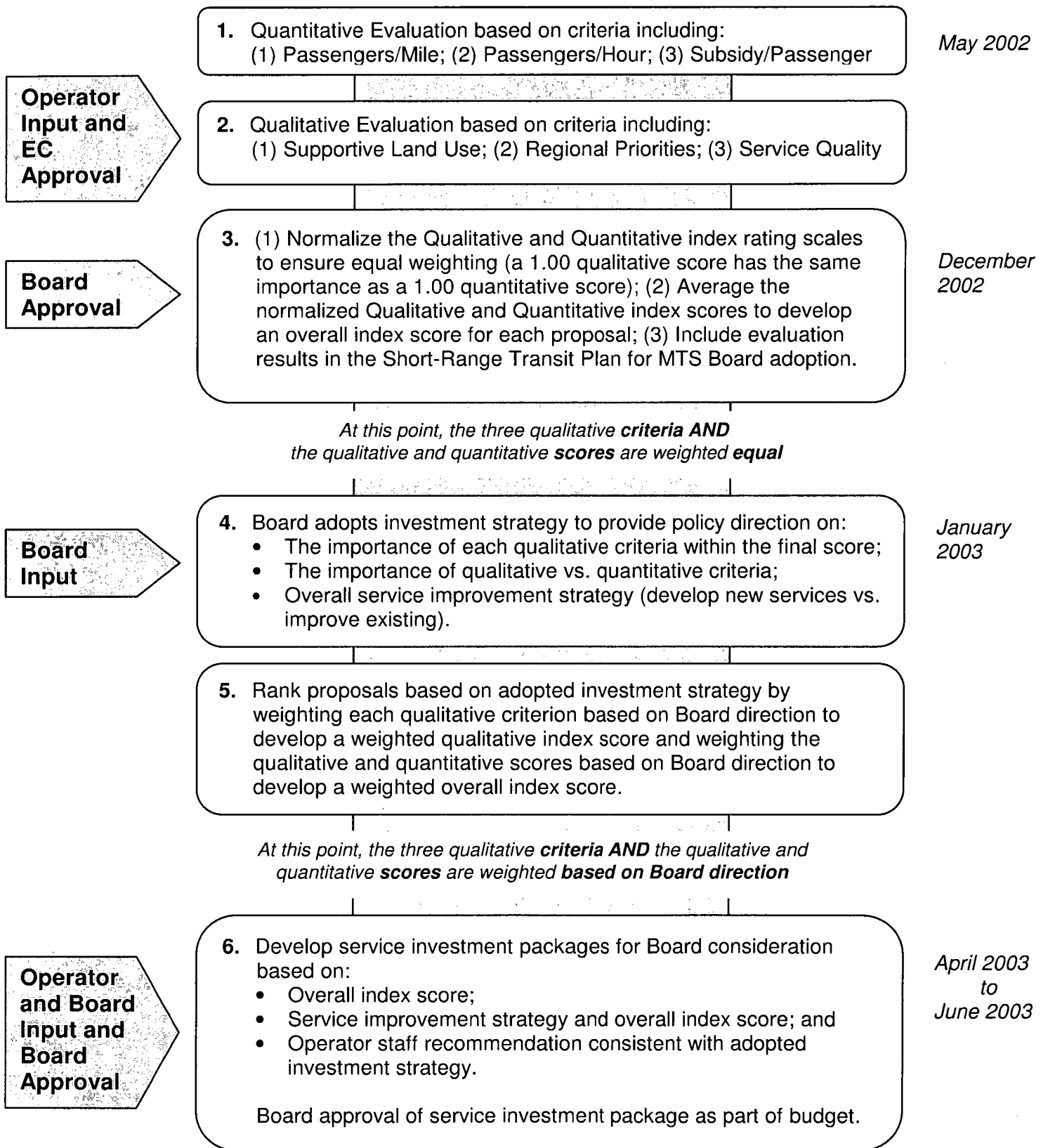
- Operator priority
- Schedule adherence
- Overcrowding reduction

ATTACHMENT B
EXISTING SERVICE EVALUATION PROCESSES

EVALUATION PROCEDURES	FREQUENCY	EVALUATION MEASURES	ACTIONS AND OUTCOMES
TRIP LEVEL			
Passenger complaints	As received	<ul style="list-style-type: none">• Identification of problems to be checked	<ul style="list-style-type: none">• Operational adjustments
Driver and supervisor reports	As received	<ul style="list-style-type: none">• Identification of problems to be checked	
Operator's time checks	As needed	<ul style="list-style-type: none">• Percent of trips missed/on-time	
Operator's load checks	As needed	<ul style="list-style-type: none">• Peak-load counts• Peak occupancy	
ROUTE LEVEL			
Public comment	As received	<ul style="list-style-type: none">• Identification of potential improvements	<ul style="list-style-type: none">• Service enhancements, reductions, restructuring• Market research and advertising
Operator's suggestions	As received	<ul style="list-style-type: none">• Identification of potential improvements	
Farebox/vendomat counts	Daily	<ul style="list-style-type: none">• Number of passengers by type of fare	
Route Evaluation Report	Annually	By route: <ul style="list-style-type: none">• Passenger boardings/revenue miles• Passenger miles/seat mile• Subsidy/boarding passenger	
SANDAG on/off counts	Annually	<ul style="list-style-type: none">• Bus stop/trolley station counts• Loading profiles• Peak-load counts• Average trip lengths• Vehicles seat miles of service• Percent of trips on-time	
REGIONAL OR SUBREGIONAL LEVEL			
MTS quarterly report	Quarterly	By operator: <ul style="list-style-type: none">• Total passengers• Farebox recovery ratio• Subsidy/boarding passenger• Passenger boardings/revenue mile	<ul style="list-style-type: none">• Market research• Planning studies• Service enhancements, reductions, restructuring• New service proposals• Capital facility proposals
Area planning studies	As needed	<ul style="list-style-type: none">• Service proposals and analyses (subregional)	
Short-Range Transit Plan	Annually	<ul style="list-style-type: none">• Service proposals and analyses (region wide)	
SANDAG Regional Transportation Plan	Two years	<ul style="list-style-type: none">• Service and facility proposals and analyses (regional)	
SANDAG Onboard Survey	Five years	<ul style="list-style-type: none">• Trip patterns• Trip purpose and frequency• Demographics and attitudes• Mode/distance to/from stops• Fare type	

B-14

ATTACHMENT C NEW SERVICE EVALUATION PROCESS



ATTACHMENT D
LIFELINE SERVICE PLAN CRITERIA

The Lifeline Service Plan (LSP) will be comprised of a base network and an enhanced network. The base network will be developed using the criteria listed in Table 1. These criteria will ensure lifeline transit coverage to all areas of the MTS jurisdiction while maintaining a minimum level of productivity.

TABLE 1
BASE SYSTEM CRITERIA

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

In addition to the base network, an enhanced network based on productivity will be included as part of the LSP. This enhanced network will be developed using more stringent criteria as defined in Table 2. These criteria will ensure that the LSP will serve the geographic areas with the highest proven and potential ridership, increasing the productivity of the overall system and minimizing the subsidy per passenger.

TABLE 2
ENHANCED SYSTEM CRITERIA

1. Segments should have a Policy No. 42 index score of 0.75 or higher; AND
2. Segments should include stops with activity equal to or greater than 100 passengers per day; AND
3. Segments should operate in employment and/or population densities considered "high" or "very high" or serve major activity centers.

Route segments that maintain network connectivity will also be included in the LSP regardless of the criteria listed above.

Metropolitan Transit System

**Policy 42: New and Existing
Service Evaluation**

June 14, 2007

Existing Policy

Evaluation Criteria	<ul style="list-style-type: none">▪ Quantitative<ul style="list-style-type: none">✓ <i>Passengers per Revenue Mile</i>✓ <i>Passengers per Revenue Hour</i>✓ <i>Subsidy per Passenger</i>▪ Qualitative<ul style="list-style-type: none">✓ <i>Supportive Land Use</i>✓ <i>Regional Priorities</i>✓ <i>Quality of Service</i>
Evaluation Timeline	<ul style="list-style-type: none">▪ Annual evaluation on a route level
Process for SRTP Priorities	<ul style="list-style-type: none">▪ Develop service implementation packages based on evaluation of service proposals, Board investment strategy, and operator recommendation











Proposed Changes

Evaluation Criteria	<ul style="list-style-type: none"> ▪ Establish new criteria based on COA guiding principles ▪ Establish new route categories ▪ Establish performance targets
Evaluation Timeline	<ul style="list-style-type: none"> ▪ Annual as well as tri-annual evaluation (to coincide with service changes)
Process for SRTP Priorities	<ul style="list-style-type: none"> ▪ Establish process for service change approvals ▪ Omit this section – function transferred to SANDAG (SB 1703)

Evaluation Criteria

CUSTOMER FOCUSED/COMPETITIVE		INTEGRATED	SUSTAINABLE	
PRODUCTIVITY	QUALITY	CONNECTIVITY	RESOURCES	EFFICIENCY
• Total Passengers	• Pass Load Factor	• Frequency at Major Transfer Points	• In Service Miles	• In Service Speeds
• Average Weekday Passengers	• On Time Performance	• Span of Service Consistency	• In Service Hours	• In Service/Total Miles
• Passengers/Revenue Hour	• Mean Distance between Failures	• Transfer Opportunities	• Peak Vehicle Requirement	• In Service/Total Hours
• Pass/In Service Hour	• Accidents/100,000 Miles			• Farebox Recovery Ratio
	• Missed Trips/100,000 Trips			• Subsidy/Passenger
	• Comments/100,000 Passengers			

Route Categories

	Trip Distance	Speed	Stop Spacing	Straight Routing	Fares
	Longer	Faster	Greater	More	Higher
Premium Express					
Express					
Light Rail					
Urban Frequent					
Urban Standard					
Circulator					
	Shorter	Slower	Lesser	Less	Lower

FY 2008-11 Performance Targets

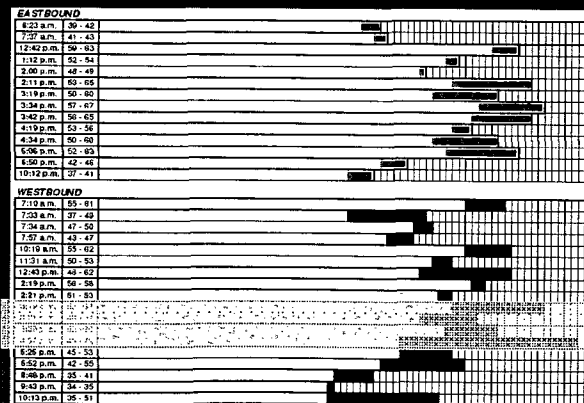
PRODUCTIVITY AND QUALITY		
Total Passengers	Systemwide	Percent change in passengers should equal or exceed percent change in average daily traffic within the MTS urban network area
Average Weekday Passengers	Systemwide	Improve ratio between ridership and average daily traffic within the MTS urban network area
Passengers/Revenue Hour	Route Category	Improve route category average
Passengers/In Service Hour	Route Category	Improve route category average
Passenger Load Factor	Route Category	No more than 20% of revenue hours exceeding one standee per 4 ft ² on local street operation (55 passengers on a standard bus, and 90 passengers on an articulated bus); and seated capacity on freeway operations and minibus service
On Time Performance	Route Category	85% for Urban Frequent, and 90% for all other route categories
Mean Distance between Failures	Operator	Improve operator average
Accidents/100,000 Miles	Operator	Improve operator average
Missed Trips/100,000 Trips	Operator	Improve operator average
Comments/100,000 Passengers	Operator	Improve operator average

Passenger Load Factor

		Capacity		
		Seated	Standee	Total
Standard				
400	LF 40' CNG	38	15.9	54
1200	HF 40' Gillig	43	14.1	58
1600	LF 40' CNG	38	16.4	55
1800	LF 40' CNG	38	15.7	54
Articulated				
1100	HF Artics	63	25.9	89
1900	LF Artics	64	27.4	92

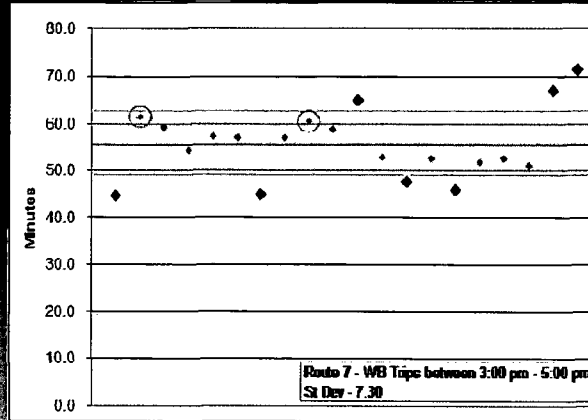
- 1 standee per 4 ft² is optimal balance of capacity, comfort, boarding efficiency
- Standard capacity - between 54 and 58 passengers (target 55)
- Articulated capacity - between 89 and 92 passengers (target 90)

On Time Performance



On Time Performance

- Avg. running time is 56 min
- 5 out of 20 trips are later than 5 minutes of average
- Assuming early trips are controlled, OTP is 75%
- 85% OTP is achievable for frequent routes
- Higher OTP would result in slower service and higher cost



FY 2008-11 Performance Targets

CONNECTIVITY, RESOURCES AND EFFICIENCY

Frequency at Major Transfer Points	Systemwide	Improve number of routes with 15 min or better frequencies
Span of Service Consistency	Systemwide	Improve for routes that share common transfers
Transfer Opportunities	Systemwide	Improve number of routes at major transfer points
In Service Miles	Operator	Not to exceed budget
In Service Hours	Operator	Not to exceed budget
Peak Vehicle Requirement	Operator	Not to exceed budget
In Service Speeds	Operator	Improve operator average
In Service/Total Miles	Operator	Improve operator average
In Service/Total Hours	Operator	Improve operator average
Farebox Recovery Ratio	Systemwide	TDA requirement of 31.9 percent systemwide for fixed route (excluding regional routes which have a 20 percent requirement)
Subsidy/Passenger	Route Category	Improve route category average

Service Changes

Minor Service Changes <ul style="list-style-type: none"> • Schedule adjustments • Trip level adjustments • Minor routing adjustments 	No action required by Board for approval <ul style="list-style-type: none"> • Service maintenance issues that need to be address expeditiously • No more than a 15 percent change in a route's weekly in service miles or hours. • No significant impact to ridership
Major Service Changes <ul style="list-style-type: none"> • Significant route realignment • General reduction in frequency • Subarea restructuring 	Public hearing required for approval <ul style="list-style-type: none"> • More than a 15 percent change in a route's weekly in service miles or hours. • Cost neutral proposals, so generally results in tradeoffs (greater benefit overall at a cost to some)
New Service <ul style="list-style-type: none"> • New route • Increased frequency or days of operation • Significant route extension 	No public hearing required. Board approval required to keep service after 1 year trial period <ul style="list-style-type: none"> • Should perform equal or better than system average for passenger/in service hour and subsidy/passenger within the first year of operation



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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.

ADM 110.7 (PC 50101)

June 14, 2007

SUBJECT:

MTS: AUDIT OVERSIGHT COMMITTEE

RECOMMENDATION:

That the Board of Directors create an Audit Oversight Committee and adopt the proposed guidelines and responsibilities in Board Policy No. 22 (Attachment A).

Budget Impact

None.

Executive Committee Recommendation

At its meeting on May 17, 2007, the Executive Committee recommended forwarding this item to the Board for approval.

DISCUSSION:

On April 12, 2007, the Board of Directors directed the Executive Committee to develop draft guidelines and responsibilities for an Audit Oversight Committee. Staff has prepared a draft set of guidelines and draft amendments to Board Policy No. 22 (Attachment A) for Executive Committee consideration and discussion. A representative from Caporicci & Larson will be on hand to answer questions.


Paul C. Jablonski
Chief Executive Officer

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

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Attachments: A. Draft MTS Board Policy No. 22
B. Draft Audit Oversight Committee Policies and Procedures



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



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Att. A, AI 31, 6/14/07

Policies and Procedures

No. 22

Board Approval: 6/14/07
3/23/06

SUBJECT:

RULES OF PROCEDURE FOR THE METROPOLITAN TRANSIT SYSTEM (MTS)

PURPOSE:

To define and clarify Board Rules of Procedure and incorporate them in Board Policy.

BACKGROUND:

In 1977, the Board adopted Rules of Procedure by resolution and from time to time amendments have been adopted. The Rules shall be contained in Board Policy for ease of reference and periodic updating.

22.1 Membership and Organization

- 22.1.1 Membership in this Board is established by Division 11, Chapter 1, Section 120050 through 120051.6 of the California Public Utilities Code.
- 22.1.2 The Board consists of 15 members selected as follows:
 - a. One member of the County of San Diego Board of Supervisors appointed by the Board of Supervisors.
 - b. Four members of the City Council of the City of San Diego, one of whom may be the mayor, appointed by the City Council.
 - c. One member of each city council appointed individually by the City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee.



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.

- d. One person, a resident of San Diego County, elected by a two-thirds vote of the Board, a quorum being present, who shall serve as chairperson of the Board.
- 22.1.3 Any person who is a member of the Board may be appointed by his or her appointing authority to continue to serve as a member of the Board after the termination of his or her term of office for a period not to exceed four years after the date of termination of his or her term of elected office.
- 22.1.4 Alternate members of the Board shall be appointed as follows:
- a. The County of San Diego Board of Supervisors shall appoint any other county supervisor who qualifies for appointment to serve as an alternate member.
 - b. The City Council of the City of San Diego shall appoint a member of the City Council not already appointed to serve as an alternate member.
 - c. The City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee shall each individually appoint a member of their respective city councils not already appointed to serve as an alternate member.
- 22.1.53 This Board shall exercise all powers authorized by the laws of the State of California.
- 22.1.64 Only the duly selected official representative, or in his or her absence his or her duly selected alternate, shall be entitled to represent a member agency in the deliberations of the Board.
- 22.1.75 Names of the official representatives and alternates shall be communicated in writing to the Board by each participating member agency and shall thereafter be annually communicated or reaffirmed prior to the February meeting of the Board and at such other times as changes in representation are made by member agencies.
- 22.1.86 The Board shall have the authority to appoint committees or subcommittees and may provide for the appointment of alternates to these committees or subcommittees.
- 22.1.97 Standing committees shall be appointed by the Board as may be required to carry out general and continuing functions and shall be abolished only upon specific action by the Board.

22.1.108 Ad hoc specialized subcommittees may be appointed by the Board as the need arises to accomplish specific tasks. Upon completion of its assignment, each ad hoc subcommittee shall disband.

22.1.119 Board members serving on such subcommittees shall be compensated as provided by Board ordinance. The Chief Executive Officer is authorized to enter into agreements to compensate individuals who were Board members at the time of their appointments to such subcommittees and who continue to serve on such subcommittees after their terms of office as Board members, subject to the same limitations as exist for compensation of Board members, and subject to replacement by the Board.

22.2 Meetings

22.2.1 On or before the first regular meeting of the Board in December of each year, the Board shall adopt a schedule of its meetings by date, time, and location for the coming year. The Board shall conduct at least one regular meeting in each of the subsequent twelve months. The schedule of the meetings shall be published in the local newspaper of general circulation prior to the next regular meeting.

22.2.2 The Board may, when necessary, change the time and place of regular meetings. Notice of such change shall be posted pursuant to the Ralph M. Brown Act.

22.2.3 The Clerk of the Board shall forward written notice of the annual schedule of regular meetings and any changes thereto stating the dates, times, and locations to each member's agency and to the respective members and alternates of the Board and the standing committees.

22.2.4 Special meetings may be called and noticed under the provisions of the Ralph M. Brown Act as applicable and, specifically, Section 54956 of the California Government Code. The call and notice shall be posted in an area accessible to the public at least 24 hours prior to the meeting.

Special meetings normally shall be called by a majority of the Board or Executive Committee only upon a finding that extraordinary circumstances require Board action prior to the next scheduled Board meeting, such as to discuss a work stoppage or significant litigation, or that a special meeting is necessary to hold a workshop, a joint meeting with another agency, or for other special purposes at a future date beyond the next Board meeting. The Chair may call such meetings only when such extraordinary circumstances arise after the last Board or Executive Committee

meeting and Board action is required prior to the next regularly scheduled Board or Executive Committee meeting.

- 22.2.5 A majority of the members of the Board shall constitute a quorum for the transaction of business, and all official acts of the Board shall require the affirmative vote of a majority of the members of the Board.
- 22.2.6 Parliamentary procedure at all meetings shall be governed by Robert's Rules of Order Newly Revised except as otherwise modified herein.
- 22.2.7 Prior to each regular meeting, the Clerk of the Board shall forward a copy of the agenda to each member in accordance with the schedule adopted by the Board. The agendas shall also be mailed to each person or entity previously requesting such in writing. The Clerk shall post the agenda in an area accessible to the public at least 72 hours before the meeting in accordance with the Ralph M. Brown Act. Agenda materials shall be available as public record in accordance with the Ralph M. Brown Act and, specifically, Section 54957.5 of the California Government Code.
- 22.2.8 The Board may take action on items of business not appearing on the posted agenda in accordance with the Ralph M. Brown Act.
- 22.2.9 Requests for Board action may be initiated by any member of the Board or any staff officer.
- 22.2.10 Communication requests may be initiated by an individual and submitted to the Clerk by letter or on forms provided by the Clerk and must state the subject matter and the action which the writer wishes the Board to take. The Clerk shall review all communication requests so received and shall list them on the Board's docket under those items which the Clerk deems to be proper areas of discussion or action by the Board. When a Communications item is listed on the docket, it is not debatable and must be referred to an appropriate committee, other public agency, or to staff to prepare a report or response.
- 22.2.11 Any permanent rule of the Board as set forth herein and unless otherwise established by law may be suspended temporarily by a two-thirds vote of the members present.

22.3 Amendments

- 22.3.1 The Board shall be responsible for making all amendments to these rules.
- 22.3.2 Proposed amendments may be originated by the Board, or any member of such, or by the Chief Executive Officer.

22.3.3 Each proposed amendment shall be considered by the Board and a copy thereof forwarded by the Clerk of the Board to the official representative of each member agency.

22.4 Ordinances

22.4.1 Every ordinance shall be signed by the Chairman of the Board and attested by the Clerk of the Board.

22.4.2 On the passage of all ordinances, the votes of the several members of the Board shall be entered on the minutes.

22.4.3 Ordinances shall not be passed within five days of their introduction nor at other than a regular meeting or at an adjourned regular meeting. However, an urgency ordinance may be passed immediately upon introduction either at a regular or special meeting. Except when, after reading the title, further reading is waived by regular motion adopted by unanimous vote of the Board members present, all ordinances shall be read in full either at the time of introduction or passage. When ordinances, other than urgency ordinances, are altered after introduction, they shall be passed only at a regular or at an adjourned regular meeting held at least five days after alteration. Corrections of typographical or clerical errors are not alterations within the meaning of this section.

22.4.4 The Clerk of the Board shall cause a proposed ordinance or proposed amendment to an ordinance, and any ordinance adopted by the Board, to be published at least once, in a newspaper of general circulation published and circulated in the Board's area of jurisdiction.

22.4.5 The publication of an ordinance, as required by subdivision, may be satisfied by either of the following actions:

- a. The Board may publish a summary of a proposed ordinance or proposed amendment to an ordinance. The summary shall be prepared by the Clerk of the Board and General Counsel. The summary shall be published and a certified copy of the full text of the proposed ordinance or proposed amendment shall be posted in the office of the Clerk of the Board at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment is to be adopted. Within 15 days after adoption of the ordinance or amendment, the Board shall publish a summary of the ordinance or amendment with the names of those Board members voting for and against the ordinance or amendment, and the Clerk of the Board shall post in the office of the clerk a certified copy of the full text of the adopted ordinance or amendment along with the names of those Board members voting for and against the ordinance

ordinance or amendment.

- b. If the person designated by the Board determines that it is not feasible to prepare a fair and adequate summary of the proposed ordinance or amendment, and if the Board so orders, a display advertisement of at least one-quarter of a page in a newspaper of general circulation in the Board's area of jurisdiction shall be published at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment is to be adopted. Within 15 days after adoption of the ordinance or amendment, a display advertisement of at least one-quarter of a page shall be published. The advertisement shall indicate the general nature of, and provide information regarding, the adopted ordinance or amendment, including information sufficient to enable the public to obtain copy of the complete text of the ordinance or amendment and the name of those Board members voting for and against the ordinance amendment.

22.4.6 Ordinances shall take effect thirty days after their final passage. An ordinance takes effect immediately, if it is an ordinance for the immediate preservation of the public peace, health, or safety, containing a declaration of the facts constituting the urgency and is passed by a four-fifths vote of the Board.

22.5 Public Comment

22.5.1 At a public hearing of the Board, persons wishing to provide comment and testimony shall be permitted to address the Board after submitting a written request to speak to the Clerk identifying the person and the subject agenda item. The Chairman may limit the time for each presentation and may permit additional time to speakers representing a group of individuals or organizations to avoid duplicative testimony. Ordinarily, each speaker will be allowed no more than three minutes.

22.5.2 Persons wishing to comment on agenda items other than a public hearing must submit a written request to speak in advance to the Clerk identifying the person and the subject agenda item. Comments must be limited to issues relevant to the particular agenda item. The Chairman may limit the time for each presentation and may permit additional time to speakers representing a group of individuals or organizations to avoid duplicative testimony. Ordinarily, each speaker will be allowed no more than three minutes.

22.5.3 Public comment on matters not on the agenda will be permitted on items of interest to the public that are within the subject matter jurisdiction of the Board. Persons wishing to comment must submit a written request in advance to the Clerk identifying the person and subject matter. The Chairman may limit the time for each speaker. Ordinarily, each speaker will be allowed no more than three

than three minutes.

22.6 Chairperson

Prior to the expiration of a Chairperson's term, the Executive Committee shall make a recommendation to the Board on whether to reelect the current Chairperson. In the event that the Board does not reelect a chairperson, or in the event of a vacancy in the position of Chairperson, the Executive Committee shall create an ad hoc nominating committee that shall, by whatever means it deems appropriate, recommend to the Board a candidate or candidates for the position of Chairperson. The Board shall then vote to elect a Chairperson.

22.7 Election of Board Officers and Appointments to Committees

22.7.1 On or before the Board's first meeting in November, the Board shall appoint less than a quorum of members to an Ad Hoc Nominating Committee. The Ad Hoc Nominating Committee shall review the list of MTS committees and make recommendations to the Board with respect to the appointment of members of the Board to serve on each committee.

22.7.2 The Ad Hoc Nominating Committee shall also review the list of outside boards and/or committees and make recommendations to the Board with respect to the appointment of members of the Board to represent MTS on each outside board or committee, except for the Board representative appointed to the San Diego Association of Governments (SANDAG) Transportation Committee, which shall be appointed by the Executive Committee.

22.7.3 The Ad Hoc Nominating Committee shall also make a recommendation to the Board with respect to the appointment of the Vice Chairman and the Chair Pro Tem and any other board officers.

22.7.4 The Ad Hoc Nominating Committee shall forward its recommendations for appointments of officers and committee members on or before the first Board meeting in January.

22.7.5 At its first meeting in January, the Board shall elect a Vice Chairman and a Chair Pro Tem from amongst its members. The Vice Chairman shall preside in the absence of the Chairman. In the event of the absence or inability to act by the Chairman and Vice Chairman, the Chair Pro Tem shall preside.

22.7.6 The Board shall then vote on the recommendations made by the Ad Hoc Nominating Committee with respect to all other committee appointments.

22.7.7 In the event that a Board member vacates his or her position on the Board, at the next meeting, the Chairperson shall take nominations from the floor to fill any opening in any Committee positions vacated by that Board member.

22.8 Executive Committee

22.8.1 The Executive Committee of the Board shall consist of the Chairman, a member from the County of San Diego, a member from the City of San Diego, one member who represents the cities of Chula Vista, National City, Coronado, and Imperial Beach (the "South Bay representative"), and one member who represents the cities of Lemon Grove, La Mesa, El Cajon, Poway, and Santee (the "East County representative"). The South Bay representative and the East County representative shall serve as members of the Executive Committee for a term of two years each. The terms of these two members shall be staggered so as to avoid replacement of both members at the same time.

22.8.2 The East County and South Bay representatives shall serve in the following order:

East County: El Cajon, La Mesa, Lemon Grove, Santee, Poway—each serving a two year term.

South Bay: Chula Vista, Coronado, Imperial Beach, National City—each serving a two year term; however, the representative must have been the primary Board member for two years in order to serve as the Executive Committee representative. In the event that the South Bay representative has not been the primary Board member for two years, the rotation schedule shall be adjusted so that the next city in the rotation serves as the representative, and the city whose member has not yet served two years as the primary Board member would serve the term immediately thereafter; i.e., if Imperial Beach lacked two years of experience, National City would serve first, then Imperial Beach and then the rotation would continue on as set forth above. The requirement for two years of service as the primary Board member shall only apply to the South Bay representative.

After each member has served as either the East County or South Bay representative, the rotation schedule shall repeat.

22.8.3 The alternates to the Executive Committee members shall be the alternate appointed by the particular city or agency to serve as the alternate for the Board. The second alternate at large shall be the Vice Chairman. Alternates shall be appointed for a term of two years or such lesser term as necessary to coincide with the term of the member for whom the alternate is appointed.

22.8.4 The Vice Chairman shall attend each Executive Committee meeting as a nonvoting member. The Vice Chairman shall serve as the alternate to the Chairman and as a second alternate at large for any of the Executive Committee representatives and shall be a voting member when serving in this capacity. The Vice Chairman

Chairman shall be entitled to compensation for attendance at all Executive Committee meetings whether serving as a voting or nonvoting member.

- 22.8.5 On or before its first meeting in January, the Executive Committee shall appoint one of its members to serve as the representative and one of its members to serve as the alternate to the San Diego Association of Governments (SANDAG) Transportation Committee to serve for a term of one year. In the event that the Executive Committee feels a member of the Board who does not serve on the Executive Committee is their preferred representative or alternate for the SANDAG Transportation Committee, the Executive Committee shall have the ability to select the representative or alternate from the full Board. In that instance, the SANDAG Transportation Committee representative, or the alternate in his or her absence, shall attend the Executive Committee meetings as a nonvoting member. The SANDAG Transportation Committee representative, or the alternate in his or her absence, shall be entitled to compensation for attendance at all Executive Committee meetings.
- 22.8.6 The primary purposes of the Executive Committee shall be to review and recommend consent items for the agenda of the next MTS Board of Directors meeting; add or delete items as appropriate; and provide input and direction on emerging policies, plans, and issues, in advance, for Board consideration. The Executive Committee shall have the authority to create ad hoc subcommittees for purposes of carrying out its duties and responsibilities.
- 22.8.7 Three members shall constitute a quorum of the Executive Committee, and three affirmative majority votes of the members present shall be required to approve any item. In the absence of a quorum, the Chairman may review and recommend consent items for the agenda, establish the order of items, and add or delete items.
- 22.8.8 The Executive Committee shall adopt operating procedures as are necessary for the conduct of its business.

22.9 Audit Oversight Committee

- 22.9.1 The Audit Oversight Committee shall be comprised of the same members that make up the Executive Committee. The Chairman of the Audit Oversight Committee shall be appointed from amongst its members at the first meeting held during each calendar year. The Chairman of the Audit Oversight Committee shall be another member other than the member who serves as the Executive Committee Chairman. Additional members of the MTS Board may be appointed on an annual basis at the first MTS Board meeting in January at the discretion of the MTS Board. Non-voting advisory

Non-voting advisory members may be appointed by the MTS Board at the request of the Audit Oversight Committee. The Board may appoint individuals who are not members of the Board to serve as non-voting advisory members to the Audit Oversight Committee.

22.9.2 No additional compensation shall be paid to the members of the Audit Oversight Committee unless a meeting takes place on a day other than a regularly scheduled MTS Board meeting or MTS Executive Committee meeting. Compensation shall be paid to any additional members of the MTS Board who are appointed to serve or attends a on the Audit Oversight Committee meeting. No compensation shall be paid to any non-voting advisory member appointed by the MTS Board.

22.9.3 The primary duties and responsibilities of the Audit Oversight Committee shall be to ensure that management is maintaining a comprehensive framework of internal control, to ensure that management's financial reporting practices are assessed objectively, and to determine to its own satisfaction that the financial statements are properly audited and that any problems disclosed in the course of the audit are properly resolved.

22.9.4 The tasks to be performed by the Audit Oversight Committee shall be as follows:

- a. Review the appropriate scope of the annual independent audit and any other audit the committee feels is appropriate.
- b. Review the appropriate scope of nonaudit services to be performed by the independent auditor.
- c. Oversee the procurement of outside auditor services with final approval by the Board.
- d. Review and oversee the preparation of annual financial statements, the annual financial reporting process, internal controls, and independent auditors using an appropriate degree of professional skepticism.
- e. Assess the performance of any independent auditors.
- f. Provide a forum for MTS internal auditors to report findings.
- g. Provide at least an annual written and oral report to the Board on how the committee discharged its duties and responsibilities.

- h. Establish a procedure for receipt, retention, and treatment of complaints regarding accounting, internal controls, or auditing matters.

22.9.5 The annual scheduled functions to be performed by the Audit Oversight Committee shall be as follows:

- a. In June of each year or as soon as reasonably practicable, review the independent audit engagement letter.
- b. In March or April of each year or as soon as reasonably practicable, establish a plan for review of the audits with independent auditor.
- c. In September of each year or as soon as reasonably practicable, receive report on the status of any audit(s).
- d. In October of each year or as soon as reasonably practicable, receive a report on the preliminary audit findings.
- e. In December of each year or as soon as reasonably practicable, receive a report and provide feedback on financial and compliance statements to Board, and provide the annual report to the Board on the committee's activities.
- f. In March of each year or as soon as reasonably practicable, review the management letter and management's response to the letter.

22.9.6 On a periodic basis the Audit Oversight Committee shall perform the following functions:

- a. Establish procedure for handling complaints.
- b. Receive reports from MTS internal auditor.
- c. Report to Board in addition to annual report.
- d. Review the appropriate scope of any nonaudit services recommended for performance by the independent auditor.
- e. Review the procurement of independent auditor services and make a recommendation to the Board.
- f. Request procurement of outside independent advisor(s) with Board concurrence.

- g. Meet with the independent auditor without MTS management present.

22.9.7 At a minimum, the Audit Oversight Committee shall ask the following questions of MTS Staff, the Internal Auditor and/or the independent auditors:

- a. What is the name of the audit firm performing the audit, and how long has such firm been under contract to perform such audits?
- b. Was the audit performed in accordance with generally accepted auditing standards (AICPA GAAS standards) or generally accepted government-auditing standards (GAO GAGAS)? If not, why?
- c. Has the independent auditor(s) prepared an unqualified opinion regarding the financial statements? If not, what type of opinion was issued and why?
- d. Was the audit performed independently? The Audit Oversight Committee should ask how the audit firm maintained its independence during the course of the audit.
- e. The Audit Oversight Committee should have the independent auditor(s) describe, in general, the audit procedures performed.
- f. The Audit Oversight Committee should have the independent auditor(s) discuss whether any new accounting principles were adopted, whether any changes were made, or whether the independent auditor(s) recommends any changes in the accounting policies used or their application. In particular, the relevant issue is whether the audit applied best or merely permissible principles.
- g. The Audit Oversight Committee should have the independent auditor(s) describe any significant accounting adjustments affecting the financial statements (prior year as well as current year).
- h. Did the independent auditor(s) encounter any difficulties in dealing with management in performing the audit, including whether there were any disagreements with management regarding any accruals, estimates, reserves, or accounting principles? Did the independent auditor(s) have the full cooperation of MTS management and staff?

- i. The Audit Oversight Committee should ask the audit firm about the quality of the component unit's accounting, internal controls, and the competency of staff. Did the independent auditor(s) issue a management letter? What nonmaterial weaknesses or reportable conditions has the independent auditor(s) noted?
- j. Were there any accounting issues on which the audit firm sought the advice of other audit firms or regulatory bodies?
- k. The Audit Oversight Committee should ask the audit firm whether there are new pronouncements and/or areas of potential financial risk affecting future financial statements of which the Audit Oversight Committee should be aware.

22.9.8 Three members shall constitute a quorum of the Audit Oversight Committee, and a majority vote of the members present shall be required to approve any item. In the absence of a quorum, the Chairman may review and recommend consent items for the agenda, establish the order of items, and add or delete items.

22.9.9 The Audit Oversight Committee shall adopt operating procedures as are necessary for the conduct of its business.

22.109 Board Member Standards of Conduct

- 22.910.1 The purpose of this policy is to emphasize that each Board member occupies a position of public trust that demands the highest moral and ethical standard of conduct.
- 22.910.2 This policy shall be supplemental and in addition to the Conflict of Interest Code of the Board and is not intended to supersede such Code or any provisions thereof.
- 22.910.3 Board members shall not engage in any business or transaction or have a financial or other personal interest, actual, potential, or apparent, which is incompatible with the proper discharge of his or her official duties or would tend to impair his or her independence of judgment or action in the performance of such duties. Such business, transaction, or interest shall constitute a conflict of interest.
- 22.910.4 No Board member shall engage in any enterprise or activity that shall result in any of the following:
 - a. Using the prestige or influence of the Board office for private gain or advantage of the member or another person.

- b. Using time, facilities, equipment, or supplies of the Board for the private gain or advantage of the member or another person.
- c. Using official information not available to the general public for private gain or advantage of the member or another person.
- d. Receiving or accepting money or other consideration from anyone other than the Board for the performance of acts done in the regular course of duty.
- e. Receiving or accepting, directly or indirectly, any gift or favor from any one doing business with the Board under circumstances from which it could reasonably be inferred that such was intended to influence such person in such person's duties or as a reward for official action.
- f. Soliciting any gift or favor in such person's official capacity, either directly or indirectly, when such solicitation might reasonably be inferred as to have a potential effect on such person's duties or decision, or when the individual's position as a Board member would in any way influence the decision of the person being solicited.
- g. Engaging in or accepting private employment or rendering services for private interest, direct or indirect, which may conflict with such person's responsibility or duty, or which, because of that person's position, may influence a decision to the benefit of the organization in which such person has an interest.

22.910.5 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item, and the Board will make a decision regarding this agenda item during an open session meeting, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board's General Counsel. If the Board member has a conflict, he or she may observe, but not participate, in the decision-making process.

22.910.6 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item to be discussed during a closed session meeting, the Board member shall be disqualified and not present during such discussion so as not to make, participate in making, or in any way attempt to use his or her official position to influence the discussion or decision. In such case, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board's General Counsel. In accordance with the Brown Act, the Board member would be entitled to any information that is publicly

reported. The Board member would not, however, be privy to any confidential or privileged information or communications pertaining to the closed session agenda item.

- 22.910.7 No Board member shall disclose to any person, other than members of the Board and other Board staff designated to handle such confidential matters, the content or substance of any information presented or discussed during a closed session meeting unless the Board authorizes such disclosure by the affirmative vote by a majority of the Board.
- 22.910.8 No Board member may disclose confidential or privileged information or communications to any person other than a Board member, General Counsel to the Board, or other Board staff designated to handle such matters, unless disclosure is mandated by law or the Board authorizes such disclosure by the affirmative vote of a majority of the Board.
- 22.109.9 A Board member shall not be privy to confidential or privileged information or communications concerning threatened, anticipated, or actual litigation affecting the Board where the Board member has an actual, potential, or apparent conflict of interest. In the case of uncertainty as to whether a conflict of interest exists, the Board's General Counsel shall issue a binding determination.
- 22.109.10 No Board member shall represent a position on an issue to be the Board's unless the Board has formally adopted such position at a public meeting.
- 22.910.11 Any violation of this policy shall constitute official misconduct if determined by an affirmative vote of the majority of the Board in an open and public meeting. The Board may elect to censure the Board member and the violation may be subject to criminal and/or civil penalties as provided for by applicable law.

TLoren/JUNE14-07.31.AttA.POLICY 22.TLOREN.doc
5/17/07

Original Policy approved on
4/5/84.

Policy revised on 1/12/84.
Policy revised on 7/11/85.
Policy revised on 1/8/87.
Policy revised on 1/11/90.
Policy revised on 8/23/90.
Policy revised on 1/10/91.
Policy revised on 3/24/94.
Policy revised on 1/14/99.
Policy revised on 6/14/01.
Policy revised on 1/10/02.
Policy revised on 1/24/02.

Policy revised on 5/8/03.
Policy revised 2/26/04.
Policy revised 1/12/06.
Policy revised 3/9/06.
Policy revised 3/23/06.
Policy revised 6/14/07.

Audit Oversight Committee

Policies and Procedures

For MTS Board of Directors Review

on

June 14, 2007

I. Audit Oversight Committee

A. Membership

- i. Voting Membership: Board members appointed to the Executive Committee by the Board of Directors and any additional Board members appointed at the Board's discretion.
- ii. Chair: Appointed by the Board from the Audit Oversight Committee's membership.
- iii. Nonvoting Advisory Members: Non-Board members at the request of the Audit Committee with Board approval.

B. Compensation for Meeting Participation

- i. Executive Committee Members: No additional compensation unless meeting takes place on a date not regularly scheduled for the Executive Committee meeting.
- ii. Non-Executive Committee Members Appointed from the Board: Same as Executive Committee members.
- iii. Advisory Members: No compensation.

C. Differentiation from Executive Committee

- i. Different Chair.
- ii. Adjourn as Executive Committee, and reconvene as Audit Oversight Committee.
- iii. Separate agenda with appropriate public notification (open to the public) following rules of procedures for public meetings, including the Brown Act.
- iv. Closed Session: To include all members of the Audit Oversight Committee.

II. General Duties of the Audit Oversight Committee

A. A. Goals

- i. Ensure that management is maintaining a comprehensive framework of internal control.
- ii. Ensure that management's financial reporting practices are assessed objectively.
- iii. Determine to its own satisfaction that the financial statements are properly audited and that any problems disclosed in the course of the audit are properly resolved.

B. Basic Tasks

- i. Review the appropriate scope of the independent audits.
- ii. Review the appropriate scope of nonaudit services to be performed by the independent auditor.
- iii. Oversight of procurement of auditor services with final approval by the Board.
- iv. Review and oversight of the financial statements, financial reporting processes, internal controls, and independent auditors, using an appropriate degree of professional skepticism.
- v. Assess the performance of the independent auditors.
- vi. Provide a forum for MTS internal auditors to report findings.
- vii. Provide at least an annual written and oral report to the Board on how it discharged its duties and responsibilities.
- viii. Establish a procedure for receipt, retention, and treatment of complaints regarding accounting, internal controls, or auditing matters.

III. Process Outline and Schedule

A. Annual Scheduled Functions

- i. Review Engagement Letter.
- ii. Plan for audits with independent auditor: March/April.
- iii. Receive report on audit(s) status: September.
- iv. Receive report on preliminary audit findings: October.
- v. Receive report and provide feedback on financial and compliance statements to Board: December.
- vi. Provide annual report to Board on Audit Oversight Committee activities: December.

vii. Review Management Letter and management's response to Letter.

B. Periodic Functions (as needed)

- i. Establish procedure for handling complaints.
- ii. Receive reports from MTS internal auditor.
- iii. Report to Board in addition to annual report.
- iv. Review the appropriate scope of any nonaudit services recommended for performance by the independent auditor.
- v. Review procurement of auditor services, with recommendation to the Board.
- vi. Request procurement of outside independent advisor(s) with Board concurrence.
- vii. Meet with independent auditor without MTS management present.

IV. Minimum Questions to Be Addressed by the Committee

- A. What is the name of the audit firm performing the audit, and how long has such firm been under contract to perform such audits?
- B. Was the audit performed in accordance with generally accepted auditing standards (AICPA GAAS standards) or generally accepted government-auditing standards (GAO GAGAS)? If not, why?
- C. Has the auditor prepared an unqualified opinion regarding the financial statements? If not, what type of opinion was issued and why?
- D. Was the audit performed independently? The Audit Oversight Committee should ask how the audit firm maintained its independence during the course of the audit.
- E. The Audit Oversight Committee should have the auditor describe, in general, the audit procedures performed.
- F. The Audit Oversight Committee should have the auditor discuss whether any new accounting principles were adopted, whether any changes were made, or whether the auditor recommends any changes in the accounting policies used or their application. In particular, the relevant issue is whether the audit applied best or merely permissible principles.
- G. The Audit Oversight Committee should have the auditor describe any significant accounting adjustments affecting the financial statements (prior year as well as current year).
- H. Did the auditor encounter any difficulties in dealing with management in performing the audit, including whether there were any disagreements with management regarding any accruals, estimates, reserves, or accounting principles? Did the auditor have the full cooperation of management and staff?

- I. The Audit Oversight Committee should ask the audit firm about the quality of the component unit's accounting, internal controls, and the competency of staff. Did the auditor issue a management letter? What nonmaterial weaknesses or reportable conditions has the auditor noted?
- J. Were there any accounting issues on which the audit firm sought the advice of other audit firms or regulatory bodies?
- K. The Audit Oversight Committee should ask the audit firm whether there are new pronouncements and/or areas of potential financial risk affecting future financial statements of which the Audit Oversight Committee should be aware.

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Metropolitan Transit System Audit Oversight Committee

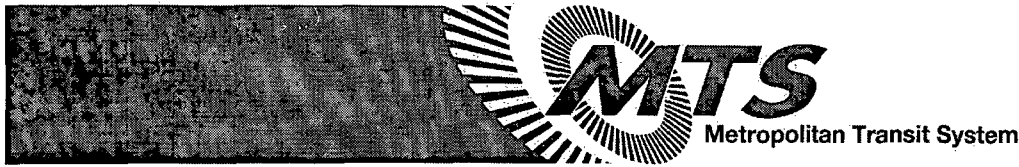
MTS Board of Directors Meeting
June 14, 2007



Audit Oversight Committee Policies and Procedures

- I. Audit Oversight Committee**
 - A. Membership
 - B. Compensation for Meeting Participation
 - C. Differentiation from Executive Committee
- II. General Duties of the Audit Oversight Committee**
 - A. Goals
 - B. Basic Tasks
- III. Process Outline and Schedule**
 - A. Annual Scheduled Functions
 - B. Periodic Functions (as needed)
- IV. Minimum Questions to be Addressed by the Committee**





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

Agenda

Item No. 45

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

LEG 410 (PC 50121)

June 14, 2007

SUBJECT:

MTS: LEGISLATIVE UPDATE

RECOMMENDATION:

That the Board of Directors receive an update on state and federal activities related to transit.

Budget Impact

None.

DISCUSSION:

FEDERAL ACTIVITY

Transit Security Grant Program

The Department of Homeland Security (DHS) released the national list of grantees for the FY 2007 Infrastructure Protection Program on May 10. This program includes the Port Security Grant Program, Transit Security Grant Program, Intercity Bus Security, Buffer Zone, and Trucking Security. As was the case in the FY 2006 program, San Diego was considered a Tier II city under the Transit Security Grant Program, which made it eligible for a much smaller pool of funding (\$14.2 million nationally). Originally, MTS staff planned to submit only one application for funding of closed-circuit television and monitoring equipment for buses and light rail vehicles. Late in the application period, DHS suggested that the transit agencies submit applications for training programs with some indication that additional funding would be made available. MTS



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.

complied with the request. In the final award, MTS only received funding for the training for a total award of \$55,071. DHS stated that requests for training programs were given priority during this round.

Urban Partnership Agreements and Section 5309 Applications for FY 2007

As part of the United States Department of Transportation (USDOT) strategy to reduce congestion, the Federal Highway Administration's Joint Program Office released a request for proposals to be submitted by April 30 from regions interested in entering into an Urban Partnership Agreement (UPA). As the region's designated recipient, the San Diego Association of Governments drafted a submittal in consultation with MTS and North County Transit District staffs, which outlines an immediate and comprehensive plan for reducing congestion in the near term. If accepted, the UPA will place the region in a more competitive position to receive grants from \$1.1 billion currently available under various USDOT grant programs. Funding will be given to projects that will be implemented and measurable by 2009. If accepted, MTS staff will participate on a regional team that will negotiate with USDOT to determine which projects in the regional submittal will receive funding this year. The decision is expected to take place in June.

In the recent past, Congress has allocated discretionary Section 5309 Bus and Bus Facilities grant funds through an earmarking process that MTS has participated in with some success. For FY 2007, Congress authorized USDOT to distribute funding from this program. The Federal Transit Administration (FTA) first honored legislative commitments to projects such as those found in SAFETEA-LU (MTS received \$401,280 for the East County Bus Maintenance Facility under this mechanism) and then issued requests for project proposals for the remaining 5309 funds. In keeping with the Board-approved legislative program, staff will submit applications for bus replacements and improvements to the East County Bus Maintenance Facility (specifically a compressed natural gas fueling station).

SAFETEA-LU Rulemakings

The USDOT has distributed several Notices of Proposed Rulemakings to implement policy changes found in SAFETEA-LU. Most recently, MTS staff submitted comments on proposed changes to the charter bus service regulations and their potential impacts on MTS operations. The proposal initiates a new web-based reporting and posting requirement, permits some limited exemptions for provision of charter service by transit agencies, and sets up more stringent financial penalties for transit agencies found to have provided nonexempt charter service. MTS staff is working with its Washington representative and the local delegation to gain favorable amendments.

Staff has also submitted comments regarding the Architectural and Transportation Barriers Compliance Board's (Access Board's) Draft Revisions to the Americans with Disabilities Act (ADA) Accessibility Guidelines for Buses and Vans. If adopted, the proposed revisions would cause significant changes in accessibility standards followed by bus and paratransit operators. At the close of the comment period, the Access Board will create a final proposal reflective of stakeholder comments and submit the proposal to the FTA for consideration.

STATE ACTIVITY

Governor's Budget

The Governor released his May Revision to the proposed 2007-08 State Budget on May 14. The Governor maintained all of the cuts and diversions from the Public Transportation Account (PTA) that he proposed in January and included the diversion of an additional \$200 million in new spillover revenue to reimburse existing General Fund programs. The May Revision increases the total diversions from the PTA to the General Fund from \$1.1 billion to \$1.3 billion.

The following is a summary of the significant new proposals affecting public transit:

- The \$19.9 billion in bonds for infrastructure approved by the voters in November 2006 requires subsequent legislative action to allocate funds for specific programs in a given year. In January, the Governor started the process by recommending \$7.7 billion for allocation in the FY 2008 budget. The May revision increased the total allocation recommendation to \$11.5 billion. The Revision retained the appropriation of \$600 million for transit capital that was included in the January proposal and added appropriations as follows: \$187 million for intercity rail, \$101.5 million for transit security infrastructure, and \$111 million to implement the Trade Corridor Emission Reduction Incentive Program.
- The Governor continued his diversion of "spillover" revenue to fund the state's other budgetary obligations. The spillover was created as part of the Transportation Development Act as a funding source for public transit. Spillover revenue occurs when the cost of fuels increases at a greater rate relative to all other sectors of the economy. In January, the Governor proposed to divert that revenue to other programs currently funded by the state. The May Revision projects that spillover revenue will be \$210 million higher than anticipated in January. The diversion of this source of transit funding was increased from the \$617 million included in the January budget proposal to \$827 million. According to existing law, the \$827 million should be put into the PTA for transit use. *MTS would be eligible for an additional \$19 million in State Transit Assistance (STA) in FY 2008 if the Governor's proposed spillover diversion is not approved.*
- \$10 million of the projected spillover is proposed for allocation to transit. The additional spillover and an unanticipated \$28 million increase of the revenue from sales tax on diesel is reflected in a projected increase in the STA from January's \$185 million to \$206 million. *This increase would result in an estimated \$1 million increase in MTS's share of the STA for FY 2008.*
- The May Revision would leave the PTA with a balance of about \$100 million at the end of 2007-08, which is a slight improvement over what was proposed in the January budget (\$69 million). However, if PTA revenues fall short of the administration's projections or expenditures on transit capital projects currently programmed in the State Transportation Improvement Program are higher than anticipated, this projected balance would be reduced. Moreover, the projected balance does not include funding for continued development of a high-speed rail system.

Proposition 1B Implementation

MTS is working closely with the legislative leadership and the Governor's office to define the portions of the infrastructure bond act approved under Proposition 1B that relate to transit.

Two bills, AB 901 (Nunez) and SB 716 (Perata), have been introduced to authorize a structure and process for allocation of the \$3.6 billion Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). Each bill offers a clear path to timely and equitable allocation of the PTMISEA funds. The major difference is that SB 716 would require the California Transportation Commission and the Controller to administer allocation of the funds while AB 901 grants these responsibilities to the California Department of Transportation and the Controller. The bills contain minor differences in the set of criteria for project eligibility.

Two bills, AB 1350 (Nunez) and SB 45 (Perata), have been introduced to begin defining the program for allocation of the \$1 billion Transit System Safety, Security, & Disaster Response Account (TSSSDRA). SB 45 proposes that a portion of the funds be allocated immediately for security-related capital projects. The bill would require funds from this source to be allocated by the California Office of Homeland Security (OHS) for capital projects designed to improve the safety and security of public transit equipment, stations, and facilities. Seventy five percent of the funds would be allocated for projects located in high-threat areas as determined by risk assessments of large transit systems conducted by the federal Office of Domestic Preparedness. The remaining 25 percent would be allocated to all other eligible transit operators, including rail, bus, and water transit operators. AB 1350 proposes to distribute the funding through the Office of Emergency Services in consultation with OHS. Seventy five percent of the funds would be distributed based on the STA formula to transit operators serving larger urban areas, and twenty five percent would be distributed to all other eligible operators. The OHS has already begun to compile a list of projects for potential funding based on each transit operator's threat assessment.



Paul C. Jablonski
Chief Executive Officer

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

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Legislative Update

Board of Directors
June 14, 2007



Federal Activity

- FY 2007 Transit Security Grant Program
 - May 10 awards
 - MTS received \$55,000 for training program
- Urban Partnership Agreements (UPA) and FY 2007 Section 5309 Bus and Bus Facilities Program
 - Regional submittal for the UPA accepted into finalist round
 - Standard applications for East County Bus Maintenance Facility CNG fueling station and replacement buses

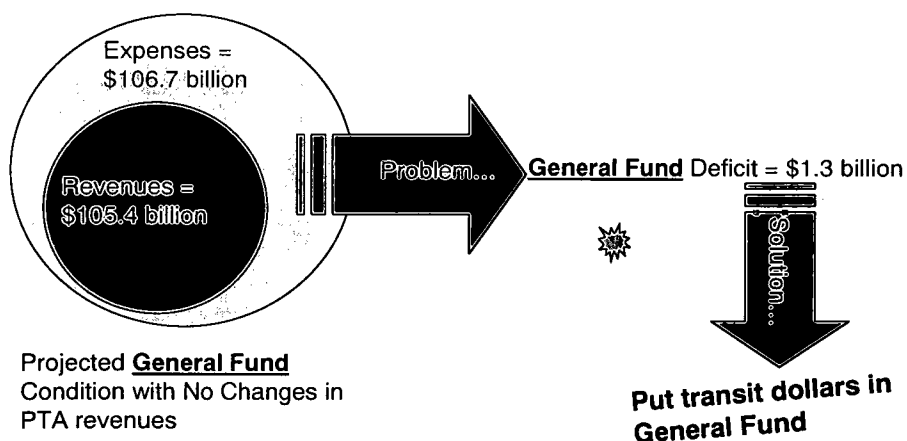


State Activity

- Governor's Proposed Budget -- Revision released May 14
 - Intended to balance budget
 - Adjusted for new revenue projections
 - Provides the basis for the legislative Budget discussions
 - Includes increased projections for State Transit Assistance (STA)
 - January Total MTS: \$8.4 million
 - May Total for MTS: \$9.4 million



Governor's Revised 2007-08 Budget



Details of Budget Deficit Reduction Plan:

General Fund Obligations shifted to Public Transportation Account (PTA)

- \$340 million in bond debt service on non-transit projects
- \$129 million for shuttles to regional centers
- \$827 million for home-to-school transportation
- Total: \$1.296 billion



Public Transit funding diversion to cover shift to PTA

- \$509 million from STA
- \$787 million from Transit capital projects in State Transportation Improvement Program (STIP)
 - Reduces PTA reserves to less than \$69 million
 - Leaves \$538 million worth of currently-programmed projects unfunded in the STIP
- Governor's proposal includes permanent diversion of Spillover
- Also proposes authorizing \$600 million in Proposition 1B bonds to cover some of the loss to PTA



Spillover Portion of the Public Transportation Account

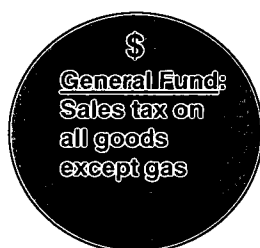
- TDA: Shifted 0.25% of State sales tax revenue to counties for transit purposes
 - Available for streets & roads in rural counties
- TDA: Also extended the State sales tax to gasoline; revenues go to General Fund
 - Paid for "hole" in General Fund
- General Fund not meant to "make money" on the deal
 - Thus, "spillover" & the Public Transportation Account were established to fund more transit
 - Half of spillover goes to STA, the other half to STIP
 - Spillover is non-recurring, since it only happens when the price of gasoline is relatively high compared to other taxable goods



Spillover and the Transportation Development Act

Before 1971

1971 on...



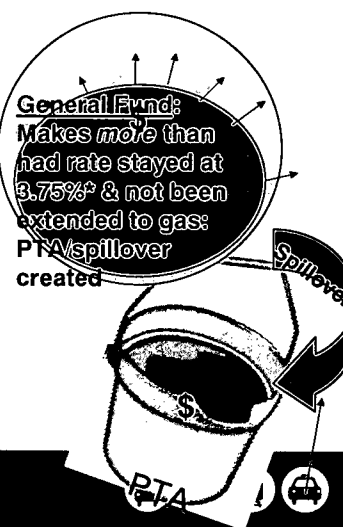
3.75% sales tax rate*



3.50% sales tax rate*

* Spillover calculation now compares 4.75% on all goods vs. 5.00% on all except gas

TDA: Sales tax on all goods plus gas at 0.25%



Impact of Governor's Proposal on MTS's State Transit Assistance (STA) Subsidy

2006-07	\$28.4 million
2007-08 proposed	\$ 9.4 million
2007-08 current law	<u>\$ 32.6 million</u>

Difference between current law and proposed:
(\$23.2 million)



Legislative Response

- Senate Budget Subcommittees on Transportation and Education Finance took action May 22 to reject most of the diversions
- Assembly Budget Subcommittees took action May 23 to reject most of the diversions; some suggestion of altering Proposition 42 formula
- Governor's proposal to fund home-to-school transportation will not resurface
- Conference Committee reconciling differences



Proposition 1B Implementation and Funding Allocation

- Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) -- \$3.6 billion
- Transit System Safety, Security, & Disaster Response Account (TSSSDRA) -- \$1 billion



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 6/14/07
Name (PLEASE PRINT) JOY SUNYATA
Address 255 G ST #262
92101
Telephone 858-5763886
Organization Represented (if any) NONE
Subject of your remarks: A THANK YOU

Agenda Item Number on which you request to speak MTS San Isidore Update
Your comments are presenting a position of: SUPPORT ☒ OPPOSITION ☐

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

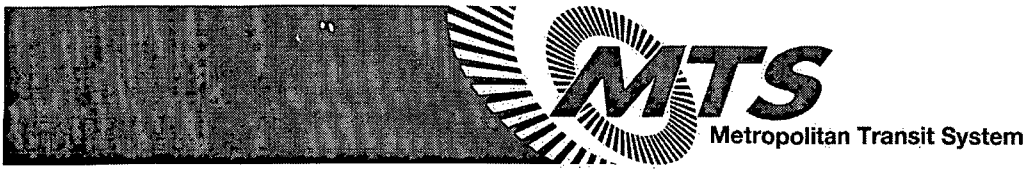
The Chairman may permit any member of the public to address the Board on any issue relevant to a particular agenda item.

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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





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Agenda

Item No. 46

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

OPS 970.2

June 14, 2007

SUBJECT:

MTS: 2007 ROCK 'N ROLL MARATHON RECAP

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

The 2007 Rock 'N Roll Marathon was held on Sunday, June 3, 2007. The course impacted bus and light rail service in various locations. The event also generated significant ridership on the light rail component of the system. Further details regarding this event will be included in a PowerPoint presentation during the meeting.

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

Paul C. Jablonski
Chief Executive Officer

Key Staff Contacts: Jim Byrne, 619.238.0100, Ext. 6420, jim.byrne@sdmts.com
Tom Doogan, 619.454.7192, tom.doogan@sdmts.com

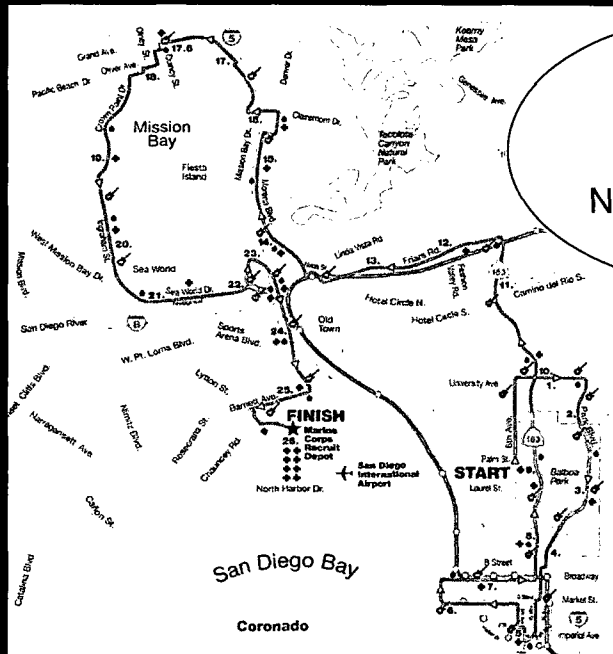
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Metropolitan Transit System 2007 Rock N Roll Marathon Recap

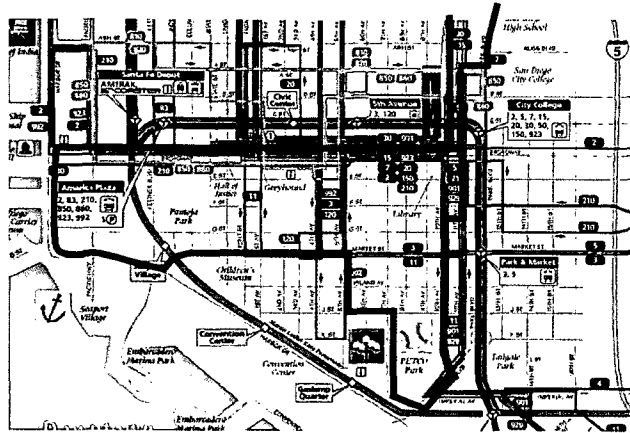
Board of Directors Meeting
June 14, 2007



2007 Course Map

No changes from
2006 event

Bus Routes Affected 2007



Marathon Services MTS Bus Operators

- Excellent cooperation between all service providers.
MTS Bus provided 24 buses and MTS Contracted Services provided 16 buses. All agencies worked together to provide timely and seamless service for runners and guests
- Service Impact on Existing Service
This year's routing affected 18 MTS Bus routes.
These routes resumed normal operations after 10 AM



Marathon Services MTS Bus Operators

- Operated bi-directional Bus Bridge between the 5th Ave. Trolley Station to/from Park and Market station
6 Buses provided service from 6:50 - 9:30 AM
- Transport of Runners to the Marathon Starting Line
- Transport of Runners and observers from the MCRD Finish Line
- Shuttle from Airport Authority Parking Lot to the Start Line & Downtown



Bus Fleet Ready to Rock, Roll and Run!



Bus Ridership Statistics

Location	Buses	Passengers
Pre-Race - Runners to the Starting Line	40	5,039
Post-Race - Runners and Guests from MCRD Finish Line	28	18,369
Shuttle - From Parking Lot to Balboa Park	6	1585
Bus Bridge for Trolley Service	6	920
(Figures represent all service providers)		
GRAND TOTAL		25,913



Bus Operations Feedback

- All runners were transported in a timely fashion with less than one minute of wait time during the pre-race transport
- MTS accommodated approx 18K runners and observers with average wait times of 10 minutes or less
- Representatives of Elite Racing expressed their pleasure with the coordination of services provided by all MTS services



2007 Rock N Roll Marathon LRT Service Recap



LRT Service Impact - Issues

- This was the 3rd year under the current route
- The course intersected Trolley tracks at four locations:
 - 11th & C
 - Market Street at Harbor Dr.
 - Kettner & Broadway
 - 10th & C
- Special operations lasted slightly more than 2 hours
- Route completely isolated two stations: City College & Seaport Village



- Website
- Take One

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- Website
- Take One
- Service to City College and Seaport Village stations temporarily suspended
- A “bus bridge” provided service between the Park & Market and 5th Avenue stations
- Personnel were on hand to direct passengers
- Bilingual officers were strategically placed at key stations
- Normal operations resumed by 8:45 a.m.



Trolley Routes Affected Downtown



LRT Service Impact – Passenger Experience

Blue Line Arriving
Park & Market
7:40am



LRT Service Impact – Cost Recovery

- Race promoter to be billed for all expenses incurred above normal operating costs due to passenger rerouting and service disruptions, including:
 - Security
 - Train Operators
 - Flagperson / Switch Tenders
 - Supervision
 - Maintenance of Wayside (Napa / Friars)
- Conversely, costs associated with increased ridership are not included on the invoice



LRT Ridership Issues

Race promoter, Elite Racing, encouraged participants and spectators to ride the Trolley to various points including:

- The Starting Line shuttle pick up location
(near the Washington St. Station)
- Spectator viewing spots along the LRT alignment
 - Fashion Valley
 - Morena / Linda Vista
 - America Plaza
- The Finish Line shuttle pick up/drop off location



LRT Ridership Issues (cont.)

To accommodate the 6:30 a.m. start time, at 3:39 a.m., LRT service operated in the Convention Center, Mission Valley, and C Street corridors, providing bidirectional service to the Washington Street station.

The County Administration Building was used for overflow event parking resulting in heavy use of the County Center / Little Italy station.

Ridership was heavy at times with both spectators and runners using trolley to access the course.

Special Event 'Red Line' service operated 9am – 3pm.



LRT Ridership Issues (cont.)

Spectators
Arriving
Washington
en route to the
Finish Line
shuttles buses



LRT Ridership Issues (cont.)

On right:

Passengers waiting for southbound service being held short of BNSF tracks.

On left:

Northbound passengers and through traffic are allowed to continue as space allows.



Manual Ticket Sales – Marathon Expo

- Ticket sales were conducted at the Convention Center during the event Expo on Friday and Saturday
- At the Expo, SDTI personnel distributed 2,353 tickets, a decrease of 8% from 2006 (2,544)
- Of the tickets sold at the Expo, over 2,057 were Single-Day Tripper or Multi-Day Tripper passes, an increase of 3% over 2006 (1,999)

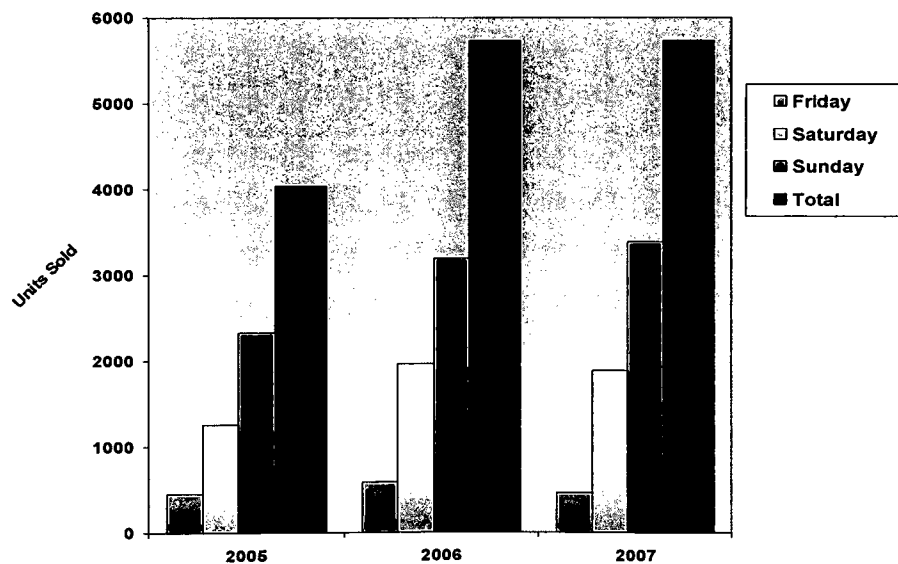


Manual Ticket Sales – Race Day

- On race day, additional sales were conducted at the County Center/Little Italy (nearby designated overflow parking) and Washington Street stations (Start/Finish Line shuttle area)
- On race day, 4,736 one-way equivalent tickets were distributed from these two locations, an increase of 19% over 2006 (3,989)



Manual Ticket Sales 3-year Comparison



Proposed Changes for 2008

- Longer (3-car) trains are needed on the Green Line.
- Increase frequency between County Center & Washington by 8:00am (currently 15-min. service)
- Extend Special Event "Red Line" service as soon as tracks are released on the bayside (by 9:00am)
- Increase ticket sales locations to include America Plaza, Old Town, Morena, Fashion Valley, and Qualcomm Stadium



Summary – LRT Operations

- 1) The current course results in a safe and manageable operation over a limited period of time with minimal adverse impact on passengers.
- 2) The impact of additional ticket sales personnel and improved crowd control elements helped to further refine the operation and create a better passenger experience.
- 3) Staff believes this to be the most successful Rock 'N' Roll Marathon to date.





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Agenda

Item No. 47

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

FIN 310 (PC 50601)

June 14, 2007

SUBJECT:

MTS: YEAR-TO-DATE OPERATIONS BUDGET STATUS REPORT THROUGH APRIL 2007

RECOMMENDATION:

That the Board of Directors receive the MTS Year-to-Date Operations Budget Status Report through April 2007.

Budget Impact

None at this time.

DISCUSSION:

This report summarizes MTS's year-to-date operating results through April 2007. Attachment A-1 combines the operations, administration, and other activities results through April 2007. Attachment A-2 details the year-to-date April 2007 combined operations results, and Attachments A-3 to A-10 present budget comparisons for each MTS operation. Attachment A-11 details budget comparisons for MTS Administration, and A-12 provides year-to-date April 2007 results for MTS other activities (Taxicab/San Diego and Arizona Eastern Railway Company/debt service).

MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, the year-to-date April 2007 MTS net-operating subsidy favorable variance totaled \$1,413,000 (1.2%). Operations produced a



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.

\$1,303,000 (1.2%) favorable variance, and the administrative areas were favorable by \$110,000 (0.8%).

MTS COMBINED RESULTS

Operating Revenues

Year-to-date combined operating revenues through April 2007 were \$62,906,000 compared to the year-to-date budget of \$63,249,000, representing a \$344,000 unfavorable variance. Farebox revenues were \$575,000 under budget primarily due to lower farebox revenues within rail operations (\$536,000). Consolidated other operating revenues were favorable by \$231,000 primarily due to higher-than-anticipated other revenues in land management, bus operations and rail operations.

Expenses

Year-to-date combined expenses through April 2007 were \$196,859,000 compared to the year-to-date budget of \$198,616,000, resulting in a \$1,757,000 (0.9%) favorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$80,774,000 compared to a year-to-date budgetary figure of \$81,060,000, producing a favorable variance of \$287,000 (0.4%). This favorable variance is primarily due to bus operations savings in workers' compensation.

Outside Services and Purchased Transportation. Total outside services for the ten months of the fiscal year totaled \$55,837,000 compared to a budget of \$56,577,000, resulting in a year-to-date favorable variance of \$740,000 (1.3%). This favorable variance is primarily due to savings within MTS fixed-route operations. The budgeted savings are in the variable mileage, performance bonuses, and miles-per-hour differential categories.

Materials and Supplies. Total year-to-date materials and supplies expenses totaled \$5,990,000 compared to a budgetary figure of \$6,181,000 resulting in a favorable expense variance of \$192,000 (3.1%). This savings is a timing difference within our Light Rail Vehicle Department as they are expected to spend this budget by fiscal year end.


Energy – Year-to-Date April 2007. Total year-to-date energy costs were \$21,362,000 compared to the budget of \$21,558,000, resulting in a year-to-date favorable variance of \$196,000 (0.9%). Year-to-date compressed natural gas (CNG) prices averaged \$1.19 per therm compared to the midyear-adjusted budgetary rate of \$1.22 per therm, which produced a favorable variance of \$189,000. Year-to-date diesel prices averaged \$2.35 per gallon compared to the midyear-adjusted budgetary rate of \$2.27 per gallon, which produced an unfavorable variance of (\$33,000). Combined traction power, facility electricity, and other utilities contributed a favorable variance of \$40,000.

Risk Management. Year-to-date expenses for risk management were \$181,000 (3.9%) under budget totaling \$4,432,000 compared to the year-to-date budgetary figure of \$4,613,000. This is primarily due to claims savings and recoveries within bus and rail operations partially offset by higher liability legal expenses.

General and Administrative. Year-to-date general and administrative costs, including vehicle and facilities leases, were \$152,000 (16.3%) under budget totaling \$775,000 through April 2007 compared to a year-to-date budget of \$926,000.

YEAR-TO-DATE SUMMARY

The April 2007 year-to-date net-operating subsidy totaled a favorable variance of \$1,413,000 (1.2%) and was produced by many factors. Favorable variances in operating expense management partially offset by lower-than-expected fare revenues.



Paul C. Jablonski
Chief Executive Officer

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

JUNE14-07.47.OPS BUDGET APRIL 07.LMARINESI.doc

Attachment: A. Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**Att. A, AI 47,
6/14/07**

**MTS
CONSOLIDATED**

COMPARISON TO BUDGET - FISCAL YEAR 2007

APRIL 30, 2007

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 59,344	\$ 59,919	\$ (575)	-1.0%
Other Revenue	3,562	3,330	231	6.9%
Total Operating Revenue	\$ 62,906	\$ 63,249	\$ (344)	-0.5%
Subsidy	\$ 105,162	\$ 105,308	\$ (146)	-0.1%
Other Non Operating Income	14,122	14,122	-	0.0%
Total Non Operating Revenue	\$ 119,284	\$ 119,430	\$ (146)	-0.1%
Total Revenue	\$ 182,190	\$ 182,680	\$ (490)	-0.3%
Wages	\$ 51,124	\$ 50,466	\$ (657)	-1.3%
Fringes	29,650	30,594	944	3.1%
Services	13,106	13,162	56	0.4%
Purchased Transportation	42,731	43,415	684	1.6%
Materials	5,990	6,181	192	3.1%
Energy	21,362	21,558	196	0.9%
Risk Management	4,432	4,613	181	3.9%
General and Administrative	775	926	151	16.3%
Debt Service	27,434	27,419	(15)	-0.1%
Vehicle/Facility Lease	256	281	25	8.9%
Total Costs	\$ 196,859	\$ 198,616	\$ 1,757	0.9%
Overhead Allocation	13	13	-	0.0%
Total Revenue Less Total Costs	\$ (14,682)	\$ (15,950)	\$ 1,267	-7.9%
Net Operating Subsidy	\$ (119,845)	\$ (121,258)	\$ 1,413	1.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONSOLIDATED OPERATIONS

COMPARISON TO BUDGET - FISCAL YEAR 2007

APRIL 30, 2007

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 59,344	\$ 59,919	\$ (575)	-1.0%
Other Revenue	1,522	1,408	114	8.1%
Total Operating Revenue	\$ 60,867	\$ 61,327	\$ (461)	-0.8%
Subsidy	\$ 97,824	\$ 97,970	\$ (146)	-0.1%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 97,824	\$ 97,970	\$ (146)	-0.1%
Total Revenue	\$ 158,691	\$ 159,297	\$ (607)	-0.4%
Wages	\$ 45,113	\$ 44,761	\$ (352)	-0.8%
Fringes	27,291	28,054	763	2.7%
Services	11,047	11,060	13	0.1%
Purchased Transportation	42,731	43,415	684	1.6%
Materials	5,989	6,156	167	2.7%
Energy	21,149	21,357	208	1.0%
Risk Management	3,966	4,081	115	2.8%
General and Administrative	286	441	156	35.3%
Debt Service	2,922	2,907	(15)	-0.5%
Vehicle/Facility Lease	256	281	25	8.9%
Total Costs	\$ 160,750	\$ 162,514	\$ 1,764	1.1%
Overhead Allocation	6,110	6,110	-	0.0%
Total Revenue Less Total Costs	\$ (8,169)	\$ (9,326)	\$ 1,157	-
Net Operating Subsidy	\$ (105,993)	\$ (107,296)	\$ 1,303	1.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

INTERNAL BUS OPERATIONS (SAN DIEGO TRANSIT CORPORATION)

COMPARISON TO BUDGET - FISCAL YEAR 2007

APRIL 30, 2007

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 18,253	\$ 18,416	\$ (163)	-0.9%
Other Revenue	899	821	78	9.5%
Total Operating Revenue	\$ 19,152	\$ 19,237	\$ (85)	-0.4%
Subsidy	\$ 38,495	\$ 38,495	\$ -	0.0%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 38,495	\$ 38,495	\$ -	0.0%
Total Revenue	\$ 57,647	\$ 57,732	\$ (85)	-0.1%
Wages	\$ 25,684	\$ 25,521	\$ (163)	-0.6%
Fringes	19,826	20,424	597	2.9%
Services	1,653	1,673	20	1.2%
Purchased Transportation	45	-	(45)	100.0%
Materials	3,581	3,625	44	1.2%
Energy	6,461	6,523	61	0.9%
Risk Management	1,717	1,805	88	4.9%
General and Administrative	122	120	(1)	-0.9%
Debt Service	2,922	2,907	(15)	-0.5%
Vehicle/Facility Lease	59	60	0	0.6%
Total Costs	\$ 62,070	\$ 62,658	\$ 588	0.9%
Overhead Allocation	2,910	2,910	-	0.0%
Total Revenue Less Total Costs	\$ (7,333)	\$ (7,835)	\$ 502	-
Net Operating Subsidy	\$ (45,828)	\$ (46,330)	\$ 502	1.1%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RAIL OPERATIONS (SAN DIEGO TROLLEY, INC.)

COMPARISON TO BUDGET - FISCAL YEAR 2007

APRIL 30, 2007

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 22,518	\$ 23,054	\$ (536)	-2.3%
Other Revenue	552	516	36	7.1%
Total Operating Revenue	\$ 23,070	\$ 23,569	\$ (500)	-2.1%
Subsidy	\$ 14,501	\$ 14,501	\$ -	0.0%
Other Non Operating Income	(0)	(0)	-	0.0%
Total Non Operating Revenue	\$ 14,501	\$ 14,501	\$ -	0.0%
Total Revenue	\$ 37,571	\$ 38,070	\$ (500)	-1.3%
Wages	\$ 17,392	\$ 17,344	\$ (49)	-0.3%
Fringes	7,086	7,258	172	2.4%
Services	6,924	6,889	(35)	-0.5%
Purchased Transportation	-	-	-	-
Materials	2,293	2,431	138	5.7%
Energy	7,650	7,646	(5)	-0.1%
Risk Management	2,010	2,082	72	3.4%
General and Administrative	136	165	29	17.4%
Debt Service	-	-	-	-
Vehicle/Facility Lease	71	75	4	5.5%
Total Costs	\$ 43,563	\$ 43,888	\$ 326	0.7%
Overhead Allocation	2,378	2,378	-	0.0%
Total Revenue Less Total Costs	\$ (8,370)	\$ (8,196)	\$ (174)	-
Net Operating Subsidy	\$ (22,871)	\$ (22,697)	\$ (174)	-0.8%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACT SERVICES

FIXED ROUTE

COMPARISON TO BUDGET - FISCAL YEAR 2007

APRIL 30, 2007

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 14,114	\$ 13,995	\$ 120	0.9%
Other Revenue	63	63	-	0.0%
Total Operating Revenue	\$ 14,178	\$ 14,058	\$ 120	0.9%
Subsidy	\$ 30,557	\$ 30,557	\$ -	0.0%
Other Non Operating Income	0	-	-	100.0%
Total Non Operating Revenue	\$ 30,557	\$ 30,557	\$ -	0.0%
Total Revenue	\$ 44,735	\$ 44,615	\$ 120	0.3%
Wages	\$ 324	\$ 300	\$ (24)	-7.9%
Fringes	-	-	-	-
Services	1,670	1,578	(92)	-5.8%
Purchased Transportation	30,640	31,257	617	2.0%
Materials	27	-	(27)	100.0%
Energy	4,920	4,950	30	0.6%
Risk Management	-	-	-	-
General and Administrative	3	8	5	58.2%
Debt Service	-	-	-	-
Vehicle/Facility Lease	126	140	14	10.3%
Total Costs	\$ 37,710	\$ 38,233	\$ 524	1.4%
Overhead Allocation	594	594	-	0.0%
Total Revenue Less Total Costs	\$ 6,432	\$ 5,788	\$ 643	11.1%
Net Operating Subsidy	\$ (24,125)	\$ (24,769)	\$ 643	2.6%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACT SERVICES

PARA TRANSIT

COMPARISON TO BUDGET - FISCAL YEAR 2007

APRIL 30, 2007

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 1,402	\$ 1,435	\$ (33)	-2.3%
Other Revenue	8	8	-	0.0%
Total Operating Revenue	\$ 1,409	\$ 1,442	\$ (33)	-2.3%
Subsidy	\$ 8,056	\$ 8,056	\$ -	0.0%
Other Non Operating Income	0	-	-	100.0%
Total Non Operating Revenue	\$ 8,056	\$ 8,056	\$ -	0.0%
Total Revenue	\$ 9,466	\$ 9,499	\$ (33)	-0.3%
Wages	\$ 185	\$ 184	\$ (0)	-0.2%
Fringes	-	-	-	-
Services	158	173	14	8.3%
Purchased Transportation	7,973	7,986	13	0.2%
Materials	-	-	-	-
Energy	1,217	1,236	19	1.5%
Risk Management	-	-	-	-
General and Administrative	1	2	1	59.1%
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	6	6	-
Total Costs	\$ 9,534	\$ 9,587	\$ 53	0.6%
Overhead Allocation	26	26	-	0.0%
Total Revenue Less Total Costs	\$ (95)	\$ (115)	\$ 20	-
Net Operating Subsidy	\$ (8,151)	\$ (8,171)	\$ 20	0.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CHULA VISTA TRANSIT - CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2007
APRIL 30, 2007
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 2,184	\$ 2,129	\$ 55	2.6%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 2,184	\$ 2,129	\$ 55	2.6%
Subsidy	\$ 4,601	\$ 4,601	\$ -	0.0%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 4,601	\$ 4,601	\$ -	0.0%
Total Revenue	\$ 6,784	\$ 6,729	\$ 55	0.8%
Wages	\$ 483	\$ 559	\$ 76	13.6%
Fringes	-	-	-	-
Services	238	221	(17)	-7.6%
Purchased Transportation	3,956	4,055	99	2.4%
Materials	1	6	5	80.3%
Energy	645	724	79	10.9%
Risk Management	-	-	-	-
General and Administrative	15	29	14	47.1%
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 5,338	\$ 5,594	\$ 255	4.6%
Overhead Allocation	127	127	-	0.0%
Total Revenue Less Total Costs	\$ 1,319	\$ 1,008	\$ 310	-
Net Operating Subsidy	\$ (3,282)	\$ (3,592)	\$ 310	8.6%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
NATIONAL CITY TRANSIT
COMPARISON TO BUDGET - FISCAL YEAR 2007
APRIL 30, 2007
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ 874	\$ 892	\$ (17)	-1.9%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 874	\$ 892	\$ (17)	-1.9%
Subsidy	\$ 1,131	\$ 1,277	\$ (146)	-11.4%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 1,131	\$ 1,277	\$ (146)	-11.4%
Total Revenue	\$ 2,005	\$ 2,169	\$ (163)	-7.5%
Wages	\$ 1,045	\$ 853	\$ (193)	-22.6%
Fringes	191	184	(6)	-3.3%
Services	249	371	122	33.0%
Purchased Transportation	-	-	-	-
Materials	87	94	7	7.9%
Energy	255	279	23	8.3%
Risk Management	239	195	(45)	-22.9%
General and Administrative	8	117	109	92.8%
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 2,074	\$ 2,093	\$ 19	0.9%
Overhead Allocation	76	76	-	0.0%
Total Revenue Less Total Costs	\$ (145)	\$ (0)	\$ (145)	-
Net Operating Subsidy	\$ (1,276)	\$ (1,277)	\$ 1	0.1%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
CORONADO FERRY
COMPARISON TO BUDGET - FISCAL YEAR 2007
APRIL 30, 2007
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Subsidy	\$ 139	\$ 139	\$ -	0.0%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 139	\$ 139	\$ -	0.0%
Total Revenue	\$ 139	\$ 139	\$ -	0.0%
Wages	\$ -	\$ -	\$ -	-
Fringes	-	-	-	-
Services	(0)	(0)	-	0.0%
Purchased Transportation	116	116	-	0.0%
Materials	-	-	-	-
Energy	-	-	-	-
Risk Management	-	-	-	-
General and Administrative	-	-	-	-
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 116	\$ 116	\$ -	0.0%
Overhead Allocation	-	-	-	-
Total Revenue Less Total Costs	\$ 23	\$ 23	\$ -	0.0%
Net Operating Subsidy	\$ (116)	\$ (116)	\$ -	0.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATION PASS THRU
COMPARISON TO BUDGET - FISCAL YEAR 2007
APRIL 30, 2007
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Subsidy	\$ 344	\$ 344	\$ -	0.0%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 344	\$ 344	\$ -	0.0%
Total Revenue	\$ 344	\$ 344	\$ -	0.0%
Wages	\$ -	\$ -	\$ -	-
Fringes	189	189	-	0.0%
Services	156	156	-	0.0%
Purchased Transportation	-	-	-	-
Materials	-	-	-	-
Energy	-	-	-	-
Risk Management	-	-	-	-
General and Administrative	-	-	-	-
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 344	\$ 344	\$ -	0.0%
Overhead Allocation	-	-	-	-
Total Revenue Less Total Costs	\$ -	\$ -	\$ -	-
Net Operating Subsidy	\$ (344)	\$ (344)	\$ -	0.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ADMINISTRATION CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2007

APRIL 30, 2007

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	1,312	1,182	129	10.9%
Total Operating Revenue	\$ 1,312	\$ 1,182	\$ 129	10.9%
Subsidy	\$ 6,323	\$ 6,323	\$ -	0.0%
Other Non Operating Income	-	-	-	-
Total Non Operating Revenue	\$ 6,323	\$ 6,323	\$ -	0.0%
Total Revenue	\$ 7,634	\$ 7,505	\$ 129	1.7%
Wages	\$ 5,613	\$ 5,331	\$ (282)	-5.3%
Fringes	2,353	2,504	151	6.0%
Services	1,907	1,985	78	3.9%
Purchased Transportation	-	-	-	-
Materials	0	3	3	93.7%
Energy	205	192	(14)	-7.0%
Risk Management	404	468	63	13.5%
General and Administrative	397	431	34	8.0%
Debt Service	-	-	-	-
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 10,880	\$ 10,913	\$ 34	0.3%
Overhead Allocation	(6,119)	(6,119)	-	0.0%
Total Revenue Less Total Costs	\$ 2,874	\$ 2,711	\$ 163	-6.0%
Net Operating Subsidy	\$ (3,449)	\$ (3,612)	\$ 163	4.5%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OTHER ACTIVITIES CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2007

APRIL 30, 2007

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Fare Revenue	\$ -	\$ -	\$ -	-
Other Revenue	728	740	(12)	-1.7%
Total Operating Revenue	\$ 728	\$ 740	\$ (12)	-1.7%
Subsidy	\$ 1,016	\$ 1,016	\$ -	0.0%
Other Non Operating Income	14,122	14,122	-	0.0%
Total Non Operating Revenue	\$ 15,137	\$ 15,137	\$ -	0.0%
Total Revenue	\$ 15,865	\$ 15,877	\$ (12)	-0.1%
Wages	\$ 398	\$ 375	\$ (23)	-6.2%
Fringes	5	36	30	85.1%
Services	153	117	(35)	-30.2%
Purchased Transportation	-	-	-	-
Materials	0	22	22	99.7%
Energy	8	9	1	14.5%
Risk Management	62	65	3	3.9%
General and Administrative	92	53	(39)	-72.7%
Debt Service	24,512	24,512	-	0.0%
Vehicle/Facility Lease	-	-	-	-
Total Costs	\$ 25,229	\$ 25,188	\$ (41)	-0.2%
Overhead Allocation	23	23	-	0.0%
Total Revenue Less Total Costs	\$ (9,387)	\$ (9,334)	\$ (53)	-0.6%
Net Operating Subsidy	\$ (10,403)	\$ (10,350)	\$ (53)	-0.5%

Metropolitan Transit System FY 2007 - April 2007 Financial Review

MTS Board of Directors Meeting
June 14, 2007



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

COMBINED NET OPERATING SUBSIDY VARIANCE

APRIL YEAR TO DATE HIGHLIGHTS

(in 000's)

	YEAR TO DATE
Operations	1,303
General Fund	110
Total Combined Net Operating Subsidy Variance	1,413
Board Approved Mid Year Adjustment	2,194
Combined Favorable Variance	3,607



**COMBINED MTS TRANSIT OPERATORS
COMPARISON TO BUDGET - FY 2007
YEAR TO DATE, APRIL 30, 2007
(in \$000's)**

	YEAR TO DATE			
	ACTUAL	AMENDED BUDGET	VARIANCE	% VAR
Fare Revenue	\$59,344	\$59,919	(\$575)	-1.0%
Other Revenue	1,522	1,408	114	8.1%
Total Operating Revenue	60,867	61,327	(461)	-0.8%
Wages/Fringes	72,405	72,815	410	0.6%
Purchased Transportation	42,731	43,415	684	1.6%
Energy	21,149	21,357	208	1.0%
Other Expenses	24,466	24,927	461	1.9%
Total Costs	160,750	162,514	1,764	1.1%
Net Operating Subsidy	(\$105,993)	(\$107,296)	\$1,303	1.2%



Metropolitan Transit System FY 2007 - April 2007 Financial Review

MTS Board of Directors Meeting
June 14, 2007





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)

June 14, 2007

In accordance with Board Policy No. 52, Procurement of Goods and Services, attached are listings of contracts, purchase orders, and work orders that have been approved within the CEO's authority (up to and including \$100,000) for the period May 15, 2007, through June 4, 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

June 14, 2007

Contracts

Organization	Subject	Amount
HARSCO TRACK TECHNOLOGIES	PROVIDE ONE COMPUTER BOARD	\$3,077.54
ZIGMAN SHIELDS	RIGHT OF ENTRY PERMIT	\$1,900.00
KNORR BRAKE CORPORATION	PROVIDE BRAKE OVERHAUL	\$76,000.00
ROBERT MORRIS	ECO PASS	\$45,409.20
VEOLIA TRANSPORTATION	FEDERAL REQUIREMENTS ADD TO CONTRACT	\$0.00
DAN CORNTHWAITE	ECO PASS	\$57,648.00
DANYSE BAGLEY	ECO PASS	\$31,212.00
CENTRE CITY DEVELOPMENT CORP.	PERMIT FOR CONSTRUCTION OF PARK BLVD.	\$0.00
SIEMENS TRANSPORTATION	PROVIDE THREE U2 PANTOGRAPHS	\$58,846.05
PC MALL	25 COMPUTER MONITORS	\$14,759.90
TMD	ON-CALL GENERAL TRANSPORTATION SERVICES	\$35,000.00
LAW OFFICES OF ROD COPPEDGE	LEGAL SERVICES- WORKERS' COMPENSATION	\$25,000.00
WONDERHAUS	TEMPORARY LEASE OF AA STORAGE	\$18,000.00
CAPITAL CLEANING CONTRACTORS	JANITORIAL SERVICES FOR MTS TAXICAB	\$16,735.00
PENN MACHINE COMPANY	PROVIDE ONE ACCU-SONIC TREAD MEASURE	\$15,079.61
APPLIED INDUSTRIAL TECHNOLOGIES	CHART DATA RECORDER KIT	\$18,692.40
AZTEC FIRE AND SAFETY	REPAIRS TO AUTOMATIC FIRE SYSTEM	\$4,940.00
BRENCO OPERATING INC.	PURCHASE UP TO 600 SPARK PLUG BOOTS	\$35,525.18
LAW OFFICES OF DAVID SKYER	LEGAL SERVICES - GENERAL LIABILITY	\$45,000.00

Agenda Item No. 61
Chief Executive Officer's Report

June 14, 2007

Purchase Orders

Organization	Subject	AMOUNT
REID AND CLARK	NO-SMOKING SIGN	\$8,663.10
SAN DIEGO THIS WEEK	FULL-PAGE ADS	\$6,801.38
REID AND CLARK	ROUTE DECALS	\$5,539.97
COMPUTER PROTECTION TECH.	UPS SUPPORT MAINTENANCE	\$7,900.00
SEDONA STAFFING SERVICE	TEMP HELP FOR PURCHASING CLERK	\$12,500.00
PACIFIC SERVICES	TERMINATE FIBER OPTIC CABLE	\$800.00
SYNERGY ELETRIC CO	RECEPTACLE INSTALLATION AT KMD	\$400.00

Agenda Item No. 61
Chief Executive Officer's Report

June 14, 2007

Work Orders

Organization	Subject	Amount
BERRYMAN & HENIGAR	WORK ORDER FOR SD&AE PERMITS	\$20,000.00