



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

## Agenda

### JOINT MEETING OF THE BOARD OF DIRECTORS

for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

July 17, 2008

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

**ACTION  
RECOMMENDED**

1. Roll Call
2. Approval of Minutes - June 26, 2008
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.

Approve

Please turn off 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.

## CONSENT ITEMS

- |     |   |         |
|-----|---|---------|
| 6.  | <u>MTS: Transit Security Grant Program</u><br>Action would approve Resolution No. 08-13 authorizing the CEO to submit applications for funds provided by the federal Department of Homeland Security and administered through the State of California Office of Homeland Security (OHS). Budget Impact - None. Grant approvals for federal 2007 Transit Security Grant Program funding were announced last year. This action would allow MTS to request the funds that were already granted.  | Approve |
| 7.  | <u>MTS: Investment Report - April 2008</u><br>Action would receive a report for information. Budget Impact - None.  | Receive |
| 8.  | <u>MTS: Investment Report - May 2008</u><br>Action would receive a report for information. Budget Impact - None.  | Receive |
| 9.  | <u>MTS: Light Rail Vehicle Vandalism and Accident Repair Services - Contract Amendment</u><br>Action would authorize the CEO to exercise the second and final option year of the contract with Carlos Guzman, Inc. (SDTI Doc. No. C.O.011.2-05 – Attachment A) for light rail vehicle (LRV) accident and vandalism repair services. Budget Impact - The total not-to-exceed cost of \$458,280.00 for these services would come from the FY 09 San Diego Trolley, Inc. (SDTI) operating budget line item 35653610 (LRV Vandalism and Revenue Vehicle Repairs). | Approve |
| 10. | <u>MTS: Drug and Alcohol Policy for San Diego Trolley, Inc.</u><br>Action would adopt Resolution No. 08-14, which would implement San Diego Trolley, Inc.'s (SDTI's) updated drug and alcohol policy in order to comply with current Federal Transit Administration (FTA) regulations. Budget Impact - None.  | Approve |
| 11. | <u>MTS: Increased Authorization for Legal Services</u><br>Action would authorize the CEO to enter into a contract amendment (MTS Doc. No. G1095.1-07) with the Law Office of Paul, Plevin, Sullivan & Connaughton, LLP for legal services. Budget Impact - Not to exceed \$250,000 for Law Offices of Paul, Plevin, Sullivan & Connaughton, LLP. Recommended amounts are contained within the FY 2009 budget.   | Approve |
| 12. | <u>MTS: Light Rail Vehicle Rehabilitation Services – Contract Amendment</u><br>Action would authorize the CEO to exercise the second and final contract extension option with Carlos Guzman, Inc. (MTS Doc. No. L0744.2-06) to continue to provide light rail vehicle (LRV) paint and body rehabilitation services. Budget Impact - The total cost of \$507,000 would come from the FY 2009 Capital Improvement Program (CIP) LRV Body Rehabilitation Services line item (WBS No. 11165-0800).  | Approve |

## CLOSED SESSION

24. a. **MTS: CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS** Pursuant to California Government Code Section 54957.6  
Agency-Designated Representative: Jeff Stumbo  
Unrepresented Employee (Chief Executive Officer) Possible Action
- b. **MTS: CLOSED SESSION – CONFERENCE WITH PROPERTY NEGOTIATORS** Pursuant to California Government Code Section 54956.8  
Property: 1341 Commercial Street and 1501 National Avenue  
San Diego, California Possible Action  
Agency Negotiators: Paul Jablonski, Tiffany Lorenzen, Tim Allison  
Negotiating Parties: Merlone Geier Partners  
Under Negotiation: Price and Terms of Payment

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

## NOTICED PUBLIC HEARINGS

25. None.

## DISCUSSION ITEMS

30. **SDTC: Pension Obligation Bonds Follow-up** Possible Action  
Action would approve the following action items: (1) Replace UBS with the firm of E.J. De La Rosa and Company as the remarketing agent for the pension obligation bond (POB) transaction. (2) Adopt a swap policy governing how such instruments are used. (3) Continue the effort to convert the existing liquidity facility to a Letter of Credit and issue refunding bonds to extinguish the MBIA, Inc. insurance. (4) Consider purchasing our own bonds until our bonds can be remarketed at appropriate market rates.
31. **MTS: Banking Services** Possible Action  
Action would authorize the CEO to award a contract (MTS Doc. No. G1147.0-08) to Bank of America for banking services.
32. **MTS: An Ordinance Amending Ordinance No. 4, An Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule** Possible Action  
Action would adopt the ordinance entitled "An Ordinance Amending Ordinance No. 4, an Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule" and direct publication of an ordinance summary. This action is necessary to make the MTS ordinance consistent with the SANDAG Comprehensive Fare Ordinance. This item is being placed before the Board for its final reading.

## DISCUSSION ITEMS - CONTINUED -

33. MTS: Taxicab Maximum Allowable City Rates of Fare - Enactment of a Per-Fare \$1.00 Surcharge and Modification of MTS Policies and Procedures No. 34 Approve  
Action would authorize: (1) enactment of a temporary per-trip fuel surcharge of \$1.00 for all taxicabs regulated by MTS Taxicab Administration; and (2) modification of MTS Policies and Procedures No. 34 (For-Hire Vehicle Services) Section 34.5.1 to allow airport rates of fare to be calculated on an annual basis.
34. MTS: CBS Outdoor Advertising - Contract Renewal Approve  
Action would authorize the CEO to execute: (1) a Memorandum of Understanding (MOU) (MTS Doc. No. G1124.0-08) between MTS and the City of San Diego allowing MTS to generate revenue from advertising sales on bus shelters and on bus benches placed within the City of San Diego's right-of-way; and (2) a five-year contract extension (MTS Doc. No. T0068.8-91) with CBS Outdoor to maintain all existing bus shelters, relocate bus shelters as directed by MTS, install new bus shelters as directed by MTS, and provide MTS with advertising revenue from bus shelters of at least \$4 million over the five-year contract period.

## REPORT ITEMS

45. MTS: Year-to-Date Operations Budget Status Report through May 2008 Receive  
Action would receive the MTS Year-to-Date Operations Budget Status Report through May 2008.
60. Chairman's Report Information
61. Audit Oversight Committee Chairman's Report Information
62. Chief Executive Officer's Report Information
63. Board Member Communications
64. Additional Public Comments Not on the Agenda  
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.
65. Next Meeting Date: August 21, 2008
66. Adjournment

# DRAFT

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

June 26, 2008

MTS  
1255 Imperial Avenue, Suite 1000, San Diego

### MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:05 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Clabby moved to approve the minutes of the June 12, 2008, MTS Board of Directors meeting. Mr. Ewin seconded the motion, and the vote was 8 to 0 in favor.

3. Public Comment

There were no Public Comments.

### CONSENT ITEM:

6. MTS: Transportation Development Act (TDA) Claim (FIN 310)

Recommend that the Board of Directors adopt Resolutions 08-9, 08-10, and 08-11 (Attachments A – C of the agenda item) approving the FY 2009 Transportation Development Act claim.

7. MTS: Proposed 2008/2009 Internal Audit Plan (LEG 492)

Recommend that the Board of Directors approve the Proposed 2008/2009 Internal Audit Plan (Attachment A of the agenda item).

### Action on Recommended Consent Items

Mr. Ewin moved to approve Consent Agenda Items No. 6 and 7. Ms. Atkins seconded the motion, and the vote was 8 to 0 in favor.

### CLOSED SESSION:

24. Closed Session Items (ADM 122)

The Board convened to Closed Session at 9:06 a.m.

- a. MTS: CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a): OPM, Inc. v. MTDB, et. al., San Diego

Supreme Court Case No. GIS 008067-1).

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

The Board reconvened to Open Session at 9:57 a.m.

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

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

- a. The Board received a report and gave direction to MTS General Counsel.
- b. The Board received a report and gave direction to MTS staff and General Counsel.

**DISCUSSION ITEMS:**

- 30. **SDTC: An Ordinance Amending Ordinance No. 4, An Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule** (ADM 110.3)

Ms. Lorenzen read the title of the ordinance “to Codify an Ordinance Amending Ordinance No. 4, An Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule.” Ms. Sharon Cooney, Director of Government Affairs and Community Relations, recapped the proposed fare changes.

Mr. Monroe reminded the Board that SANDAG staff presented a recommendation on the proposed fare increase to the SANDAG Board of Directors that was in conflict with what the MTS Board and staff felt should be proposed. He stated that he felt that if MTS is responsible for running the service and for the revenue, then it should be able to set the fares unless the route is deemed regionally significant. He suggested that if the legislation that guides how the three agencies (SANDAG, MTS, and North County Transit) interact is rewritten, this issue should be addressed and changes made to allow MTS to set its own fares.

**Action Taken**

Mr. Rindone moved to (1) read the title of Ordinance No. 4, an Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule. Mr. McLean seconded the motion, and the vote was 12 to 0.

Mr. Emery moved to waive further readings of the ordinance and introduce the ordinance for further consideration at the next Board meeting on July 17, 2008. Mr. Rindone seconded the motion, and the vote was 12 to 0.

Mr. Rindone moved to direct publication of an ordinance summary. Mr. Emery seconded the motion, and the vote was 12 to 0.

- 31. **SDTC: Establishment of an Account in the San Diego County Investment Pool** (FIN 340)

Ms. Linda Musengo, MTS Finance Manager, advised the Board that action to approve this item would result in the establishment of an MTS investment account in the San Diego County

Investment Pool as suggested by Mr. Greg Cox at a previous Board meeting. She stated that this fund provides safety, returns, liquidity, and functionality comparable to that of the Local Agency Investment Fund (LAIF) in which MTS is already invested. In response to a question from Mr. Emery, she reported that MTS would hold 50 percent of its funds in the LAIF and the other 50 percent in the County Investment Pool. She stated that participating in the County fund gives MTS the additional security of diversification and also increases local investment. She reported that half of the funds from the LAIF would be liquidated and moved into the County fund and added that the County fund has had a AAA rating for seven years. In response to a question from Mr. Emery, MTS Chief Financial Officer Cliff Telfer stated that there are no limitations on how this transaction would be structured.

Action Taken

Mr. Emery moved to approve Resolution No. 08-12 (Attachment A of the agenda item) to establish an investment account in the name of San Diego Metropolitan Transit System within the San Diego County Investment Pool administered by the County Treasurer. Mr. McLean seconded the motion, and the vote was 12 to 0.

REPORT ITEMS:

46. MTS: Participation in the Google Transit Trip Planner (SRTP 890)  
*(Taken Out of Order)*

Mr. Devin Braun, Sr. Transportation Planner, reported that MTS became part of the Google Transit Program in May 2007 and was 1 of 12 agencies participating around the world. He reported that there are now more than 50 agencies that have joined. He showed the Board how to use the program to develop a trip plan and pointed out the type of information that is provided. He reported that Google also recently released a version of Google Maps for mobile phones with a built-in transit-directions feature. He stated that MTS provides the supporting data for the Google Transit Program.

Mr. Roberts felt that 511 Traveler Information was an unnecessary program and expense when someone can simply use Google Transit. Mr. Braun explained that 511 is a phone-based program and that Google doesn't offer a phone-based program. He stated that Google requires that its service be supplementary to an agency's own program as they are not willing to guarantee that its program will be available in the future. Mr. Roberts felt that quality of the Google Transit program was better than the 511 program.

Mr. Monroe stated that 511 has traffic information and asked if Google Transit does. In response to a question from Mr. Monroe, Mr. Braun explained that Google Transit will display information for each of MTS's 4,300 bus stops, but that MTS guarantees time points only. In response to a question from Mr. Rindone about next-bus information, Mr. Jablonski stated that a demonstration project for providing next-bus information at bus stops will be done on Broadway in the near future. Mr. Rindone requested that Board members be kept informed as this project develops. Mr. Jablonski stated the Central Train Control project will put this same information at trolley stations within 12 months. He added that next-bus technology is cell-phone based, and monthly use charges are quite expensive so this system will be quite costly to implement system-wide. Mr. McClellan suggested that signs be put up at bus stops, especially the busier stops, advertising that transit information can be accessed through Google using a cell phone.

Public Comment

*Clive Richard:* Mr. Richard stated that he was very excited about the Google Transit Program. He stated that these types of partnerships benefit the public.

Action Taken

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

45. MTS: Marketing Activity Overview (MKPC 605)

Mr. Rob Schupp, MTS Director of Marketing and Communications, discussed the importance of marketing in order to grow ridership, which has an attrition rate of about 30 percent. He reviewed MTS's marketing goals, the members of the marketing team, and the budget for marketing activities. In response to a question from Mr. Ewin, Mr. Telfer stated that offsetting revenues are not recorded in the marketing budget but in the Miscellaneous Revenue line item of the overall budget for MTS. Mr. Ewin requested a break-out of these items. Mr. Schupp reported that an overview of MTS's bus-wrap program will be provided at a future meeting. Mr. Monroe stated that the salary expense for marketing staff should be included in the marketing budget table. Mr. Schupp reported that salaries for marketing staff are \$614,000.

Mr. Schupp discussed recent promotions that have taken place and partnerships in which MTS participates to promote transit as well as media events in which MTS has participated. He reported that the goal of the Transit Tuesday program was to sell 100 to 150 tickets per Padres game and that MTS sold 180 last week. He also reviewed marketing efforts involving community events, visitors, and students. He then discussed how information is provided to customers and provided an overview of plans for the coming fiscal year. He stated that a Compass Card pilot program will be launched with employees very soon.

Mr. Schupp confirmed for Mr. Emery that MTS has a marketing program that targets hotels and concierges. Mr. Emery stated that most concierges he has used in other cities have little knowledge of public transit options and emphasized the importance of using this resource. Mr. Monroe reported on a recent meeting of the Optimists Club in Coronado during which Mr. Schupp presented information on transit and a hybrid bus was made available. He suggested that Board members who belong to clubs take advantage of this opportunity.

In response to a question from Mr. Monroe, MTS CEO Mr. Paul Jablonski reported that the recent awards that were presented by SANDAG to employers were for van pool programs, and MTS was not a part of that effort. It was suggested that this program be expanded to include transit. Mr. Jablonski suggested that MTS pursue its own program. In response to a question from Mr. Rindone, Mr. Schupp reported that a lot of marketing is done at all of San Diego's community colleges and universities. Mr. Rindone stated that when you get students to ride, you often end up with lifelong riders. He requested that staff bring a report back to the Board specifically on how staff is promoting the use of youth passes so the Board can evaluate how MTS is doing. In response to a question from Mr. Clabby, Mr. Schupp reported that APTA Annual Meeting participants will be provided with a welcome bag that will include transit information, and that MTS will be providing service between the airport and the conference hotels. Mr. Jablonski added that there may be welcome desks at both airport terminals as well as the Sante Fe Depot that will provide transit information to incoming delegates.



Action Taken

Mr. Clabby moved to receive a report on MTS marketing activities. Ms. Atkins seconded the motion, and the vote was 10 to 0 in favor.

47. MTS: 2008 Rock 'N' Roll Marathon Recap (OPS 960.2)

Mr. Jim Byrne, SDTC Director of Transportation, provided the Board with an overview of the Rock 'N' Roll Marathon course map, the bus routes that were affected by the race this year, and the bus services provided for the race. He also provided information on the number of passengers carried for this event. Mr. Tom Doogan, SDTI Special Events Coordinator, reported on the changes that were made to light rail transit service for this year's race, how it impacted existing service, how those impacts were mitigated, and what expenses were billed to the race promoter. He briefly discussed traffic control, security, and the control of passengers. He reported that Amtrak provided staff to control pedestrian traffic in order to enhance safety at Old Town. He added that this is the first year that Amtrak has issued a stop order for this location. Mr. Doogan then discussed the success of ticket sales, and he also detailed cost recovery items. He also reviewed what changes are planned for the race in 2009.

Mr. Doogan explained for Mr. Monroe that cost recovery was not sought for those items that resulted from increased ridership. In response to a question from Mr. Monroe, Mr. Byrne reported that bus service was provided until 4:00 p.m. on race day. Mr. Emery complimented staff on a job well done. He stated that having the cooperation of the race promoter also helped.

Action Taken

Mr. Emery moved to receive a report for information. Mr. Rindone seconded the motion, and the vote was 11 to in favor.

48. MTS: Year-To-Date Operations Budget Status Report Through April 2008 (FIN 310)

Chairman Mathis introduced Mike Thompson, MTS Assistant Budget Manager. Mr. Thompson provided a brief overview of actual expenses compared to budgeted expenses through April 2008 and reported that MTS is under budget by \$4,261,000. Mr. Jablonski stated that \$5 million in nonrecurring revenues was used to balance the FY 2008 budget. He added that it appears that May will also be under budget. He stated that it may be possible that MTS will be able to end the year using very little nonrecurring revenue.

Action Taken

Ms. Atkins moved to receive a year-to-date operations budget status report through April 2008. Mr. Ewin seconded the motion, and the vote was 10 to 0 in favor.

60. Chairman's Report

The Chairman made no report.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin, Chairman of the Audit Oversight Committee (AOC), reported that the AOC minutes from the Committee's last meeting were faxed to all Board members and that the next meeting will be called as needed.

62. Chief Executive Officer's Report

Mr. Jablonski reported that he, Ms. Lorenzen, and Mr. Telfer just returned from a meeting in San Francisco with Moody's and with Standard and Poor's personnel about improving MTS's pension obligation bond rating given that MTS may have to remarket the bonds. He stated that Moody's just gave these bonds an A1 rating. He stated that he, Ms. Lorenzen, and Mr. Telfer discussed efforts MTS has taken to deal with recent budget shortfalls and that both firms were impressed with the success of those efforts. He stated that the goal of the meeting was to get a AA rating for these bonds. He stated that they were told that a AAA rating could not be granted because MTS does not have taxing authority.

In response to a question from Mr. Monroe, Mr Telfer reported that the contract that Mr. Jablonski signed for the Eco Pass was a revenue contract, and that MTS will get reimbursed for the contract for the bus wrap for Balboa Park.

63. Board Member Communications

*Leon Williams Commemoration:* Mr. Rindone stated that he hoped the commemoration for Mr. Williams could be in place by the date of the APTA Annual Meeting and Expo. Mr. Jablonski stated that he was regathering the original group that worked on this project and would bring an agenda item back to the Board with information on how much funding was raised and what type of project could be done with that level of funding.

*Taxicab Fares:* Ms. Atkins asked what MTS's role was in the setting of taxicab fares. Mr. Jablonski stated that this issue is on the Board's July agenda. He stated that MTS administers the Taxicab Committee and that the Committee has recommended an increase in fares as well as a \$1.00 per-trip fuel surcharge. He stated that the MTS Board will be asked to rule on this recommendation in July.

*Dump the Pump Promotion:* Mr. Ewin stated that MTS did a very good job on this program. He stated that he talked to many trolley patrons in La Mesa on the day of this promotion who spoke highly about trolley service and the promotion. He stated that he also heard comments about the inappropriate language being used by young women and the lack of courtesy shown by younger riders on the trolley.

*Big Lemon Birthday:* Mr. Clabby reported that the Big Lemon in Lemon Grove is celebrating its 80<sup>th</sup> birthday on Friday, July 4, and invited Board members to attend.

*Open Sand Castle Competition:* Mr. McLean reported that the Open Sand Castle Competition in Imperial Beach will be held on Sunday, July 13, and invited Board members to attend. He suggested they take the bus or trolley to Imperial Beach.

64. Additional Public Comments on Items Not on the Agenda

*Andra Fairchild:* Ms. Fairchild stated that she was having difficulty with her wheelchair and the tie-down system in buses and requested assistance. Mr. Jablonski asked Mr. Byrne to meet with Ms. Fairchild to try to reach some type of accommodation.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, July 17, 2008.

66. Adjournment

Chairman Mathis adjourned the meeting at 11:35 a.m.

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Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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

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Office of the General Counsel  
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

gail.williams/minutes

**METROPOLITAN TRANSIT DEVELOPMENT BOARD  
ROLL CALL**

MEETING OF (DATE): 6/26/08

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

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

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

CLOSED SESSION: 9:06 a.m.

RECONVENE: 9:57 a.m.

PUBLIC HEARING: \_\_\_\_\_

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

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

ADJOURN: 11:35 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ATKINS	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
CLABBY	<input checked="" type="checkbox"/> (Selby) <input type="checkbox"/>		
EMERY	<input 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"/>
MAIENSCHIN	<input checked="" type="checkbox"/> (Hueso) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MCLEAN	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		
MONROE	<input checked="" type="checkbox"/> (Downey) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (McCann) <input type="checkbox"/>	9:07 a.m. during AI 24	
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:22 a.m. during AI 24	11:13 a.m. during AI 48
RYAN	<input type="checkbox"/> (B. Jones) <input checked="" type="checkbox"/>	9:08 a.m. during AI 24	
YOUNG	<input type="checkbox"/> (Hueso) <input type="checkbox"/>		<input checked="" type="checkbox"/>
ZARATE	<input type="checkbox"/> (Parra) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

*Gail Williams*  
*Duffy*



1255 Imperial Avenue, Suite 1000  
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## Agenda

Item No. 6

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

AG 210.9 (PC 50102)

July 17, 2008

**SUBJECT:**

MTS: TRANSIT SECURITY GRANT PROGRAM

**RECOMMENDATION:**

That the Board of Directors approve Resolution No. 08-13 (Attachment A) authorizing the Chief Executive Officer (CEO) to submit applications for funds provided by the federal Department of Homeland Security and administered through the State of California Office of Homeland Security (OHS).

**Budget Impact**

None. Grant approvals for federal 2007 Transit Security Grant Program funding were announced last year. This action would allow MTS to request the funds that were already granted.

**DISCUSSION:**

Resolution No. 08-13 would authorize filing applications with and requesting reimbursements from OHS and would satisfy requirements of the federal fiscal year 2007 Transit Security Grant Program. MTS's allocation for security training was \$55,071; the funds would be used for training to enhance security at MTS trolley stations and on MTS buses.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Nancy Dall, 619.557.4537, [nancy.dall@sdmts.com](mailto:nancy.dall@sdmts.com)

JULY17-08.6.SECURITY GRANT PROG.NDALL.doc

Attachment: A. Resolution No. 08-13



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

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 08-13

Resolution Approving the Submittal of Applications and Requests for Reimbursements  
for Fiscal Year 2007 Transit Security Grant Program Funding

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

NOW, THEREFORE, BE IT RESOLVED that the Chief Executive Officer is hereby authorized to execute any actions necessary for the purpose of obtaining federal financial assistance for grant 2007-RL-T7-K001 provided by the federal Department of Homeland Security and subgranted through the State of California.

PASSED AND ADOPTED by the Board of Directors this \_\_\_\_ day of \_\_\_\_\_ 2008,  
by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

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Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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

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Office of the General Counsel  
San Diego Metropolitan Transit System



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

Item No. 7

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

FIN 300 (PC 50601)

July 17, 2008

**SUBJECT:**

MTS: INVESTMENT REPORT – APRIL 2008

**RECOMMENDATION:**

Receive a report for information.

Budget Impact

None.

**DISCUSSION:**

The attached schedule (Attachment A) is a report of MTS investments as of April 2008. It is broken into two columns—the first column relates to investments restricted either for capital support or for debt service, and the second column is the unrestricted portion.

As the schedule shows, the overwhelming bulk of investments are restricted primarily for debt service related to the payments on the 1995 lease and leaseback transactions.

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

Paul C. Jablonski  
Chief Executive Officer

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

JULY17-08.7.INVEST RPT 4-08.LMUSENGO.doc

Attachment: A. Investment Report



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

**San Diego Metropolitan Transit System  
Investment Report  
4/30/2008**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Avg. Rate of Return</u>
<u>Cash and Cash Equivalents</u>	\$ 10,828,855	12,627,749	0.45%
<u>Investments - Working Capital</u>	-	78,788,879	3.40%
<u>Cash - Restricted for Capital Support</u>	\$ 5,591,067	-	N/A
<u>Investments - Restricted for Debt Service</u>	118,054,538	-	N/A
<b>Total Cash and Investments</b>	<b>\$ 134,474,460</b>	<b>\$ 91,416,628</b>	

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 the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

FIN 300 (PC 50601)

July 17, 2008

**SUBJECT:**

MTS: INVESTMENT REPORT – MAY 2008

**RECOMMENDATION:**

Receive a report for information.

Budget Impact

None.

**DISCUSSION:**

The attached schedule (Attachment A) is a report of MTS investments as of May, 2008. It is broken into two columns—the first column relates to investments restricted either for capital support or debt service. The second column is the unrestricted portion.

As the schedule shows, the overwhelming bulk of investments are restricted primarily for debt service related to the payments on the 1995 lease and leaseback transactions. The second column (unrestricted assets) provides the working capital for MTS operations employee payroll and vendors' goods and services.

Paul C. Jablonski  
Chief Executive Officer

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

JULY17-08.8.INVEST RPT 5-08.LMUSENGO.doc

Attachment: A. Investment Report



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

**San Diego Metropolitan Transit System  
Investment Report  
5/31/2008**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Avg. Rate of Return</u>
<u>Cash and Cash Equivalents</u>	\$ 10,828,855	15,758,088	0.36%
<u>Investments - Working Capital</u>	-	63,788,890	3.07%
<u>Cash - Restricted for Capital Support</u>	\$ 5,592,596	-	N/A
<u>Investments - Restricted for Debt Service</u>	117,482,713	-	N/A
<b>Total Cash and Investments</b>	<b>\$ 133,904,163</b>	<b>\$ 79,546,978</b>	

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

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



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

## Agenda

Item No. 9

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

OPS 970.6

July 17, 2008

### SUBJECT:

MTS: LIGHT RAIL VEHICLE VANDALISM AND ACCIDENT REPAIR SERVICES -  
CONTRACT AMENDMENT

### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to exercise the second and final option year of the contract with Carlos Guzman, Inc. (SDTI Doc. No. C.O.011.2-05 – Attachment A) for light rail vehicle (LRV) accident and vandalism repair services.

#### Budget Impact

The total not-to-exceed cost of \$458,280.00 for these services would come from the FY 09 San Diego Trolley, Inc. (SDTI) operating budget line item 35653610 (LRV Vandalism and Revenue Vehicle Repairs).

### DISCUSSION:

On August 2004, the MTS Board of Directors approved a three-year base contract (SDTI Doc. No. C.O.011.0-05) with an option for two single-year extensions for a total cost not to exceed \$2.2 million for LRV accident and vandalism repair services. The three-year base period (during which original bid unit prices remained unchanged per contract terms) expired in August 1, 2007. The original contract allowed a negotiated unit price adjustment not to exceed San Diego's Urban Consumer Price Index (CPI) during the prior three-year period for the option years.



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.

SDTI experiences a fair amount of vandalism and minors accidents requiring paint and bodywork during the course of normal operations. To repair such damage, the two most important qualities that SDTI looks for are the quality of the repair work and a timely response. The current contractor, Carlos Guzman, Inc., has exceeded the expectations in both of these critical areas. Staff is very satisfied with the contractor's performance and would like to continue using its services without interruption for one additional year by exercising the second and final contract extension options to the contract.

As required in the original contract, SDTI staff has negotiated the unit prices for the option year two of these services (see Attachment B). The contractor has agreed to keep unit prices the same as those offered in 2004 for the original service contract with the exception of a \$2.00 per hour or 7.14% increase on the preparation of paint materials only, which was stipulated under the original agreement allowing increases not to exceed the CPI. The CPI for 2007 was 2.3%, and currently for 2008 it is 4.9% for a total of 7.2%. The cost of paint and materials has increased by 6% in the last year alone per documents provided by DuPont (the paint manufacture).

Staff believes that these price increases are fair and reasonable and therefore recommends approval of the last option year of this agreement.



---

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contacts: Terry Mulcahy, 619.595.4904, [terry.mulcahy@sdmts.com](mailto:terry.mulcahy@sdmts.com)  
Russ Desai, 619.595.4908, [rdesai@sdti.sdmts.com](mailto:rdesai@sdti.sdmts.com)

JULY17-08.9.LRV REPAIR.RDESAI.doc

Attachment: A. SDTI Doc. No. C.O.011.2-05 w/cost proposal

DRAFT

July 17, 2008

MTS Doc. No. C.O.011.2-05  
OPS 970.6

Mr. Carlos Guzman  
President  
Carlos Guzman Industries  
1619 East Creston Street  
Signal Hill, CA 90755

Dear Mr. Guzman:

Subject: AMENDMENT NO. 2 TO SDTI DOC. NO. C.O.011.0-05, LRV ACCIDENT/ VANDALISM  
DAMAGE REPAIR SERVICES FOR A ONE-YEAR CONTRACT EXTENSION

This shall serve as Amendment No. 2 to SDTI Doc No. C.O.0.11.0-05 for services to be provided under the LRV Accident/Vandalism Damage Repair Services Agreement as shown below.

#### SCOPE OF SERVICES

Provide light rail vehicle (LRV) accident/vandalism damage repair services on an as-needed basis for one additional year (until August 2009) in accordance with the LRV Accident/ Vandalism Damage Repair Services Agreement.

#### SCHEDULE

All work under this contract amendment shall be completed by August 2009. The original Request for Proposals (RFP), Attachment B-II, Section 1-3, Requirement for Contractor Response Time, shall apply for each incident.

#### PAYMENT

Payment shall be made on a monthly basis. The invoice shall include a list of preapproved cost estimates for each incident during the previous month with appropriate supporting paperwork. The unit price for the services provided shall be in accordance with the attached cost proposal. The total cost of services provided for this period shall not exceed \$458,280.00.

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

Sincerely,

Agreed:

Paul C. Jablonski  
Chief Executive Officer

\_\_\_\_\_  
Carlos Guzman  
Carlos Guzman Industries

JULY17-08.9.AttA.LRV REPAIR.MYNIGUEZ.doc

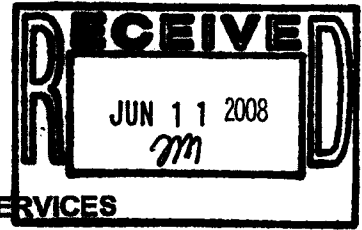
Date: \_\_\_\_\_

Attachment: Cost Proposal

**COST PROPOSAL**

**LRV ACCIDENT AND VANDALISM REPAIR SERVICES**

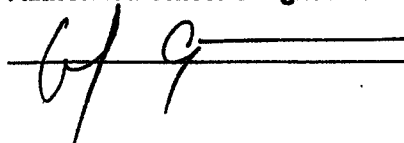
**July 1, 2008 – June 30, 2009**



<u>Description</u>	<u>Unit of Measure</u>	<u>Unit Price</u>
1. Body Work, Labor Only	Per Hour	\$40.00
2. Preparation and Paint, Labor Only	Per Hour	\$40.00
3. Preparation and Paint, Materials Only	Per Hour	\$30.00..
4. Decal Application/Removal Labor Only	Per Hour	\$25.00

**Authorized Officer's Signature**

**Date**



6-9-08

Carlos Guzman, CEO, 562-427-8497

**Authorized Officer's Name, Title, and Telephone Number**

Carlos Guzman Inc., 1619 E. Creston Street Signal Hill, CA 90755

**Company Name and Address**



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

## Agenda

Item No. 10

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

ADM 110.2

July 17, 2008

### SUBJECT:

MTS: DRUG AND ALCOHOL POLICY FOR SAN DIEGO TROLLEY, INC.

### RECOMMENDATION:

That the Board of Directors adopt Resolution No. 08-14 (Attachment A), which would implement San Diego Trolley, Inc.'s (SDTI's) updated drug and alcohol policy in order to comply with current Federal Transit Administration (FTA) regulations.

#### Budget Impact

None.

### DISCUSSION:

The FTA requires recipients of federal financial assistance (such as SDTI) to maintain a drug and alcohol policy in compliance with FTA regulations on prevention of prohibited drug use and alcohol misuse in transit operations. The policy must comply with 49 C.F.R. Part 655.

FTA periodically audits transit operators to ensure that the FTA-mandated drug and alcohol testing programs of the operators are in compliance with FTA regulations. The FTA has notified SDTI that it will be auditing the company's compliance with FTA regulations in the near future. As such, staff has made certain changes to the policy in order to comply with changes in FTA regulations that have occurred since the policy was last updated in 2003 and to reflect MTS's current practice.



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The following is a brief summary of the most significant changes.

1. Persons submitting to pre-employment physicals will no longer be tested for alcohol, but they will continue to be tested for drugs.
2. MTS will no longer test employees who have violated any operating rule as the FTA does not require it. The FTA only requires a test if there is an accident that results in:
  - a) a fatality;
  - b) an individual suffering bodily injury that requires medical attention away from the accident; or
  - c) a trolley being removed from operation.
3. The section identifying signs and effects of potential alcohol misuse is no longer included in the policy, but will be addressed during orientation with all new employees.

Since January 1, 2006, only four SDTI employees have tested positive for drugs or alcohol out of 1,581 tests, or .002%.

The FTA regulations require that the governing board of the organization approve the drug and alcohol policy. Accordingly, staff respectfully requests that the Board of Directors approve of the updated drug and alcohol policy (Attachment A).



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Jeff Stumbo, 619.557.4509, [Jeff.Stumbo@sdmts.com](mailto:Jeff.Stumbo@sdmts.com)

JULY17-08.10.SDTI DRUG ALCOHOL POLICY.JSTUMBO.doc

Attachment: A. Resolution No. 08-14



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 08-14

A Resolution to Implement an Updated San Diego Trolley, Inc.  
Drug and Alcohol Policy in Compliance with Federal Transit Administration Regulations

WHEREAS, San Diego Trolley, Inc. (SDTI) provides mass transportation services funded in part by federal financial assistance from the Federal Transit Administration (FTA); and

WHEREAS, FTA has implemented regulations set forth at 49 C.F.R. Part 655 requiring operators that provide mass transportation services for a recipient of FTA federal financial assistance to establish and implement a policy concerning drugs and alcohol as set forth in those regulations;

WHEREAS, SDTI has updated its drug and alcohol testing policy in order to make certain that it is in compliance with current regulations;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the Board of Directors does hereby adopt the updated drug and alcohol policy for SDTI effective August 1, 2008, which is attached to this Resolution.

PASSED AND ADOPTED, by the SDTI Board of Directors, this \_\_\_\_\_ day of \_\_\_\_\_ 2008 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

\_\_\_\_\_  
Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

\_\_\_\_\_  
Clerk of the Board  
San Diego Metropolitan Transit System

\_\_\_\_\_  
Office of General Counsel  
San Diego Metropolitan Transit System



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

## Agenda

Item No. 11

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

LEG 490

July 17, 2008

**SUBJECT:**

**MTS: INCREASED AUTHORIZATION FOR LEGAL SERVICES**

**RECOMMENDATION:**

That the Board of Directors authorize the Chief Executive Officer (CEO) to enter into a contract amendment (MTS Doc. No. G1095.1-07 - Attachment A) with the Law Office of Paul, Plevin, Sullivan & Connaughton, LLP for legal services.

**Budget Impact**

Not to exceed \$250,000 for Law Offices of Paul, Plevin, Sullivan & Connaughton, LLP. Recommended amounts are contained within the FY 2009 budget.

**DISCUSSION:**

On January 18, 2007, the Board approved a list of qualified attorneys for use by MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) (hereinafter referred to as the Agencies) on an as-needed basis. Thereafter, MTS began to contract with approved attorneys for various amounts depending upon current and anticipated needs.

Pursuant to Board Policy No. 52 (Procurement of Goods and Services), the CEO may enter into contracts with service providers for up to \$100,000. The Board must approve all agreements in excess of \$100,000. The firm Paul, Plevin, Sullivan & Connaughton, LLP provides legal advice in employment cases, arbitrations, and negotiating contracts with all of the employee unions at MTS. There are also cases that are scheduled to



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proceed to trial and/or arbitration, and the total cost of their legal services will exceed the CEO's authority.

The Law Office of Paul, Plevin, Sullivan & Connaughton, LLP is currently under contract with the Agencies for \$100,000. Attorney Rod Betts has successfully defended the Agencies in a number of cases and has provided valuable counsel on numerous employment and termination matters and negotiations.

Staff is requesting Board approval of MTS Doc. No. G1095.1-07 with the Law Office of Paul, Plevin, Sullivan & Connaughton, LLP for legal services.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Jeffrey M. Stumbo, 619.557.4509, [jeff.stumbo@sdmts.com](mailto:jeff.stumbo@sdmts.com)

JULY17-08.11.LEGAL SVCS.JSTUMBO.doc

Attachment: A. MTS Doc. No. G1095.1-07

DRAFT

July 17, 2008

MTS Doc. No. G1095.1-07

Rod Betts, Esq.  
Paul, Plevin, Sullivan & Connaughton, LLP  
401 B Street, 10<sup>th</sup> Floor  
San Diego CA 92101

Dear Mr. Betts:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. G1095.0-07: LEGAL SERVICES

This letter will serve as Amendment No. 1 to MTS Doc. No. G1095.0-07. This contract amendment authorizes additional costs not to exceed \$250,000 for professional services. The total value of this contract, including this amendment, is \$350,000. Additional authorization is contingent upon MTS approval.

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

Sincerely,

Accepted:

Paul C. Jablonski  
Chief Executive Officer

\_\_\_\_\_  
Mr. Rod Betts  
Paul, Plevin, Sullivan & Connaughton, LLP

JULY17-08.11.AttA.LEGAL SVCS CONTRACT.JSTUMBO.doc

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



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

## Agenda

Item No. 12

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

CIP 11165

July 17, 2008

**SUBJECT:**

**MTS: LIGHT RAIL VEHICLE REHABILITATION SERVICES – CONTRACT  
AMENDMENT**

**RECOMMENDATION:**

That the Board of Directors authorize the Chief Executive Officer (CEO) to exercise the second and final contract extension option with Carlos Guzman, Inc. (MTS Doc. No. L0744.2-06 – Attachment A) to continue to provide light rail vehicle (LRV) paint and body rehabilitation services.

**Budget Impact**

The total cost of \$507,000 would come from the FY 2009 Capital Improvement Program (CIP) LRV Body Rehabilitation Services line item (WBS No. 11165-0800).

**DISCUSSION:**

In July 2004, the San Diego Association of Governments (SANDAG) awarded an LRV body rehabilitation contract (Doc. No. 5000259) to Carlos Guzman, Inc. The total contract was not to exceed \$4,000,000 over a five-year period, including a three-year base period and an option for two single-year extensions.

In October 2006, the original contract from SANDAG was reassigned to MTS as the capital funding for the project was included in the MTS budget. Work continued under the same contract at MTS until the end of FY 2007.



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The three-year base period (during which the original unit price of paint and bodywork rehabilitation services was to remain unchanged per contract terms) expired in July 2007. The original contract allowed for an option for two single-year extensions to be exercised at MTS's discretion. An option for the first one-year extension was exercised on June 27, 2007. During this option year, 17 SD 100 LRVs were rehabilitated. The plan is to continue work on the remaining SD 100 fleet of 52 LRVs over the next two to three years depending upon funding availability. The quality of finished paint and bodywork by Carlos Guzman, Inc. is highly satisfactory, and the contractor is efficient and responsive to the needs of San Diego Trolley, Inc.; therefore, staff recommends the continuation of paint and body rehabilitation services from Carlos Guzman, Inc. for one more year by exercising the last of the two one-year extension options.

As required by the contract terms, staff negotiated unit-price adjustments for the first year extension of these services last year, which resulted in the reduction of the unit price for SD 100 LRVs from \$37,000 in the original contract to \$35,200 for first option year. The contractor has agreed to keep the same unit price of \$35,200 for SD 100 vehicles for option year two as negotiated for option year one (Attachment A-2). Staff feels that these prices are very reasonable and recommends approval of this extension.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Russ Desai, 619.595.4908, [rushikesh.desai@sdmts.com](mailto:rushikesh.desai@sdmts.com)

JULY17-08.12.LRV REHAB.MYNIGUEZ.doc

Attachment: A. MTS Doc. No. L0744.2-06 (with cost proposal)

DRAFT

July 17, 2007

MTS Doc. No. L0744.2-06  
OPS 970.6

Mr. Carlos Guzman  
President  
Carlos Guzman, Inc.  
1619 East Creston Street  
Signal Hill, CA 90755

Dear Mr. Guzman:

Subject: AMENDMENT NO. 2 TO MTS DOC. NO. L0744.0-06 – SECOND ONE-YEAR CONTRACT  
EXTENSION

This letter will serve as Amendment No. 2 to MTS Doc. No. L0744.0-06.

#### SCOPE OF SERVICES

Provide light rail vehicle (LRV) paint and bodywork services on U-2 and SD 100 LRVs in accordance with the terms and conditions of the LRV Body Rehabilitation Services Agreement.

#### SCHEDULE

This amendment extends the contract terms to August 31, 2009.

#### PAYMENT

The unit cost of each type of LRV paint and body rehabilitation services shall be as shown on the attached cost proposal. Any extraordinary repairs shall be on an individual case-by-case basis. The total cost of all work during this one-year extension period shall not exceed \$507,000.

All other terms and conditions of the original LRV Body Rehabilitation Services Agreement shall apply.

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

Sincerely,

Accepted:

Paul C. Jablonski  
Chief Executive Officer

\_\_\_\_\_  
Carlos Guzman  
Carlos Guzman, Inc.

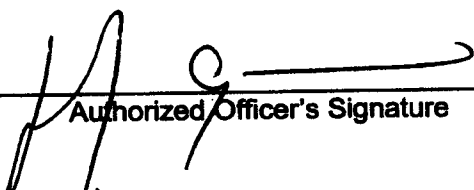
JULY17-08.12.AttA.LRV REHAB.  
L0744.2-06.MYNIGUEZ.doc

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

Attachment: Cost Proposal

**COST PROPOSAL FOR FINAL ONE YEAR EXTENSION**  
**LRV PAINT AND BODY REPAIR SERVICES**

<u>Description</u>	<u>Qty.</u>	<u>Unit Price</u>
1. Paint complete exterior of one U2 LRV as described in Attachment II, Technical Specifications.		<u>\$38,500</u>
2. Paint complete exterior of one SD100 LRV as described in Attachment II, Technical Specifications.		<u>\$35,200</u>

 6-23-08  
Authorized Officer's Signature Date  
Carlos Guzman owner 562-427-8497  
Authorized Officer's Name, Title, and Telephone Number

Carlos Guzman Inc 1619 E. Creston St Signal Hill  
Company Name and Address CA 90755





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 the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

OPS 960.6

July 17, 2008

**SUBJECT:**

**SDTC: PENSION OBLIGATION BONDS FOLLOW-UP**

**RECOMMENDATION:**

That the Board of Directors approve the following action items:

1. Replace UBS with the firm of E.J. De La Rosa and Company as the remarketing agent for the pension obligation bond (POB) transaction.
2. Adopt a swap policy governing how such instruments are used.
3. Continue the effort to convert the existing liquidity facility to a Letter of Credit and issue refunding bonds to extinguish the MBIA, Inc. insurance.
4. Consider purchasing our own bonds until our bonds can be remarketed at appropriate market rates.

**Budget Impact**

The legal and administrative costs to implement the final strategy are currently estimated to be between \$250,000 and \$300,000. It is anticipated that restructuring the variable rate POBs will bring the current rate back within budget projections.

**Executive Committee Recommendation**

At its meeting on July 10, 2008, the Executive Committee recommended forwarding this item to the Board of Directors for approval.



## DISCUSSION:

In April, the Board was appraised on how the current turbulence in the bond market, caused by reductions in the credit ratings of the bond insurers, was affecting MTS's variable POBs. Nearly 80% of the municipal bonds currently in the market carry some form of credit enhancement—usually a bond insurance policy from a “monoline” insurance provider. MTS's 2004 bonds are insured by MBIA, which is one of the largest firms in the industry.

Since that update, the finance team has been endeavoring to accomplish several objectives in accordance with board direction and sound financial practice. Specifically, staff has been attempting to affect a restructuring that maintained the previously purchased bond insurance from MBIA, provided immediate relief from bond rate resets that exceeded the swap receipt, and preserved the ability of MTS to refund these bonds into a fixed-rate mode at competitive rates once the current interest rate swap matures in 2012.

An alternative approach to accomplish these objectives was developed and the finance team spent considerable time in financial engineering to achieve these goals. This new approach involved the conversion of the existing bonds into two-year notes with a fixed interest rate and a second interest rate swap to cancel out the variable rate obligation of the current swap. This strategy was designed to reduce interest cost by approximately 25 basis points from the original strategy of converting the existing Dexia liquidity facility to a Letter of Credit, and it would have preserved the MBIA insurance.

However, two new developments in the municipal market have occurred that has required us to return to our original strategy. First, On June 20, MBIA was downgraded to A2 and AA by Moody's and Standard & Poor's, respectively. This makes the current bond insurance a substantial liability that is not worth retaining and must be replaced. Second, UBS, the remarketing agent for the bonds, announced it was leaving the municipal market and subsequently dismissed its municipal investment bankers handling the MTS account. While UBS continues to remarket MTS's bonds, it does not have a long-term commitment to the municipal market.

Because of the downgrade of MBIA, the MTS bonds have been “put,” resulting in a draw on the Dexia liquidity facility. As a practical matter, this means the effective interest rate is over 7% and will likely go higher. Based upon last weeks rate of 7.2% and a LIBOR rate of 2.41%, MTS would pay an additional \$1,839,000 annually in interest. If MBIA's credit rating is reduced further or interest rates increase in general (both events which are likely to occur), the amount will increase. An increase from 7.2% to 8.2% would increase MTS's annualized investment costs by \$388,000.

On June 24, representatives of MTS met with Moody's and Standard & Poor's. Moody's has reaffirmed the ratings of MTS at A1, and Standard & Poor's has established a rating of A. The rating agencies specifically noted the proactive leadership of the agency staff and its board in addressing its fiscal issues.

In order to provide a definitive solution to the affect of the disruption in the municipal market confronting MTS, staff is recommending the following action items.

1. Replace UBS with the Firm of E. J. De La Rosa and Company (DLR). DLR is one of the leading California-based investment banks and has successfully remarketed Variable Rate Demand Bond (VRDB) Programs for several large issuers in the state. Because the firm is focused only on municipals, it does not have the same subprime exposure as other Wall Street investment banks. De La Rosa is the designated underwriter in the California Transit Finance Corporation program and was recently selected by the San Diego Association of Governments to replace UBS as remarketing agent of the \$150 million tranche of bonds issued earlier this year (see Attachment A – Resolution No. 08-15).
2. Adopt a Swap Policy. Standard & Poor's has recommended that all agencies with interest rate swaps adopt a policy governing how such instruments are used. MTS has one swap currently—the attached swap policy (Attachment B) was developed in consultation with The PFM Group and represents “good government” practice in the use of interest rate swaps.
3. Continue the Effort to Convert the Existing Liquidity Facility to a Letter of Credit and Issue Refunding Bonds to Extinguish the MBIA Insurance. This will allow DLR to remarket MTS's bonds without market penalty. MTS retains the option to refund the bonds into fixed rate or to continue in a variable mode after the swap terminates in 2012. With the exercise of the put on the current bonds, Dexia is now motivated to move its documentation quickly.
4. MTS to Consider Purchasing its Own Bonds in the Short Term. By using funds currently on deposit in Local Agency Investment Fund (LAIF), MTS can stanch its exposure to higher interest rates while MBIA insured debt is being shunned by the market. This would provide a financial benefit and is expected to be a short-term option (two to four weeks) until the redemption notice can be provided and MTS's bonds can be remarketed at appropriate market rates.

The current time line is to bring the final bond documents for approval to the Board at its August 21 meeting. This would allow MTS to close and refund the bonds on or about September 5. This strategy would allow MTS's bonds to return to their historic trading relationship and continue to produce savings related to MTS's ongoing pension obligations.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Cliff Telfer, 619.557.4532, [cliff.telfer@sdmts.com](mailto:cliff.telfer@sdmts.com)

JULY17-08.30.POBS.CTELFER.doc

Attachments: A. Resolution No. 08-15  
B. Swap Policy

RESOLUTION NO. 08-15

A Resolution Approving the Appointment of  
E.J. De La Rosa & Company, Inc. as Remarketing Agent  
and the Execution and Delivery of a Remarketing Agreement with Respect to the Taxable  
Pension Obligation Bonds 2004 Series B (Variable Rate Demand Bonds) and Authorizing the  
Issuance of a Conditional Notice of Redemption and Other Matters Relating Thereto

WHEREAS, the San Diego Metropolitan Transit System ("MTS") has assumed the obligations of San Diego Transit Corporation with respect to the Retirement Plan for Noncontract Employees, the Retirement Plan for A.T.U. Local 1309 Contract Employees, and the Retirement Plan for I.B.E.W. Local 465 Contract Employees (collectively, the "Plan") and is obligated to provide the benefits under the Plan as required by California law, including, without limitation, California Public Utilities Code Section 120520 et seq.; and

WHEREAS, MTS is obligated to (1) make annual contributions to the Plan to fund pension benefits for its employees, (2) amortize the unfunded accrued actuarial liability ("UAAL") with respect to such pension benefits over a period not exceeding 30 years, and (3) appropriate funds for the purposes described in (1) and (2); and

WHEREAS, pursuant to the terms and conditions of that certain Trust Agreement, dated October 1, 2004 (the "2004 Trust Agreement"), between MTS and BNY Western Trust Company, as the original trustee, MTS issued \$38,800,000 in Taxable Pension Obligation Bonds 2004 Series B (Variable Rate Demand Bonds) (the "2004 Series B Bonds") in order to evidence its obligations to the Plan and to pay a portion of the unfunded accrued actuarial liability of MTS; and

WHEREAS, pursuant to authority granted under the 2004 Trust Agreement and to provide for the remarketing of the 2004 Series B Bonds, MTS entered into that certain Remarketing Agreement, dated October 1, 2004 (the "2004 Remarketing Agreement"), with UBS Financial Services, Inc. as remarketing agent; and

WHEREAS, MTS desires to appoint E. J. De La Rosa & Co., Inc. ("De La Rosa") to act as the sole remarketing agent under a new remarketing agreement relating to the remarketing of the 2004 Series B Bonds; and

WHEREAS, the Board is considering the optional redemption in whole of the outstanding principal amount of the 2004 Series B Bonds from the proceeds of Taxable Pension Obligation Refunding Bonds and desires to direct the Chief Executive Officer to give a conditional notice of optional redemption of the 2004 Series B Bonds to The Bank of New York Mellon Trust Company, N.A., as successor trustee ("Trustee"); and

WHEREAS, there has been presented to this meeting proposed form of the Remarketing Agreement, dated as of July 1, 2008 (the "2008 Remarketing Agreement"), to be entered into between MTS and De La Rosa, as the remarketing agent.

NOW, THEREFORE, IT IS RESOLVED, DETERMINED, AND ORDERED by the Board of Directors of the MTS as follows:

The appointment of De La Rosa to act as remarketing agent for the 2004 Series B Bonds is hereby approved, and the Chief Executive Officer is hereby authorized and directed to take any and all actions necessary and appropriate to appoint De La Rosa to act as the remarketing agent for the 2004 Series B Bonds under the 2008 Remarketing Agreement and

any and all actions previously taken by the Chief Executive Officer in connection with the replacement of the remarketing agent for the 2004 Series B Bonds are hereby ratified and approved. The Chief Executive Officer is hereby authorized and directed to execute and deliver the 2008 Remarketing Agreement, in substantially the form presented to this meeting, with such changes therein, deletions therefrom, and additions thereto as the Chief Executive Officer shall approve such approval to be conclusively evidenced by the execution and delivery of the 2008 Remarketing Agreement.

If necessary and appropriate to effectuate the purposes of this Resolution, MTS shall enter into a First Supplemental Trust Agreement with the Trustee.

The Chief Executive Officer of MTS is authorized and directed to deliver to the Trustee a conditional notice of its intent to exercise its right under Section 4.02(b) of the Trust Agreement to optionally redeem in whole of the 2004 Series B Bonds with a proposed redemption date of September 5, 2008. The issuance of Taxable Pension Obligation Refunding Bonds, the proceeds from the sale of which would be used to pay the redemption price of the 2004 Series B Bonds, and the approval of documents in connection therewith will be considered by this Board at its next meeting.

The Chief Executive Officer of MTS is authorized and directed to do any and all things and to execute and deliver any and all documents he may deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution.

This resolution shall take effect immediately upon its adoption at a duly constituted regular or special meeting called for that purpose.

PASSED AND ADOPTED this \_\_\_\_\_ day of July 2008 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Filed by:

Approved as to form:

\_\_\_\_\_  
Clerk of the Board  
San Diego Metropolitan Transit System

\_\_\_\_\_  
Office of General Counsel  
San Diego Metropolitan Transit System



Att. B, AI 30, 7/17/08

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## Policies and Procedures

No. 58

### SUBJECT:

Board Approval: 7/19/07

### INTEREST RATE SWAP POLICY

#### PURPOSE

The purpose of this policy (the "Policy") is to establish guidelines for the execution and management of the Metropolitan Transit System's ("MTS's") use of interest rate swaps or similar financial instruments ("Swaps") and related transactions to meet the financial and management objectives as outlined herein.

This policy confirms the commitment of MTS management to adhere to sound financial and risk management practices.

#### SCOPE

MTS recognizes that Swaps can be appropriate financial management tools to achieve MTS's financial and management objectives. This Policy sets forth the manner in which MTS shall enter into transactions involving Swaps. MTS shall integrate Swaps into its overall debt and investment management programs in a prudent manner in accordance with the parameters set forth in this Policy.

This Policy applies to any interest rate swap; swap option or related transaction that MTS may undertake.

#### 58.1 AUTHORIZATIONS AND APPROVALS; COMPLIANCE WITH BOND DOCUMENTS AND COVENANTS

MTS shall obtain the approval of MTS's Board of Directors (the "Board") prior to entering into any interest rate swap, swap option or related transaction. MTS, in consultation with its Bond Counsel and Financial and Swap Advisors, will determine whether a proposed swap agreement complies with state law and any other applicable law and any other applicable provisions of MTS's bond resolutions and agreements with respect to its outstanding debt.

##### General Objectives

MTS may execute an interest rate swap, swap option, or related transaction to the extent the transaction can be reasonably expected to achieve one or more of the following objectives:

- Result in a lower net cost of borrowing with respect to MTS's debt, or achieve a higher net rate of return on the investment of MTS monies.

## DRAFT

- Reduce exposure to changes in interest rates either in connection with a particular debt financing or investment transaction or in the management of interest rate risk with respect to MTS's overall debt and investment portfolios.
- Enhance financing flexibility for future capital projects.

### 58.2 PROHIBITED USES OF INTEREST RATE SWAPS AND RELATED INSTRUMENTS

MTS shall not execute interest rate swaps agreements or related instruments under the following circumstances:

- When a swap or other financial instrument is used for speculative purposes, such as potential trading gains, rather than for managing and controlling interest rate risk in connection with MTS debt or investments;
- When a swap or other financial instrument creates extraordinary leverage or financial risk;
- When MTS lacks sufficient liquidity to terminate the swap at current market rates; or
- When there is insufficient price "transparency" to permit MTS and its financial advisors to reasonably value the instrument, as a result, for example, of the use of unusual or highly complex structures or terms.

### 58.3 PERMITTED FINANCIAL INSTRUMENTS

MTS may utilize the following hedging instruments, if then permitted by law, on either a current or forward basis, after identifying the objective(s) to be realized and assessing the attendant risks, if permitted by law:

- Interest rate swaps, including fixed, floating and/or basis swaps.
- Interest rate caps, floors, and collars.
- Options, including on swaps, caps, floors and/or collars and/or cancellation or index-based features.
- Other related financial instruments that MTS and its financial advisors consider appropriate for use pursuant to the terms of the Policy.

### 58.4 IDENTIFICATION AND EVALUATION OF FINANCIAL AND OTHER RISKS

Prior to execution of an interest rate swap, option, or related transaction, MTS and its financial advisors shall identify and evaluate the financial risks involved in the transaction, and summarize them, along with any measures that will be taken to mitigate those risks. The types of questions that should be evaluated in connection with the identification and evaluation of financial risks shall include:

- Market or Interest Rate Risk: Does the proposed transaction hedge or create exposure to fluctuations in interest rates?

## DRAFT

- Tax Law Risk: Is the proposed transaction subject to rate adjustments, extraordinary payments, termination, or other adverse consequences in the event of a future change in federal income tax policy?
- Termination Risk: Under what circumstances might the proposed transaction be terminated (other than at the option of MTS)? At what cost? Does MTS have sufficient liquidity to cover this exposure?
- Risk of Uncommitted Funding ("Put" Risk): Does the transaction require or anticipate a future financing(s) that is dependent upon third-party participation? What commitments can be or have been secured for such participation?
- Legal Risk: Is there any uncertainty regarding the legal authority of any party to participate in the transaction?
- Counterparty Credit Risk: What is the credit-worthiness of the counterparty? What provisions have been made to mitigate exposure to adverse changes in the counterparty credit standing?
- Ratings Risk: Is the proposed transaction consistent with MTS's current credit ratings or its desired future ratings and with related rating agency policies?
- Basis Risk: Do the anticipated payments that MTS would make or receive match the payments that it seeks to hedge?
- Tax Exemption on MTS Debt: Does the transaction comply with all federal tax law requirements with respect to MTS's outstanding tax-exempt bonds?
- Accounting Risk: Does the proposed transaction create any accounting issues that could have a material detrimental effect on MTS's financial statements? Would the proposed transaction have any material effect on MTS's rate covenant calculation or compliance? How are any such effects addressed?
- Administrative Risk: Can the proposed transaction be readily administered and monitored by MTS's finance team consistent with the policies outlined in MTS's Interest Rate Swap Policy?
- Subsequent Business Conditions: Does the proposed transaction or its benefits depend upon the continuation or realization of specific industry or business conditions?
- Aggregate Risk: To the extent that other departments of MTS or issuing entities of MTS also have swap exposures that may aggregate up to MTS level; i.e., they are not limited but involve some sort of pledge by MTS itself, MTS should include this risk in its overall analysis.

### 58.5 RISK LIMITATIONS

The total notional amount and term of all Swaps executed by MTS shall not exceed the notional amount and term specified from time to time by MTS Chief Financial Officer. It is expected that MTS's total variable rate exposure, net of Swaps that have the economic effect of reducing variable rate exposure, will be established from time to time based upon an evaluation of all



## DRAFT

relevant factors, including investment allocations, risk tolerance, credit strength, and market conditions. MTS will strive to manage its credit risk to any one counterparty by limiting its maximum potential termination exposure (as measured by the current mark-to-market value of its swaps plus any increase in value due to potential future changes in interest rates based on historical or projected measures applied over the remaining term of each swap) such that it does not exceed a prudent level as measured against gross revenues, available assets, or other financial resources of MTS. Such limits will be reviewed periodically and MTS may make exceptions to these limitations in its discretion after consultation with its Swap Advisor and Bond Counsel. If any exposure limit is exceeded by counterparty during the term of a Swap, the Chief Financial Officer shall consult with the Swap Advisors and Bond Counsel regarding appropriate actions to take, if any, to mitigate such increased exposure.

### 58.6 FORM OF SWAP AGREEMENTS

Each Swap executed by MTS shall contain terms and conditions as set forth in the International Swap and Derivatives Association, Inc. ("ISDA") Master Agreement, including the Schedule to the Master Agreement and a Credit Support Annex, as supplemented and amended in accordance with the recommendations of MTS's finance team. The swap agreements between MTS and each qualified swap counterparty shall include payment, term, security, collateral, default, remedy, termination, and other terms, conditions, and provisions as MTS, in consultation with its financial advisors and Bond Counsel deems necessary or desirable.

### 58.7 QUALIFIED SWAP COUNTERPARTIES

Qualified swap counterparties, or their guarantor or credit support provider, shall (1) be rated at least "Aa3" or "AA-", or equivalent by at least one of the three nationally recognized rating agencies (i.e. Moody's, Standard and Poor's, and Fitch) and at least "A2" or "A" by the other two nationally recognized rating agencies; or (2) have, as support for their obligations, a "AAA" subsidiary or other entity (e.g. bond insurer) as rated by at least one nationally recognized rating agency.

### 58.8 PROCUREMENT PROCESS

MTS may either negotiate or competitively bid interest rate swap transactions with qualified swap providers. Each Swap executed by MTS shall be the subject of an independent review and analysis by a Swap Advisor or other qualified party and include a finding that its terms and conditions reflected a fair market value as of the date and time of its execution

### 58.9 TERMINATION PROVISIONS AND MTS LIQUIDITY

- Optional Termination: All interest rate swap transactions shall contain provisions granting MTS the right to optionally terminate a swap agreement at any time over the term of the agreement. In general, exercising the right to optionally terminate an agreement produces a benefit to MTS, either through receipt of a payment from a termination, or if a termination payment is made by MTS, in connection with a corresponding benefit from a change in the related MTS debt or investment, as determined by MTS. The Chief Financial Officer, as appropriate, in consultation with MTS's finance team, shall determine if it is financially advantageous for MTS to terminate a swap agreement.
- Termination Events: A termination payment to or from MTS may be required in the event of termination of a swap agreement due to a default by or a decrease in the credit rating of either MTS or the counterparty. Prior to entering into the swap agreement or

## DRAFT

making any such termination payment, as appropriate, the Chief Financial Officer shall evaluate whether it would be financially advantageous for MTS to enter into a replacement swap as a means of offsetting any such termination payment.

Any swap termination payment due from MTS shall be made from available MTS monies. The Chief Financial Officer shall report any such termination payments to MTS at the next MTS meeting.

- Available Liquidity: MTS shall consider the extent of its exposure to termination payment liability in connection with each swap transaction and the availability of sufficient liquidity to make any such payments that may become due.

### 58.10 TERM AND NOTIONAL AMOUNT OF SWAP AGREEMENT

MTS shall determine the appropriate term for an interest rate swap agreement on a case-by-case basis. The slope of the interest rate swap curve, the marginal change in swap rates from year to year along the swap curve, and the impact that the term of the swap has on the overall exposure of MTS shall be considered in determining the appropriate term of any swap agreement. For any swap agreement entered into in connection with the issuance or carrying of bonds, the term of such swap agreement shall not extend beyond the final maturity date of such bonds.

### 58.11 COLLATERAL REQUIREMENTS

As part of any swap agreement, MTS may require collateralization or other credit enhancement to secure any or all swap payment obligations of the counterparty. As appropriate, MTS may require collateral or other credit enhancement to be posted by each swap counterparty under the following circumstances:

- Each counterparty shall be required to post collateral, in accordance with its (or its guarantor's) credit rating equal to the positive net termination value of the swap agreement.
- Collateral shall consist of cash, U.S. Treasury securities, and U.S. Agency securities.
- Collateral shall be deposited with a custodian, acting as agent for MTS, or as mutually agreed upon between MTS and each counterparty.
- The market value of the collateral shall be determined on at least a monthly basis.
- MTS will determine reasonable threshold limits for the initial deposit and for increments of collateral posted thereafter.
- The Chief Financial Officer shall determine on a case-by-case basis whether other forms of credit enhancement are more beneficial to MTS.

In connection with any collateralization requirements that may be imposed upon MTS in connection with a swap agreement, MTS may post collateral or it may seek to obtain swap insurance in lieu of posting collateral. The Chief Financial Officer shall recommend a preferred approach to MTS on a case-by-case basis.

# DRAFT

## 58.12 REPORTING REQUIREMENTS

MTS's finance team will monitor any interest rate swaps that MTS enters into on at least a monthly basis.

MTS's Chief Financial Officer will provide a written report to MTS regarding the status of all interest rate swap agreements on at least a semiannual basis and shall include the following information:

- Highlights of all material changes to swap agreements or new swap agreements entered into by MTS since the last report.
- Market value of each of MTS's interest rate swap agreement.
- For each counterparty, MTS shall provide the total notional amount position, the average life of each swap agreement, the available capacity to enter into a swap transaction, and the remaining term of each swap agreement.
- The credit rating of each swap counterparty and credit enhancer insuring swap payments, if any.
- Actual collateral posting by each swap counterparty, if any, under each swap agreement and in total by that swap counterparty.
- A summary of each swap agreement, including, but not limited to, the type of swap, the rates and dollar amounts paid by MTS and received by MTS, and other terms.
- Information concerning any default by a swap counterparty under a swap agreement with MTS and the results of the default, including, but not limited to, the financial impact to MTS, if any.
- A summary of any planned swap transactions and the projected impact of such swap transactions on MTS.
- A summary of any swap agreements that were terminated.

## 58.13 SWAPS ACCOUNTING TREATMENT

MTS shall comply with any applicable accounting standards for the treatment of swaps and related financial instruments. MTS and MTS's external auditors shall implement the appropriate accounting standards.

## 58.14 PERIODIC REVIEW OF INTEREST RATE SWAP POLICY

The Chief Financial Officer and MTS's financial advisors shall review its swap policy on a periodic basis and recommend appropriate changes.

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Original Policy adopted on 7/17/08.



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## Agenda

## Item No. 31

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

FIN 360

July 17, 2008

### SUBJECT:

MTS: BANKING SERVICES

### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to award a contract (MTS Doc. No. G1147.0-08 in substantially the same form as Attachment A) to Bank of America for banking services.

#### Budget Impact

The FY 2009 budget impact for the cost of services is \$36,662. This amount was included in the FY 2009 budget.

Base contract – three years	\$ 160,076
<u>Options (two 1-year options)</u>	<u>\$ 123,384</u>
Total contract if options exercised	\$ 283,460

Details are provided in the Contract Cost Summary by year in Attachment B.

Additionally MTS receives interest income on cash balances that are not invested elsewhere, such as the Local Agency Investment Fund (LAIF) or the San Diego County Investment Pool. This amount is projected to be \$1,114,000 for FY 2009.

In previous years, MTS has absorbed the above fees by maintaining a minimum balance. Currently and with this contract, MTS is paying all bank fees out of pocket and utilizing all cash balances to earn interest income. The purpose is to better highlight the true cost of fees and provide greater comparability of the rate of return on cash balances.



## Executive Committee Recommendation

At its meeting on July 10, 2008, the Executive Committee recommended forwarding this item to the Board of Directors for approval.

### DISCUSSION:

#### Background

MTS's banking contract expired, and MTS initiated a Request for Proposals (RFP) for a new banking services contract. MTS currently maintains a banking relationship with Bank of America to provide its banking services. The primary services that MTS utilizes include supporting 14 checking or investment accounts, accepting deposits inclusive of armored car deliveries, and sophisticated on-line banking services. The latter automates many MTS transactions as well as provides real-time financial information critical to managing cash flow.

#### Request for Proposals (RFP) Process

On March 17, 2008, staff issued an RFP for banking services based on a negotiated "best value" process. The primary objective of the procurement was to secure a multiyear contract for banking services that includes depository, cash vault, Automated Clearinghouse House (ACH), disbursement, reconciliation, and reporting as well as other account services. The RFP was advertised and mailed to five prospective banking institutions. On April 30, MTS received two proposals—one from Bank of America, N.A. and the other from US Bank.

Both proposals were found to meet the minimum requirements established in the RFP and deemed responsive and responsible. The proposals were evaluated by a committee consisting of representatives from the MTS Finance and Procurement Departments. While considered the primary objectives of the RFP, the committee evaluated and ranked the proposals using the following five criteria and their relative weights of importance:

1.	Financial strength	20%
2.	Experience and ability to provide service	30%
3.	Community investment	10%
4.	Customer service	20%
5.	Cost	20%

It was the unanimous finding of the evaluation committee that the proposal submitted by Bank of America represented the best value to the MTS. This finding was based on the procurement objectives, the evaluation criterion contained in the RFP, and a consideration of both technical and price factors. (See Attachment C - Evaluation Summary.)

Based upon the above, staff recommends that the Board of Directors authorize award of a contract for banking services to Bank of America, N.A.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contacts: Tom Lynch, 619.557.4538, [Tom.Lynch@sdmts.com](mailto:Tom.Lynch@sdmts.com)  
Mike Ceragioli, 619.238.0100, Ext. 6493, [Mike.Ceragioli@sdmts.com](mailto:Mike.Ceragioli@sdmts.com)

JULY17-08.31.BANKING SVCS.TLYNCH.doc

Attachments: A. Draft Standard Services Agreement  
B. Contract Cost Summary  
C. Evaluation Summary

## STANDARD SERVICES AGREEMENT

DRAFT

G1147.0-08  
 CONTRACT NUMBER  
 FIN 360  
 FILE NUMBER (S)

THIS AGREEMENT is entered into this \_\_\_\_ day of \_\_\_\_ 2008, in the state of California by and between the Metropolitan Transit System (MTS), and the following contractor, hereinafter referred to as "Contractor":

Name: Bank of America, N.A. Address: 333 South Hope St, 13<sup>th</sup> Floor

Form of Business: Corporation Los Angeles, CA 90071  
 (Corporation, partnership, sole proprietor, etc.)

Telephone: 213-621-7138

Authorized person to sign contracts: Lou Mastro Senior Vice President  
 Name Title

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

Provide banking services to MTS for a 3-year base period with two 1-year options, exercisable at MTS's sole discretion, based upon MTS's RFP No. G1147.0-08, Addendum No. 1, MTS's Responses to Questions and Clarifications, and in accordance with MTS's Standard Services Agreement, including the Standard Conditions Services, Federal Requirements, and Bank of America's proposal dated April 30, 2008. If there are any inconsistencies between the contract documents, the following order of precedence will govern the interpretation of this contract: (1) MTS's RFP No. G1147.0-08 Banking Services, including Addendum No. 1, MTS's Responses to Questions and Clarifications, Bank of America's proposal, and (2) Standard Services Agreement, including Standard Conditions Services and Federal Requirements.

The total cost of the banking services shall not exceed \$283,460.00.

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 \$ 283,460.00	BUDGET ITEM 902-53910	FISCAL YEAR FY 2009-14

By: Cliff Telfer, Interim Chief Financial Officer Date \_\_\_\_\_

**San Diego Metropolitan Transit System  
Banking Services Contract  
Cost Summary**

Service	Year 1	Year 2	Year 3	Sub Total Base Contract	Year 4	Year 5	Total Contract
1 General Account Services	336	336	336	1,008	336	336	1,680
2 Depository Services	2,432	2,432	2,432	7,296	2,432	2,432	12,160
3 Paper Disbursement Services	166	166	166	498	166	166	830
4 Paper Disbursement Recon Services	102	102	102	306	102	102	510
5 General ACH Services	124	124	124	372	124	124	620
6 Wire & Other Fund Transfer Services	386	386	386	1,158	386	386	1,930
7 Information Services	1,580	1,580	1,580	4,740	1,580	1,580	7,900
8 Investment/Custody Services	15	15	15	45	15	15	75
<hr/>							
Monthly Cost	5,141	5,141	5,141	15,423	5,141	5,141	25,705
Months in Year	12	12	12	12	12	12	12
Annual Costs	61,692	61,692	61,692	185,076	61,692	61,692	308,460
Other: One-time Customer Loyalty Credit	(25,000)			(25,000)			(25,000)
Total Costs	36,692	61,692	61,692	160,076	61,692	61,692	283,460

Att. B, AI 31, 7/17/08



**San Diego Metropolitan Transit System  
Banking Services Contract  
Evaluation Summary**

	<b>Member 1</b>	<b>Member 2</b>	<b>Member 3</b>	<b>Combined Total</b>	<b>Average Score</b>
<b>Bank of America</b>	<b>83.00</b>	<b>90.00</b>	<b>93.00</b>	<b>266.00</b>	<b>88.67</b>
<b>US Bank</b>	<b>69.00</b>	<b>78.00</b>	<b>81.20</b>	<b>228.20</b>	<b>76.07</b>



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## Agenda

Item No. 32

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)

July 17, 2008

**SUBJECT:**

**MTS: AN ORDINANCE AMENDING ORDINANCE NO. 4, AN ORDINANCE  
ESTABLISHING A METROPOLITAN TRANSIT SYSTEM FARE-PRICING SCHEDULE**

**RECOMMENDATION:**

That the MTS Board of Directors adopt the ordinance (Attachment A) entitled "An Ordinance Amending Ordinance No. 4, an Ordinance Establishing a Metropolitan Transit System Fare-Pricing Schedule" and direct publication of an ordinance summary.

This action is necessary to make the MTS ordinance consistent with the SANDAG Comprehensive Fare Ordinance. This item is being placed before the Board for its final reading.

**Budget Impact**

The proposed increase of cash fares and monthly passes is anticipated to generate approximately \$1.8 million upon full implementation.

**DISCUSSION:**

During the fiscal year 2009 budgetary process, staff presented the Budget Development Committee and the MTS Board of Directors with a variety of issues and policy decisions, including Sorrento Valley Coaster Connection funding eliminations, State Transit Assistance (STA) funding reductions, significant energy increases, and continued downward projections for Transportation Development Act (TDA) and TransNet subsidy funding.



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.

In late April, staff presented a budget shortfall of \$6.5 million to the Budget Development Committee, Executive Committee, and MTS Board of Directors. The MTS Board of Directors was presented with a scenario and options to close this \$6.5 million shortfall with adjustments to recurring revenue and recurring expenses in four categories: nonfare revenue adjustments, personnel adjustments, fare adjustments, and service adjustments. The MTS Board of Directors provided guidance to implement the proposed scenario and bridge the budget shortfall.

On June 12, a public hearing on a draft budget was held by the MTS Board of Directors. As a public agency, MTS must operate public transit service within the confines of a balanced budget. MTS must be self-sustaining with respect to operating expenses and its budget (Public Utilities Code § 120105(c), (e), § 120475). MTS must also provide the maximum level of transit service possible at the lowest possible cost (Public Utilities Code § 120475). If the state chooses to allocate funding in an alternative manner or local sales tax revenues are lower than budgeted and, as a result, there are insufficient funds available to meet the operating expenses of the agency, MTS has no choice based on its enabling legislation but to respond by either adjusting the levels of incoming revenue or by reducing operating expenses (or both). Upon close of the public hearing, the Board approved a balance budget for fiscal year 2009.

In addition, the San Diego Association of Governments (SANDAG) has been responsible for setting all public transit fares in the region since 2003. The regional fare structure is outlined in the Regional Comprehensive Fare Ordinance. SANDAG approved amendments to the Regional Comprehensive Fare Ordinance on June 13, 2008.

Based on the foregoing, staff recommends modifying MTS Ordinance No. 4 to increase cash trolley fares and make other changes consistent with the Regional Comprehensive Fare Ordinance.

#### Ordinance No. 4 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). SANDAG's Regional Comprehensive Fare Ordinance governs the fare structure for public transportation services for the entire San Diego region. MTS still maintains its own identical fare ordinance to provide for a mechanism for fare enforcement and issuing citations. The proposed amendments to Ordinance No. 4 follow.

A summary of the changes below is followed by a detailed table showing all current and new fares and pricing.

- Trolley  
All regular cash fares on the Trolley will be **\$2.50**. The cash fare will no longer depend on the number of stations traveled. Senior/Disabled cash fare on the Trolley will be **\$1.25**. Transfers between all the Trolley lines are permitted without additional cost within two hours of initial purchase. (Please keep your ticket with you during your entire trip on the Trolley.) A downtown-only Trolley ticket is still offered for **\$1.25** and the corresponding Senior/Disabled/Medicare fare will be \$0.60.
- Senior/Disabled/Medicare Cash Fare  
The Senior/Disabled/Medicare cash fare on the Trolley will be **\$1.25**.

- Urban, Local, Express, & Premium Express Bus Cash Fares**  
 There are no changes to the adult cash fare for Local, Urban, Express, or Premium Express buses. The MTS bus cash fare for seniors/disabled/Medicare recipients will increase from \$1.00 to **\$1.10**.
- Sorrento Valley Coaster Connection (SVCC)**  
 The SVCC service will have a cash fare of \$1.00 each way (\$0.50 Senior/Disabled/ Medicare). Alternatively, a monthly pass that allows unlimited monthly travel on the SVCC will be available as follows: Adult: \$40.00; Senior/Disabled: \$10.00; Youth: \$20.00.

FARE CATEGORY	CURRENT	EFFECTIVE 9/1/08
<b>CASH FARES</b>		
<b>MTS Buses</b>		
- Local Bus	\$2.00	\$2.00 (no change)
- Urban Bus	\$2.25	\$2.25 (no change)
- Senior/Disabled/Medicare-Local -Urban	\$1.00	\$1.00 (no change) \$1.10
<b>MTS Trolley</b>		
- Adult	\$1.50-\$3.00	\$2.50
- Downtown-Only	\$1.25	\$1.25 (no change)
- Senior/Disabled/Medicare-Adult -Downtown	\$1.00	\$1.25 \$ .60
<b>ADA Paratransit</b>		
- MTS Access	\$4.50	\$4.50 (no change)
- MTS ADA Suburban	\$3.50	\$3.50 (no change)
<b>Sorrento Valley COASTER Connection</b>		
- Adult	Free	\$1.00
- Senior/Disabled/Medicare	Free	\$0.50
<b>PASS PRICES</b>		
<b>Day Passes</b>		
- Regional Day Pass	\$5	\$5 (no change)
- Regional Premium Day Pass	\$11	\$11 (no change)
<b>Monthly Passes</b>		
- Regional Adult	\$64	\$64 (no change)
- Regional Premium	\$90	\$90 (no change)
- Regional Senior/Disabled/Medicare	\$16 (valid on Prem Exp)	\$16 (no change)
- Regional S/D/M Premium	N/A (new)	\$22.50 (valid on Prem Exp)
- Regional Youth	\$32	\$32 (no change)
- Regional Youth Premium	N/A (new)	\$45 (valid on Prem Exp)
<b>Sorrento Valley COASTER Connection</b>		
- Adult	N/A (new)	\$40
- Senior/Disabled/Medicare	N/A (new)	\$10
- Youth	N/A (new)	\$20

This item is being placed before the Board for its second reading; the first reading occurred on June 26, 2008. The proposed revisions to Ordinance No. 4 are provided in Attachment A.



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Paul C. Jablonski  
Chief Executive Officer

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Attachment: A. Proposed Amended Codified Ordinance No. 4

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CODIFIED ORDINANCE NO. 4  
(as amended through 44/8/077/17/08)

An Ordinance Establishing a Metropolitan Transit System  
Fare-Pricing Schedule

Section 4.1: Findings

This Ordinance is adopted to implement a Metropolitan Transit System (MTS) Fare-Pricing Schedule approved by the Metropolitan Transit System Board of Directors and to authorize future modifications or amendments to the schedule to be made by the MTS Board of Directors.

Section 4.2: Definitions

A. Senior - Any person 60 years of age or older. Acceptable proof of senior fare eligibility shall be a Medicare Card, a valid driver's license, a State of California Senior identification card, or an MTS identification card in the MTS area, or a North County Transit District (NCTD) identification card in the NCTD area. This definition applies to persons who seek to purchase and/or use a Senior/Disabled/Medicare Monthly Pass or Senior/Disabled/Medicare cash fare on fixed-route transit or general public demand-responsive services.

B. Disabled/Medicare - Any person with a permanent or temporary mental or physical disability. Acceptable proof of disabled fare eligibility shall be an MTS identification card, Medicare Card, NCTD disabled identification card, State of California Department of Motor Vehicles (DMV) disabled identification card, or DMV placard identification card. This definition applies to persons who seek to purchase and/or use a Senior/Disabled/Medicare Monthly Pass or Senior/Disabled/Medicare cash fare for fixed-route transit or general public demand-responsive services.

C. Youth - Any person 6-18 years of age (inclusive). Acceptable proof of youth fare eligibility in the MTS area shall be an MTS Youth identification card, a valid driver's license, or current school photo identification card (through high school only). NCTD shall control youth pass eligibility at the point of purchase.

D. College Student - Any person enrolled as a student with a current enrollment for seven units or more in a participating accredited San Diego area post-secondary school.

E. Child - Any person five years of age or under.

F. Bus - Rubber-tired transit vehicles operated by MTS San Diego Transit Corporation, Chula Vista Transit, ~~National City Transit~~, MTS Contract Services, and NCTD.

G. Trolley - Light rail transit vehicles operated by San Diego Trolley, Incorporated.

H. Local Service - Bus service on local roads serving neighborhood destinations and feeding transit centers in the immediate area.

I. Urban Service - Moderate-speed bus service primarily on arterial streets with frequent stops.

J. Express Service - Bus service with stops only at major transit centers, residential centers and activity centers; has more than six stops outside Centre City or at collector end of route;

generally traveling less than 50 percent of the one-way trip miles on freeways and averaging at least 15 miles per hour, with an average passenger trip length of approximately 10.0 miles or under, and uses standard transit buses.

K. Premium Express - Bus service with stops only at major transit centers, residential centers and activity centers; generally traveling 50 percent or more of the one-way trip miles on freeways; averaging at least 20 miles per hour, with an average passenger trip length of over 10.0 miles, and using commuter coaches.

L. Rural Service – Bus service providing limited daily or weekly service linking rural Northeastern and Southeastern San Diego County to a multimodal transit center or major shopping center generally provided on a two-lane highway or roadway with one-way vehicle trip lengths ranging from 15 to 80 miles.

M. Centre City San Diego - That portion of downtown San Diego bordered by Laurel Street to Interstate 5 (I-5) on the north, Commercial Street to I-5 on the south, I-5 on the east, and the waterfront on west. The 11 stations in City Centre San Diego are: County Center/Little Italy, Santa Fe Depot, America Plaza, Seaport Village, Convention Center, Gaslamp Quarter, 12<sup>th</sup> & Imperial Transit Center, Park & Market, City College, Fifth Avenue, Civic Center

N. Station - That fixed site at which the San Diego Trolley stops to load and unload passengers. ~~For the purposes of the Fare Pricing Schedule, all the stops within Centre City San Diego are considered one station.~~

O. Zone(s) - ~~For bus service, geographical areas defined by fixed boundaries within which particular fares are established. Zone 1 is the central urbanized area of the San Diego region bounded by the Mexican border to the south, the MTS area of jurisdiction limit to the east, the waterfront on the west, and extending north along I-5 to just south of Carmel Valley Road and north along Interstate 15 (I-15) to Los Peñasquitos Canyon. Zone 2 extends from the Zone 1 northern boundaries north to Manchester Street along I-5 and north to Lake Hodges/Pomerado/Highland Valley Road along I-15. Zone 3 extends from the Zone 2 northern boundaries north to Batiquitos Lagoon along I-5 and north to Bear Valley Parkway along I-15. Zone 4 is everything within the MTS area of jurisdiction north of the Zone 3 northern boundary. For trolley service, a zone is the number of stations from the station of boarding that a person may travel for a particular fare. The Centre City zone is considered one station for the purpose of calculating fare zones on the trolley.~~

\_\_\_\_\_ For ADA complementary paratransit service, a zone is the geographical area defined by fixed boundaries within which particular fares are established. The boundaries for the zones are determined by each of the contracting agencies for the local operator of the paratransit service. The zones are as follows:

Zone 1                    \_\_\_\_\_ Central San Diego

Zone 2                    \_\_\_\_\_ Mid-County: Poway, Rancho Bernardo, Rancho Peñasquitos, Carmel Mountain Ranch, and Sabre Springs

Zone 3                    \_\_\_\_\_ East County: La Mesa, El Cajon, Santee, Lakeside, Lemon Grove, Spring Valley, and parts of Alpine

Zone 4                    \_\_\_\_\_ South Bay: Chula Vista, Coronado, National City, Imperial Beach, Palm City, Nestor, Otay Mesa, and San Ysidro

P. Transfer - The action by passengers in which they leave one bus or rail vehicle and board a subsequent bus or rail vehicle to complete their trips.

Q. Upgrade - An additional fare required to enhance the value of an original fare (upon transfer) or a pass to travel on a higher-fare service.

R. ADA Complementary Paratransit Service - Specialized curb-to-curb transportation services provided to persons who qualify as eligible for such services under the guidelines of the ADA. Except for commuter bus, commuter rail, or intercity rail systems, each public entity operating a fixed-route system shall provide complementary paratransit or other special service to individuals with disabilities (who cannot access or use fixed-route transit due to a qualifying disability) that is comparable to the level of service provided to individuals without disabilities who use the fixed-route system.

S. Personal Care Attendant - In relation to the ADA complementary paratransit service, a personal care attendant is a person who is designated by the ADA eligible passenger to aid in their mobility. The person may be a friend, family member, or paid employee. A personal care attendant is not charged a fare on the ADA complementary paratransit service vehicle on which she/he accompanies the ADA-eligible passenger. The need for and use of a personal care attendant must be indicated at the time of eligibility certification.

T. Dedicated Transportation Service - In relation to social services agencies or other organizations, a dedicated transportation service is defined as paratransit vehicle usage that is set apart for and guaranteed to an agency for the transportation of its eligible clients. The vehicle, for a particular time frame, is for the definite use of these persons and a ride is unavailable to other eligible persons within the community.

U. Pass, Tokens, and Ticket Sales Commission - The amount of money that is retained from the retail purchase price by an authorized pass sales outlet on the sale of each monthly pass, token, prepaid ticket, or day pass. The following chart shows the Pass Sales Commissions:

FARE MEDIA	RETAIL PRICE	COMMISSION AMOUNT (\$)	COMMISSION AMOUNT (%)	EFFECTIVE DATE
Monthly Pass	\$64.00	\$0.64	1.0%	1/1/08
Monthly Pass	\$68.00	\$0.68	1.0%	1/1/09
Monthly Pass Premium	\$90.00	\$1.35	1.5%	1/1/08
Monthly Pass Senior/Disabled/Medicare (Terminates 1/1/09)	\$16.00	\$0.24	1.5%	1/1/08
Monthly Pass Senior/Disabled/Medicare	\$17.00	\$0.25	1.5%	1/1/09
Monthly Pass Premium Senior/Disabled/Medicare	\$22.50	\$0.34	1.5%	1/1/09
Monthly Pass Youth (Terminates 1/1/09)	\$32.00	\$0.48	1.5%	1/1/08
Monthly Pass Youth	\$34.00	\$0.51	1.5%	1/1/09
Monthly Pass Youth Premium	\$45.00	\$0.67	1.5%	1/1/09
14-Day Pass	\$41.00	\$0.62	1.5%	1/1/09
\$2.25 Individual Token	\$2.25	N/A	N/A	1/1/08
\$2.25 Token 20-Pack	\$45.00	\$0.45	1.0%	1/1/08
\$2.25 Token 40-Pack	\$90.00	N/A	N/A	1/1/08
One-Day Pass	\$5.00	\$0.25	5.0%	1/1/08
Two-Day Pass	\$9.00	\$0.50	5.55%	1/1/08



Three-Day Pass	\$12.00	\$0.75	6.25%	1/1/08
Four-Day Pass	\$15.00	\$1.00	6.67%	1/1/08
Hotel Scratch One-Day Pass	\$5.00	\$0.25	5.0%	1/1/08

**(Section 4.2 amended 11/8/07/17/08)**

**Section 4.3: Regional Fare-Pricing Schedule**

**Section 4.3.1 Regional Passes and Tickets**

**Section 4.3.1a Regional Monthly Passes**

1) Except as provided in Section 4.3.1b, 4.3.1c, and 4.3.1d of this Ordinance, the price of a regional monthly pass shall be based on service type and zones. Local, Urban, and Express bus and Trolley passes shall be \$64.00 (effective 1/1/08) and \$68.00 (effective 1/1/09). Premium Express passes shall be \$90.00. The monthly pass shall entitle the person to whom the pass is issued to unlimited rides during the month for which the pass is designated on any equal or lower priced regularly scheduled bus and rail service provided by MTS and NCTD, except for COASTER, for which the pass entitles the holder a \$2.00 discount per boarding. Refer to Section 4.10.3 for use on rural services. Half-price passes are available beginning the 15th of each month at The Transit Store, Pass by Mail, and certain outlets.

2) **Employer-Based Group Sales Pass Program**

Employers may purchase in bulk, discounted monthly passes for their employees subject to the following conditions:

The discount is available for the advance purchase of 25 or more passes a month for up to three months for a "trial program." Price would be set according to what the price would be for an annual program using the same number of passes per month. Only one "trial program" is allowed per employer. The trial program agreement must be for a specific fiscal year. Advance payment for the total number of Trial Program passes is required. The discount is available for an employer purchasing 300 or more passes for an annual (12 months) program. The program can be pro-rated to accommodate the time left in the fiscal year. The annual program agreement and payment must be for a specific fiscal year. Advance payment for the total number of annual monthly passes is required.

The price of the Employer-Based Group Sales Pass Program will be tiered according to the number of annual regular adult passes purchased. The discount offered shall be as follows:

<b><u>Proposed Employer-Based Group Sales Pass Program</u></b>		
<b><u>Tiered-Discount Table</u></b>		
<b>Employees Using Transit Per Month</b>	<b>Passes Per Year</b>	<b>Discount</b>
25 to 50	300 to 600	10%
51 to 100	601 to 1,200	15%
101 to 250	1,201 to 3,000	20%
251 or more	3,001 or more	25%

**(Section 4.3.1a amended 11/8/07)**

#### Section 4.3.1b Senior/Disabled/Medicare Monthly Passes

The price of a regional Senior/Disabled/Medicare Monthly Pass is \$16.00 (effective 1/1/08) and \$17.00 (effective 1/1/09) and shall entitle the ~~senior~~Senior, -or-disabled~~Disabled, or Medicare~~ passenger to unlimited trips during the month for which the pass is designated on any regularly scheduled services provided by those operators identified in Section 4.3.1a of this Ordinance, except rural service (as defined by Section 4.2L). Half price passes are available beginning the 15th of each month at The Transit Store, Pass by Mail, and certain outlets.

#### Section 4.3.1c Youth Monthly Passes

The price of a youth monthly pass is \$32.00 (effective 1/1/08) and \$34.00 (effective 1/1/09) and shall entitle the youth passenger to unlimited trips during the month for which the pass is designated on any regularly scheduled services provided by those operators identified in Section 4.3.1a of this Ordinance, except rural service (as defined by Section 4.2L). Half-priced passes are available beginning the 15th of each month at The Transit Store, Pass by Mail, and certain outlets.

#### Section 4.3.1d Day Passes - General Public

The price of a one-day Day Pass is \$5.00 and shall entitle the person to whom the pass is issued unlimited rides during the day for which the pass is valid on any regularly scheduled services provided by those operators identified in Section 4.3.1a of this Ordinance (except Premium Express services, ADA complementary paratransit services, and rural service).

The price of a two-day Day Pass is \$9.00 and shall entitle the person to whom the pass is issued unlimited rides during the days for which the pass is valid on any regularly scheduled services provided by those operators identified in Section 4.3.1a of this Ordinance (except Premium Express services, ADA complementary paratransit services, and rural service).

The price of a three-day Day Pass is \$12.00 and shall entitle the person to whom the pass is issued unlimited rides during the days for which the pass is valid on any regularly scheduled services provided by those operators identified in Section 4.3.1a of this Ordinance (except Premium Express services, ADA complementary paratransit services, and rural service).

The price of a four-day Day Pass is \$15.00 and shall entitle the person to whom the pass is issued unlimited rides during the days for which the pass is valid on any regularly scheduled services provided by those operators identified in Section 4.3.1a of this Ordinance (except Premium Express services, ADA complementary paratransit services, and rural service).

#### Section 4.3.1e Group Advance Pass Sales

Group event day passes, valid for one to seven days, may be issued to groups (minimum quantity = 100) only on a 21-day or longer advance sales basis. The price of group event advance sales passes shall be as follows:

One-Day Pass	=	\$4.50
Two-Day Pass	=	\$8.00
Three-Day Pass	=	\$11.00
Four-Day Pass	=	\$14.00
Five-Day Pass	=	\$16.00
Six-Day Pass	=	\$18.00
Seven-Day Pass	=	\$20.00

The group event day pass shall entitle the person to whom the pass is issued unlimited rides during the corresponding number of consecutive days for which the pass is valid on any regularly scheduled services provided by those operators identified in Section 4.3.1a of this Ordinance, except rural service (as defined by Section 4.2L).

Group event day passes for special events may be purchased in bulk in advance at discounted rates as follows or as otherwise agreed to by the Board:

100-999 passes	=	Full price per pass
1,000-1,999 passes	=	5 percent discount per pass
2,000-2,999 passes	=	10 percent discount per pass
3,000-3,999* passes	=	15 percent discount per pass
4,000+ passes	=	20 percent discount per pass

#### Section 4.3.1f Classroom Day Pass

Classroom Day Passes, valid for one day during nonpeak hours, may be issued to school and youth groups (up to 18 years of age) on an advance sales basis only. Each group shall consist of no more than 17 people (15 youths and two adult chaperons). The price of Classroom Day Passes shall be \$1.50 per person.

#### Section 4.3.1g College Semester/Monthly Pass

MTS shall offer a pass for a college or university school term of 63 or more days that is priced at \$1.34 a day (effective 1/1/08) and \$1.43 a day (effective 1/1/09), payable in advance, sold only during the term's registration and/or a monthly pass good for a calendar month, priced at \$51.20 a month (effective 1/1/08) and \$54.40 (effective 1/1/09) a month, payable in advance. College semester and monthly passes are valid for travel on all regularly scheduled bus and rail services provided by MTS and NCTD, except for Premium Express, COASTER (for which the passes entitle the holder to a \$2.00), ADA complementary paratransit services and rural services (as defined by Section 4.2L). The semester and monthly college student passes are to be sold only at schools, colleges, and universities that meet the following requirements: accredited by recognized accrediting institution; provide an on-site sales location; track sales to individual students; limit sales to one pass per student currently enrolled with a minimum of seven credit hours; only issue to students with a current school year photo identification card; provide a benefit to each student purchasing the term and/or monthly pass to encourage public transit use; and promote the pass through school information materials.

#### Section 4.3.1h Hotel Scratch One-Day Pass

The Hotel Scratch One-Day Pass is a one-day day pass that is priced at the standard one-day price but with scratch-off instead of punched month, day, and year boxes. The Hotel Scratch One-Day Pass has a unique serial number code, and customers may not return or exchange Hotel Scratch One-Day Passes. Only hotels with a pass sales agreement can sell this type of day pass.

#### Section 4.3.1i San Diego County Juror Day Pass

Upon entering an agreement with MTS that meets MTS requirements, courts located in San Diego County may purchase the following special fare media to be distributed to jurors summoned to jury duty in courts in San Diego County:

Juror Regional Day Pass is valid for all regular MTS and NCTD services. The pre per-day price for this pass shall be 85% of the Regional Day Pass or \$4.25.

The Juror Regional Premium Day Pass valid for travel on MTS and NCTD regular and premium services except two-zone rural bus services. The price of this pass shall be 85% of a Premium Day Pass or \$9.35. Use of this pass for a two-zone rural trip will require payment of a \$5.00 upgrade for adults and \$4.00 for seniors/disabled/Medicare passengers in each direction.

#### Section 4.3.2 Regional Monthly Pass Upgrades

Passengers holding a valid monthly pass as described in Section 4.3.1a must pay a cash upgrade to ride rural services. Holders of Regional Monthly Passes and Premium Regional Monthly Passes shall receive a \$1 discount per zone. Senior/Disabled/Medicare Pass holders shall receive a \$0.50 discount per zone. Refer to Section 4.6.5a for upgrade requirements on DART services.

#### Section 4.3.3 Regional Fares for Children

Children, as defined in Section 4.2.E, shall ride for free when accompanied by a fare-paying passenger. This shall be applicable to all fixed-route bus service, Trolley service, and rural service. **(Section 4.3 amended 12/8/05)**

#### Section 4.4: San Diego Trolley Fare-Pricing Schedule

##### Section 4.4.1a One-Way Cash Fares

The price of a one-way cash fare ticket to ride the ~~trolley~~ Trolley shall be as follows:

Centre City	=	\$1.25
1 station	=	\$1.50
2 stations	=	\$1.75
3 stations	=	\$2.00
4-10 stations	=	\$2.25
11-19 stations	=	\$2.50
20+ stations	=	\$3.00

Effective September 1, 2008, the cash fare for a single, one-way trip involving any number of stations shall be \$2.50 for an adult and free transfers shall be permitted between Trolley lines. The price cash fare for a trip Trolley ride originating and terminating in Centre City San Diego shall be \$1.25. The ticket shall be valid for two hours and must be valid during the entire Trolley trip.

A one-way ticket shall entitle the ~~person to a person to whom the ticket is issued:~~ 1 one-way trip in a direction away from the station of issue. The one-way ticket is valid for two hours and must be valid during the entire ~~trolley~~ Trolley trip.

##### Section 4.4.1b Round-Trip Cash Fares

The price of a ~~trolley~~ Trolley round-trip ticket shall be as follows:

Round-trip 2 @ \$1.00	=	\$2.00 (Senior/Disabled/Medicare fare)
Round-trip 2 @ \$1.25	=	\$2.50
Round-trip 2 @ \$1.50	=	\$3.00
Round-trip 2 @ \$1.75	=	\$3.50
Round-trip 2 @ \$2.00	=	\$4.00
Round-trip 2 @ \$2.25	=	\$4.50
Round-trip 2 @ \$2.50	=	\$5.00
Round-trip 2 @ \$3.00	=	\$6.00

Effective on September 1, 2008, the adult round-trip cash fares are discontinued and replaced by the Day Pass and free transfers between Trolley lines shall be permitted.

A round-trip ticket shall entitle the person to whom the ticket is issued: one round-trip, which may be used at any time throughout the operating day.

#### Section 4.4.2 Senior/Disabled/Medicare Cash Fares

The Senior/~~disabled~~Disabled/Medicare cash fares for San Diego Trolley, Inc. shall be \$1.00 per one-way trip on Trolley. Effective on September 1, 2008, the fare shall be \$1.25.

The Senior/Disabled/Medicare cash fare shall be \$2.50 per roundtrip on Trolley effective September 1, 2008.

For trips originating and terminating in Centre City San Diego, the one-way Senior/Disabled/Medicare cash fare shall be \$.60 effective September 1, 2008.

#### Section 4.4.3 Tokens

Universal tokens shall be available for \$2.25 each, in multiples of 20 (\$45.00) or 40 (\$90.00), and shall entitle the person holding the universal token to up to a \$2.25 cash fare value trip on any MTS bus or trolley service except ADA paratransit services. Some services may require a cash upgrade in conjunction with the universal token.

**(Section 4.4 amended 11/8/077/17/08)**

#### Section 4.5: MTS Bus Fare-Pricing Schedule

##### Section 4.5.1 Cash Fares

##### Section 4.5.1a Local Services

The price of a trip on MTS local service, as described in Section 4.2H of this Ordinance, shall be \$2.00 (effective 1/1/08) and \$2.25 (effective 1/1/09).

##### Section 4.5.1b Urban Services

The price of a trip on MTS urban service, as described in Section 4.2I of this Ordinance, shall be \$2.25.

##### Section 4.5.1c Express and Premium Express Services

The price of a trip on express and premium express service, as described in Sections 4.2J and 4.2K of this Ordinance, shall be:

Express	= \$2.50
Premium Express	= \$5.00

##### Section 4.5.1d Senior/Disabled/Medicare Cash Fares

The Senior/~~disabled~~Disabled/Medicare Bus cash fare shall be \$1.00 except as otherwise

provided in Section 4.9 concerning rural service.

Effective on January 1, 2009 September 1, 2008, the fare for urban service shall be \$1.10. Effective January 1, 2009, the fare for local service shall be \$1.10.

Effective September 1, 2008, the Senior/Disabled/Medicare Bus cash fare shall be \$1.25 on Express service and \$2.50 on Premium Express service.

On Premium Express services, the Senior/Disabled/Medicare fare shall be \$2.50 effective on January 1, 2009.

#### Section 4.5.2 Special Fares

##### Section 4.5.2a Shuttle Fare

The price of a trip on shuttle services shall be \$1.00. Effective on September 1, 2008, the Senior/Disabled/Medicare shuttle service fare shall be \$0.50.

##### Section 4.5.2b Tokens

~~Universal tokens shall be available for \$2.25 each, in multiples of 20 (\$45.00) or 40 (\$90.00), and shall entitle the person holding the universal token to up to a \$2.25 cash fare value trip on any MTS bus or trolley service except ADA paratransit services. Some services may require a cash upgrade in conjunction with the universal token.~~

##### Section 4.5.2eb Stadium/Ballpark Bus Fares

The price of a trip on special buses with the primary purpose of traveling to and from events at Qualcomm Stadium or PETCO Park shall be \$5.00 one way and \$8.00 round-trip.

**(Section 4.5 renumbered and amended 11/7/817/078)**

#### Section 4.6.5 Demand-Responsive Cash Fares

##### Section 4.6.5a MTS DART Services

The price of a one-way trip on MTS DART services (Scripps Ranch, Rancho Bernardo) shall be as follows:

MTS DART – Regular/Adult	\$3.00
MTS DART – Senior/Disabled/Medicare	\$1.50
All other prepaid fare media, including senior/disabled/Medicare, upgrade	\$0.50

##### Section 4.6.5b ADA Paratransit Services Cash Fares

The ADA complementary paratransit services, provided in accordance with the ADA, are only available to persons with qualifying disabilities that prevent them from using fixed-route transit services. These services shall have a cash fare of no more than double the predominant adult cash fare in the area of service. Section 4.2.O establishes the ADA paratransit zones. The urban zone (Zone 1) shall use the Urban Service fare defined in Section 4.2.I to calculate the MTS Access cash fare of ~~\$4.50~~ per passenger trip. The three suburban zones (Zones 2, 3, and 4) shall use the Local Service fare defined in Section 4.2.H to calculate the ADA Suburban paratransit cash fare of ~~\$3.50~~ per passenger trip. Passes are not accepted on ADA paratransit services. Paying ADA paratransit passengers will be issued (upon request) a Premium Regional Day Pass for use on connecting fixed-route and trolley

services. Passengers transferring from ADA paratransit service in Zones 2, 3, or 4 to ADA paratransit service in Zone 1 ~~must~~ may be required to pay an \$1.00 upgrade on the Zone 1 vehicle if the price of the MTS Urban Service Fare is greater than the price of the MTS Local Service Fare. Full-price (no discount) tickets for ADA paratransit services may be sold to passengers in advance. No passes, tokens, or discounts and no other tickets are accepted on ADA paratransit services. Personal Care Attendants (PCA) required by disabled passengers are not required to pay a fare.  
**(Section 4.6 amended 12/8/05/17/08)**

#### Section 4.7: Rural Service

Rural service, as defined in Section 4.2L, shall have applied to it a 2-zone based fare structure. Zone boundaries shall generally be located on a north-south axis and have zone boundaries at Ramona (Ramona Station), Alpine (Tavern Road and Alpine Boulevard), and the Tecate border crossing (Tecate Road and Thing Road). Passenger trips remaining within 1 zone shall have applied to them the 1-zone based fare.

#### Section 4.7: 1- and 2-Zone One-Way Cash Fares

The 1-zone cash fare shall be \$5 for each one-way trip. The 2-zone cash fare shall be \$10 for each one-way trip.

#### Section 4.7.2 One-Way Senior/Disabled/Medicare Cash Fare

Senior/disabled/Medicare cash fares shall be 50 percent of the regular cash fare: 1-zone senior/disabled/Medicare cash fare shall be \$2.50 for each one-way trip. The 2-zone cash fare shall be \$5 for each one-way trip.

#### Section 4.7.3 Prepaid Monthly or Daily Pass Upgrade Required

Passengers exhibiting a valid MTS Monthly Adult or Youth Pass, College Semester Pass, or Daily Pass shall be provided a \$1 discount per zone for rural service: the 1-zone cash upgrade shall be \$4 for each one-way trip. The 2-zone cash upgrade shall be \$8 for each one-way trip. Senior/disabled/Medicare passengers exhibiting a valid Senior/Disabled/Medicare Monthly Pass shall be given a \$.50 cent discount per zone: the 1-zone cash upgrade shall be \$2.00 for each one-way trip. The 2-zone cash upgrade shall be \$4 for each one-way trip.

#### Section 4.7.4 Other Fare Media

- Tokens shall be accepted at face value of \$2.25; change will not be provided in instances where token value exceeds required fare.
  - A San Diego County Juror Premium pass is valid for travel for 1-zone rural bus service. Use of this pass for a 2-zone rural trip requires payment of a \$5.00 upgrade (\$4.00 for senior/disabled/Medicare) in each direction.
  - Transfers from ADA complementary service shall not require an upgrade.
- (Section 4.10 renumbered and amended 11/8/07)**

#### Section 4.8: Sorrento Valley Coaster Connection

Effective on September 1, 2008, the single trip one-way cash fare on Sorrento Valley Coaster Connection (SVCC) services shall be \$1.00 for adults and \$0.50 for Senior/Disabled/Medicare.

The price for a monthly pass for the SVCC shall be \$40.00 for adults, \$20.00 for Youth, and \$10.00 for Senior/Disabled/Medicare.

All Regional and Premium Day Passes and Regional and Premium Monthly Passes will be accepted on SVCC services.

**(Section 4.8 renamed and amended 7/17/08)**

#### Section 4.9 Special Fares

MTS shall be allowed to adjust fares for special events with the approval of the Chief Executive Officer.

**(Section 4.11-9 renumbered and amended 7/17/08 11/8/07)**

#### Section 4.910: Other Metropolitan Transit System Operators and Special Cash Fares

##### Section 4.109.1 Cash Fares

Any special fares of any operator in the region not listed within this Ordinance shall be included in the Uniform Fare Structure Agreement.

**(Section 4. 9 renumbered 11/8/07 10 amended 7/17/08)**

#### Section 4.110: Public Notice

Before the expiration of fifteen (15) days after its passage, a summary of this Ordinance shall be published once with the names and members voting for and against the same in a newspaper of general circulation published in the County of San Diego.

**(Section 4.10 renumbered 11/8/07 11 amended 7/17/08)**

#### Section 4.124: Effective Date of Ordinance

This Ordinance shall become effective 30 days from and after the date of its final passage.

**(Section 4.11 renumbered 11/8/07 12 amended 7/17/08)**

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Amended: 12/8/05  
Amended: 1/15/04  
Amended: 11/13/03  
Amended: 05/22/03  
Amended: 04/10/03  
Amended: 10/17/02  
Amended: 06/14/01  
Amended: 05/10/01  
Amended: 08/10/00  
Amended: 07/13/00  
Amended: 05/13/99  
Amended: 02/26/98  
Repealed & Readopted: 7/17/97  
(operative - 11/23/97)  
Amended: 04/28/94  
Amended: 01/13/94  
Amended: 07/08/93  
Amended: 02/11/93  
Repealed & Readopted: 05/28/92

Amended: 01/09/92  
Repealed & Readopted: 03/14/91  
Amended: 09/27/90  
Amended: 05/10/90  
Repealed & Readopted: 02/23/89  
Amended: 11/10/88  
Repealed & Readopted: 02/25/88  
Amended: 12/10/87  
Amended: 10/09/86  
Amended: 04/24/86  
Amended: 03/01/86  
Repealed & Readopted: 12/05/85  
Amended: 07/11/85  
Amended: 05/23/85  
Amended: 10/04/84  
Amended: 07/19/84  
Repealed & Readopted: 02/27/84  
Amended: 07/25/83  
Amended: 07/11/83



Amended: 07/08/81

Amended: 06/30/81

Adopted: 06/08/81

Amended: 11/8/07

Amended: 7/17/08



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

## Agenda

Item No. 33

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

TAXI 570.1, 590.10

July 17, 2008

### SUBJECT:

MTS: TAXICAB MAXIMUM ALLOWABLE CITY RATES OF FARE - ENACTMENT OF  
A PER-FARE \$1.00 FUEL SURCHARGE AND MODIFICATION OF MTS POLICIES  
AND PROCEDURES NO. 34

### RECOMMENDATION:

That the Board of Directors authorize:

1. enactment of a temporary per-trip fuel surcharge of \$1.00 for all taxicabs regulated by MTS Taxicab Administration; and
2. modification of MTS Policies and Procedures No. 34 (For-Hire Vehicle Services) Section 34.5.1 to allow airport rates of fare to be calculated on an annual basis.

#### Budget Impact

None.

#### Executive Committee Recommendation

At its meeting on July 10, 2008, the Executive Committee recommended forwarding this item to the Board of Directors for approval.

### DISCUSSION:

MTS serves as the taxicab administrator for the Cities of El Cajon, Imperial Beach, La Mesa, Lemon Grove, Poway, San Diego, and Santee. Responsibilities include determining owner eligibility, inspecting vehicles, issuing permits, monitoring compliance



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.

with administrative and operational regulations, and investigating passenger complaints. Rates of fare for city taxicabs may vary from company to company but only up to a fixed amount set by MTS. MTS also sets uniform rates of fare for trips originating at the San Diego International Airport. In setting fares and surcharges, MTS attempts to balance the interests of the public with the needs of taxicab owners.

Changes to Maximum Allowable City Rates of Fare - In March 2007, maximum allowable city rates of fare for trips not originating at the airport were set as follows:

\$2.60 flag drop, 1/14 of a mile  
\$2.80 per mile  
\$23.00 per-hour waiting time

On March 12, 2008, a public hearing was held regarding raising the maximum allowable city rates of fare as part of the MTS Taxicab Committee meeting. Issues discussed included the impact on the industry from the rising cost of fuel and the methodology used in calculating the airport rates of fare as well as the frequency at which fares are recalculated. After much discussion, committee members requested that MTS staff conduct a meeting of the Workshop on Regulatory Matters (WORM) Subcommittee.

On May 12, 2008, the WORM Subcommittee met to discuss the issues. Staff supplied those in attendance with taxicab rates of fare information from several cities (Attachment A). It was agreed that the maximum allowable city rates of fare be approved as presented at the Taxicab Committee meeting on March 12, 2008. Any additional adjustments; i.e. fuel surcharge and airport rate calculations, must assist all city and airport drivers in meeting rising costs to operate. It was agreed that a long-term solution needed to be addressed, and that any ameliorative measures should be enacted as soon as possible.

As a result of the WORM Subcommittee meeting, a second public hearing was held during the Taxicab Committee meeting on June 11, 2008. Based on its existing authority, the full Taxicab Committee approved the following changes to the maximum city rates of fare:

Maximum allowable city rates of fare as of June 11, 2008, through March 2009:

\$2.80 flag drop, 1/31 of a mile  
\$3.10 per mile  
\$24.00 per-hour waiting time

Temporary Fuel Surcharge. As part of the overall discussion related to enacting a fuel surcharge, staff advised Taxicab Committee members that while the formula used to calculate airport rates of fare incorporates fuel prices, the formula used to calculate the maximum allowable city rates of fare does not; therefore, any changes to the methods currently used would require changes to both MTS Ordinance No. 11, and MTS Policies and Procedures No. 34. This would delay any immediate assistance. Based on this discussion, staff and committee members agreed on a methodology for calculating an acceptable fuel surcharge.

Surcharge Calculation Methodology. Staff based the estimates of fuel capacity (20 gallons), average miles per gallon (15 mpg), and average paid miles (50%) on information supplied by taxicab companies. The average trips per day and average trip distance were taken from the 1999 SANDAG Taxicab Passenger Survey (Attachment B, page 2). The average taxicab trip distance is 4.6 miles overall; the average airport trip is 8 miles; and the average trips per day are 12. Staff and committee members agreed that as the city has grown since the last passenger survey was completed in 1999, that the average airport trip distance would be used when calculating the proposed fuel surcharge (Attachment C, page 27).

FORMULA:

$$\frac{15 \text{ miles per gallon}}{8 \text{ miles per trip}} = 1.875 \text{ trips per gallon}$$

$$\frac{\$0.82 \text{ fuel increase per gallon}}{1.875 \text{ trips per gallon}} = \$0.4373 \text{ increased cost of fuel per trip}$$

For practical purposes, the \$0.44 rounded up to the nearest \$0.10 would be \$0.50. This calculation was presented to the WORM Subcommittee on May 12, 2008.

At the Taxicab Committee meeting held on June 11, 2008, staff presented a verbal update to the committee regarding increases in fuel prices since the subcommittee meeting held on May 12. As of June 6, 2008, the calculations show an overall increase of fuel prices from March 2007 through June 6, 2008, of \$1.25 per gallon of regular unleaded fuel, which equates to a \$0.62 cent increased cost of fuel per trip (Attachment D).

Staff and Taxicab Committee members agreed that the recommendation for a temporary fuel surcharge should consider the continuing increases in fuel costs as well as lost income to drivers. Committee members felt a \$1.00 per-trip charge would adequately address these concerns. Furthermore, staff and the members of the committee agreed to the following:

1. The surcharge will remain in effect until early 2009 when all rates of fare will be recalculated or until fuel prices drop to the March 2007 levels.
2. All taxicabs would be required to post the decal, which would be placed near the taxicab meter (minimum size 4 inches by 5 inches) stating the following in letters and numbers not less than ¼ inch in height (Attachment E):

“NOTICE TO PASSENGERS

Due to the recent substantial increase in fuel prices,  
MTS has authorized a fuel surcharge for taxicabs.  
This \$1.00 fuel surcharge will be added to the meter  
fare for each trip (not each passenger).”

Staff acknowledges that up to this point, the taxicab industry as a whole has chosen not to raise its rates of fare. Staff has contacted all 16 approved radio services in an effort to obtain assurances from the industry that should the MTS Board approve the fuel

surcharge, the taxicab industry would not raise its rates of fare. Upon MTS Taxicab Administration approval, the taxicab industry may raise its city rates to the maximum allowable.

Thirteen (13) of the 16 taxicab dispatch services that control 886 taxicabs out of a total of 1,056 (includes all areas of MTS Taxicab Administration jurisdiction) have verbally agreed that unless fuel prices continue to dramatically increase, they will not raise their rates until rates are calculated next year. Of the three dispatch services that will request changes to their rates, only one service (controlling 44 taxicabs) will adjust its fares near the maximum allowable city rates.

Should the fuel surcharge be approved, staff will monitor all requests related to changing rates of fare, and should the majority of taxicabs request to change their approved current rates, staff will suspend the fuel surcharge.

Airport Rates of Fare – Airport rates of fare were also discussed by the Taxicab Committee. Since fuel prices are a part of the overall calculations used to complete airport rates of fare, staff and the Taxicab Committee recommend that MTS Policies and Procedures No. 34 (Attachment F) Section 34.5.1 be amended to allow airport rates of fare to be calculated on an annual basis. Annual calculations would help ensure that airport rates of fare reflect current fuel costs.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: John Scott, 619.595.7034, [john.scott@sdmts.com](mailto:john.scott@sdmts.com)

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Attachments: A. Annual taxicab rates of fare  
B. 1999 SANDAG Taxicab Passenger Study, page 2  
C. 1999 SANDAG Taxicab Passenger Study, page 27  
D. Gas Prices - AAA June 9, 2008  
E. Notice to Passengers  
F. MTS Policies and Procedures No. 34



**Friday, January 18, 2008**

**To:** OCTAP Steering Committee  
**From:** Iain C. Fairweather, Manager Motorist Services, SAFE, SAAV, OCTAP  
**Subject:** Annual Taxicab Fare Study

**Overview**

The Orange County Taxi Administration Program (OCTAP) was established January 1, 1998. OCTAP Regulations require each member agency to accept the passenger fare schedule approved by the OCTAP Steering Committee. Each year the OCTAP Administrator conducts a study of comparable taxicab fares and presents the findings to the OCTAP Steering Committee.

At the Quarterly Steering Committee Meeting held July 23, 2003, the Steering Committee approved the use of the Los Angeles – Riverside – Orange County Consumer Price Index, using the time frame of December-to-December for all future taxicab fare adjustments in Orange County. In addition, the Steering Committee directed OCTAP staff to present the Annual Taxicab Fare Study at the Quarterly Steering Committee Meeting held in January of each year.

There have been four fare adjustments by the OCTAP Steering Committee since OCTAP was established in January 1998. Those adjustments took effect July 1, 2001, August 22, 2003, August 27, 2005, and August 27, 2006.

**History of Orange County/OCTAP Taxicab Fares**

Effective	Adjustment	Fare	Add'l Charge	Wait Time
1995	-----	\$1.90 first 1/6mile	\$0.30 ea 1/6mile	\$22 per hour

**OCTAP Established-January 1998**

07/01/2001	+16%	\$2.30 first 1/7mile	\$0.30 ea 1/7mile	\$24.00 per hour
08/22/2003	+8%	\$2.30 first 1/5 mile	\$0.45 ea 1/5 mile	\$26.00 per hour
08/27/2005	+6.9%	\$2.40 first 1/6 mile	\$0.40 ea 1/6 mile	\$27.60 per hour
08/27/2006	+4.6%	\$2.65 first 1/5 mile	\$0.50 ea 1/5 mile	\$28.80 per hour

## **Discussion**

As shown above, the last adjustment by the OCTAP Steering Committee to the taxicab fare schedule was a 4.6% increase and went into effect August 27, 2006. The current fare in Orange County for a typical five-mile ride is \$14.65. A study of eleven comparable cities in California reflected a five-mile taxicab ride varied in price from \$12.98 to \$18.05.

## **Consumer Price Index Recommendation**

On July 23, 2003, the Steering Committee approved the use of Los Angeles – Riverside – Orange County Consumer Price Index as the indicator for taxicab fare adjustments.

The Los Angeles – Riverside – Orange County Consumer Price Index (CPI) rose 4.2% from the 12-month period ending December 31, 2007. A 4.2% adjustment to the current 5-mile trip for Orange County would increase to \$15.27. A 4.45% adjustment is listed below (option 2) due to a limitation in meter increments. A two year cumulative Consumer Price Index figure (7.5%) has also been included due to no recommended or approved fare increase in 2007.

## **Fare Adjustment/Increase Options for Consideration:**

### **Option 1: No Fare Increase**

Current Rate	Add'l Charge	Wait Time	Five Mile Ride
<b>\$2.65 first 1/5 mile</b>	<b>\$0.50 ea 1/5 mile</b>	<b>\$28.80 per hour</b>	<b>\$14.65</b>
(First mile: \$4.65 Each Additional Mile: \$2.50)			

### **Option 2: 4.45% Fare Increase**

Rate:	Add'l Charge	Wait Time	Five Mile Ride
<b>\$2.95 first 1/4</b>	<b>\$.65 ea 1/4</b>	<b>\$30.00</b>	<b>\$15.30</b>
(First mile: \$4.90 Each Additional Mile: \$2.60)			

### **Option 3: 6.5% Fare Increase**

Rate:	Add'l Charge	Wait Time	Five Mile Ride
<b>\$3.25 first 1/4</b>	<b>\$.65 ea 1/4</b>	<b>\$30.70</b>	<b>\$15.60</b>
(First mile: \$5.20 Each Additional Mile: \$2.60)			

### **Option 4: 7.5% Fare Increase**

Rate:	Add'l Charge	Wait Time	Five Mile Ride
<b>\$2.70 first 1/6</b>	<b>\$.45 ea 1/6</b>	<b>\$31.00</b>	<b>\$15.75</b>
(First mile: \$4.95 Each Additional Mile: \$2.70)			

**Recommendation**

The recommendation from the OCTAP Administrator is that Option 2 be approved.

**Attachments:**

- Five Mile Ride Comparison
- Los Angeles, Riverside, Orange County Consumer Price Index with Percent Changes 2004 - 2007
- Los Angeles, Riverside, Orange County Consumer Price Index Average Fuel Prices 2005 - 2007



### Five-mile Ride Comparison

City	Five Mile Total	Wait Time per hour
San Bernardino	\$12.98	\$25.00
San Francisco	\$13.90	\$27.00
Santa Barbara	\$13.95 (\$20.63)	\$30.00 (\$45.00)
Long Beach	\$14.35	\$26.53
Los Angeles	\$14.35	\$26.53
<b>Orange County</b>	<b>\$14.65</b>	<b>\$28.80</b>
Fresno	\$14.68	\$27.00
Ventura	\$15.75	\$25.00
Sacramento	\$16.00	\$26.00
San Diego	\$16.60	\$23.00
Palm Springs	\$18.05	\$35.00
<b>Average:</b>	<b>\$15.02</b>	<b>\$27.26</b>

All above listed fares are the most current fare schedule for each city.

**Los Angeles-Riverside-Orange County  
Consumer Price Index 2004 – 2007**

**Consumer Price Index - All Urban Consumers**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2004	188.5	190.1	191.5	191.9	193.3	193.7	193.4	193.1	194.5	196.3	196.9	198.2
2005	195.4	197.4	199.2	201.1	201.5	200.7	201.4	203.1	205.8	206.9	205.6	203.9
2006	206.0	207.5	208.5	210.5	212.4	211.1	211.4	211.9	212.9	214.2	215.4	216.6
2007	212.584	214.760	216.500	217.845	218.596	217.273	217.454	217.330	217.697	218.696	219.943	219.373

**12 Months CPI Percent Change from December 2005 to December 2006**

Year	Dec
2006	Up 3.3%

**12 Months CPI Percent Change from December 2006 to December 2007**

Year	Dec
2007	Up 4.2%

**Los Angeles-Riverside-Orange County  
Consumer Price Index  
Average Fuel Prices (all types) 2005 – 2007**

**Consumer Price Index - All Urban Consumers**

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	151.4	163.1	180.0	199.1	191.8	182.6	195.3	208.7	225.6	221.1	197.5	175.7
2006	185.9	195.4	201.1	226.3	256.9	248.3	248.7	244.3	221.2	193.1	188.2	188.2
2007	193.608	199.916	233.599	251.751	261.973	245.206	234.932	217.025	219.690	232.693	253.666	248.263

**12 Months Average Fuel Price Change from December to December**

Year	Dec
2005	2.326
2006	2.559
2007	3.299

**12 Months Average Fuel Price Percentage Change from December to December**

Year	Dec
2005	Up 7.3%
2006	Up 10.0%
2007	Up 28.9%

# RATE SURVEY 2008

CITY/STATE	FLAG DROP	EACH ADDITIONAL MILE	WAIT AND/OR DELAY TIME	ADDITIONAL RATES AND NOTES	Cabs	Last Increase
Anchorage, AK	\$3.00 1st 1/10mi	\$0.25 per 1/10mi (\$2.50/mi)	\$45/hr	review rates at least every two years	162	Jul-06
Atlanta, GA	\$2.50 1st 1/8mi	\$0.25 per 1/8mi (\$2.00/mi)	\$21/hr	\$2.00 per additional passenger; \$30 Airport to downtown & \$38 to Buckhead flat fee	1600	Nov-05
Austin, TX	\$2.00 1st 1/8mi	\$0.25 per 1/8mi (\$2.00/mi)	\$25/hr	\$1.00 airport surcharge	669	Feb-08
Baltimore, MD - Annapolis	\$1.80 1st 1/10mi	\$0.20 per 1/10mi (\$2.00/mi)	\$24/hr	\$0.90 airport surcharge; \$0.25 for luggage in excess of 2; \$1 to 25% extra in bad weather; \$27 flat rate downtown Baltimore to airport	1151	Sep-06
Boston, MA	\$1.75 1st 1/8mi	\$0.30 per 1/8mi (\$2.40/mi)	\$24/hr	logan airport drop is \$2.25; airport exit charge is \$6.00	1825	Sep-02
Broward County, FL	\$2.50 1st 1/6mi	\$0.40 per 1/6mi (\$2.40/mi)	\$24/hr	\$10 min charge out of Fort Lauderdale Airport; review every two years	870	Sep-05
Charlotte, NC	\$2.00 no mileage	\$0.40 per 1/5mi (\$2.00/mi)	\$24/hr	\$2.00 per passenger after 2nd; \$20 flat fare airport to downtown + \$1.00 gas surcharge; \$12 min airport charge + \$1.00 gas surcharge	700	
Chicago, IL**	\$2.25 1st 1/9mi	\$0.20 per 1/9mi (\$1.80/mi)	\$20/hr	\$1.00 added passenger 12 to 65; \$0.50 third passenger; \$1.00 airport surcharge	6700	May-05
Cincinnati, OH	\$3.60 1st 1/8mi	\$0.20 per 1/8mi (\$1.60/mi)	\$24/hr	\$3.00 minimum charge	675	Mar-07
Columbus, OH	\$2.75 1st 1/9mi	\$0.45 per 2/9mi (\$2.025/mi)	\$27/hr	\$2.25 per mile outside of city; \$0.50 dispatch request; \$0.50 cc payment extra as svc charge	500	06-07
Dallas, TX++	\$2.00 1st 1/9mi	\$0.20 per 1/9mi (\$1.80/mi)	\$18/hr	\$2.00 per extra passenger; Love Field: \$1.00 depart surcharge; \$18 & \$14 flat fees; DFW: \$3.60 depart surcharge; \$40 flat rate; \$0.50 fuel surcharge for every \$0.50 above \$2.00 cost	2022	Nov-05
Dayton, OH	\$2.00 1st 1/2 mile	\$0.20 per 1/10mi (\$2.00/mi)	\$15/hr	\$5.00 minimum; \$0.20 per extra passenger; \$0.10 per luggage in excess of two	80	Aug-02
Denver, CO	\$1.80 1st 1/9mi to \$2.50 1st 1/9 mi; ave \$2.44 1st 1/9mi	\$0.20 per 1/9mi (\$1.80/mi) to \$0.25 per 1/9mi (\$2.25); ave \$2.04 per mile	\$22.50/hr	varies by company; ave \$1.00 added passenger; \$0.10 per extra luggage; \$0.25 per trunk; \$3.25 airport toll charge	942	06-07
Detroit, MI	\$2.50 1st 1/8mi	\$0.20 per 1/8mi (\$1.60/mi)	\$16/hr		1310	Aug-01



# RATE SURVEY 2008

CITY/STATE	FLAG DROP	EACH ADDITIONAL MILE	WAIT AND/OR DELAY TIME	ADDITIONAL RATES AND NOTES	Cabs	Last Increase
Fairfax County, VA ++	\$2.75 1st 1/5mi	\$0.35 per 1/5mi (\$1.75/mi)	\$21/hr	\$1.00 fuel surcharge per trip; \$1.00 per added passenger; \$0.25 per package in excess of two per passenger; \$0.50 luggage; \$2.00 trunks	576	8/05; 2007 gas surcharge
Honolulu, HI	\$2.80 1st 1/4mi	\$0.75 per 1/4mi (\$3.00/mi)	\$30/hr	\$0.50 per reg baggage; large at \$4.20 each	1193	Nov-05
Houston, TX ++	\$2.50 1st 1/6mi normal; \$2.50 1st 2/11 mi high fuel	\$0.30 per 1/6mi (\$1.80/mi) normal; \$0.17 per 1/11 mi (\$1.87 mi) high fuel	\$20/hr	\$1.00 night svc; tolls and various airport flat rates; revised rates above \$2.00 per reg unleaded	2270	Aug-05
Indianapolis, IN	\$4.00 1st 1/5mi (estimated)	\$0.40 per 1/5mi (\$2.00/mi)	\$24/hr	\$0.65 max per extra passenger; rates are maximum; \$15 min airport fee; flag drop not regulated ranges from \$2.25 to \$4.95	614	Jun-96
Las Vegas, NV ++	\$3.30 1st 1/11mi	\$0.20 per 1/11mi (\$2.20/mi) (includes \$0.20 per mile fuel surcharge)	\$28/hr	\$1.20 airport surcharge	1933	Oct-07
Little Rock, AK++	\$3.00 1st 1/4mi current with surcharge and proposed	\$0.40 per 1/4mi (\$1.60/mi) current; will be \$2.00 per mile	\$22/hr	\$2.00 per added passenger; \$1.00 fuel surcharge added to drop - to be permanent; \$1.00 airport surcharge	123	3/06 fuel surcharge
Los Angeles Current	\$2.45 1st 1/7mi	\$0.35 per 1/7mi (\$2.45/mi)	\$26.53/hr	\$42 flat fare to and from LAX and downtown; \$0.20 flag drop add for bandit enforcement	2303	Dec-06
Louisville, KY ++	\$4.10 - 1st mi or fraction	\$0.195 per 1/10mi (\$1.95mi)	\$20.75/hr max & \$18/hr wait	5% surcharge for gasoline over \$2.50; +5% at \$3.00 +5% at \$3.50; \$17 airport to downtown flat rate	300	Dec-05
Madison, WI	\$3.00 - 1/9mi	\$0.25 per 1/9mi (\$2.25/mi)	\$30/hr	\$1.00 airport surcharge; \$2.00 animals, skis, large trunks; \$0.50 3rd + bag	166	Sep-05
Miami Dade/County, FL	\$2.50 1st 1/6mi	\$0.40 per 1/6mi (\$2.40/mi)	\$24/hr	\$2.00 airport and seaport surcharge; several flat rate trips	2080	Oct-05
Minneapolis, MN **	\$2.50 1st 1/5mi	\$0.38 per 1/5mi (\$1.90/mi)	\$21/hr	up to \$5.00 min charge allowed; \$2.75 airport surcharge; review every 2 years	450	Sep-05
Montgomery County, MD	\$4.00 1st 1/4mi	\$0.40 per 1/4mi (\$1.60mi)	\$24/hr	\$1.00 additional passenger; \$1.00 for loading trunk	580	Feb-06
Nashville, TN	\$3.00 - no mileage	\$0.20 per 1/10mi (\$2.00/mi)	\$18/hr for passenger requested delays only	\$1.00 per additional passenger (non airport trips); \$25 airport rate; \$3.50 airport surcharge tied to \$7 airport flag drop to recoup	559	12/03 mileage; 8/07 airport rate & fee changes



# RATE SURVEY 2008

CITY/STATE	FLAG DROP	EACH ADDITIONAL MILE	WAIT AND/OR DELAY TIME	ADDITIONAL RATES AND NOTES	Cabs	Last Increase
New Orleans, LA ++	\$2.50 1st 1/6mi	\$0.20 per 1/6mi (\$1.20/mi)	\$18/hr	\$1.00 per additional passenger; \$1 fuel surcharge; \$28 airport flat rate	1608	May-05
New York, NY	\$2.50 1st 1/5mi	\$0.40 per 1/5mi (\$2.00/mi)	\$24/hr	\$0.50 night surcharge after 8:00 pm and before 6:00 am; \$1.00 weekday peak surcharge; \$45 JFK flat fare; \$7.50 to \$9.50 LaGuardia flat fares	13150	5/04 distance; 11/06 waiting
Philadelphia, PA ** ++	\$2.30 1st 1/7mi	\$0.30 per 1/7mi (\$2.10/mi)	\$20/hr	\$0.40 per trip fuel surcharge (drop is \$2.70); \$1.50 airport surcharge; \$25 airport flat rate and \$10 airport minimum charges (includes \$1.50 egress charge); \$1.25 fuel surcharge also added to airport flat rates	1700	Jul-05
Phoenix, AZ Airport	\$3.00 drop	\$2.00 per mile (\$5 first mile)	\$20/hr	\$1.00 airport surcharge; \$15 min charge	225 airport; 800+ city	Feb-06
Portland, OR ++ current	\$2.50 drop	\$2.00 per mile	\$30/hr	\$1.00 per additional passenger; \$0.20 per mile fuel surcharge; \$3.50 airport surcharge; maximum charges	382	Jul-05
Portland, OR pending 3/08	\$2.50 drop	\$2.30 per mile	\$30/hr	\$1.00 per additional passenger; \$3.50 airport surcharge; max charges	382	Mar-08
San Antonio, TX ++	\$1.70 1st 1/6mi	\$0.30 per 1/6mi (\$1.80/mi)	\$18/hr	\$1.00 night charge; per-mile fuel surcharges above \$2.00 gallon for reg unleaded - currently at \$0.25 per mile; \$8 airport min; \$3 downtown min; \$0.50 airport surcharge	788	Sep-05
San Diego City Max	\$2.60 1st 1/14mi	\$0.20 per 1/14mi (\$2.80/mi)	\$23/hr	new rate pending	994	Mar-07
San Diego City Pending	\$2.80 1st 1/31mi	\$0.10 per 1/31mi (\$3.10/mi)	\$24/hr	pending rate for 3/08	994	Mar-07
San Francisco, CA	\$3.10 1st 1/5mi	\$0.45 per 1/5mi (\$2.25/mi)	\$27/hr	\$2.00 airport fee; 150% charge if 15 miles out of city; controller report recommends change to \$0.50 per 1/5 mile	1431	Nov-06



## RATE SURVEY 2008

CITY/STATE	FLAG DROP	EACH ADDITIONAL MILE	WAIT AND/OR DELAY TIME	ADDITIONAL RATES AND NOTES	Cabs	Last Increase
Seattle, WA ** ++	\$2.50 1st 1/10mi	\$0.20 per 1/10mi (\$2.00/mi)	\$30/hr	\$1.00 per trip fuel-charge since 5/8/06; \$.50 per third or more passenger except kids; \$28 flat rate airport to downtown with \$3 outbound surcharge	651	4/1/05 normal rates; 5/8/06 \$1.00 surcharge, recommending new rates
St. Louis, MO ++	\$2.50 1st 1/10mi	\$0.20 per 1/10mi (\$2.00/mi)	\$24	\$1.00 per added passenger; \$2.00 to \$3.00 airport surcharge; \$1.00 per trip fuel surcharge; max charges	944	10/1/05; added passenger decreased
Tampa, FL	\$2.00 1st 1/5mi	\$0.45 per 1/5mi (\$2.25/mi)	\$18/hr	\$22 airport flat rate; \$10 min airport charge	608	Sep-05
Washington, DC (airport)	\$2.80 1st 1/4mi	\$0.45 per 1/4mi (\$1.80/mi)	\$21.04/hr	\$1.50 per additional passenger; \$2.00 extra for radio dispatch in DC; \$1.00 trip surcharge morn and evening peaks; \$0.50 for more than 1 piece of luggage; \$2.50 for snow emergency; \$1.75 airport fee for Ronald Reagan Airport		Feb-06

**Note:** Yellow color - rates were verified by the regulator of the city or jurisdiction

**Note :** Orange color - no formal survey response was provided, but did find info on website

**Note :** \*\* after the jurisdiction indicates that a potential rate increase review is in progress

**Note :** ++ after the jurisdiction indicates that a fuel surcharge is currently in use

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*1999 SANDAG Taxicab Passenger Study*

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- Most riders were Caucasian (59%). Nineteen percent were African American and 16% were Hispanic.
- Just over half of the visitors were in the San Diego area on business or convention. Seventy percent were staying in a hotel.
- Residents took more taxi trips (in any city) in the previous month than did visitors.

**Taxicab Trip Characteristics**

- The average time it took a taxicab driver from receiving a dispatch to reaching a passenger was 7.3 minutes.
- The average perceived time from a respondent's phone call to a taxicab company, and the arrival of the taxicab, was 10.5 minutes.
- The average number of passengers in each taxicab was 1.6.
- Eighty-seven percent of the trips either began or ended at home or accommodations (such as a hotel).
- After home/accommodations, the most frequent places for residents to take taxicab rides were shopping, social activities, or travel (such as the airport). For visitors, the most frequent place after home/accommodations was travel.
- The average trip distance was 4.6 miles. The average distance for an airport trip was 8.0 miles. Visitors had slightly longer trip distances than did residents.
- The average fare was \$8.76, with visitor fares higher than resident fares. Fares from the airport the averaged \$16.06.

**Passenger Awareness and Transportation Options**

- Most passengers were not aware of rate differences between airport and non-airport taxicabs.
- The majority believed that rates should be the same throughout the San Diego area.
- The percent of resident respondents with a specific taxicab company preference is declining. The 1999 survey showed 57% of respondents with a preference, compared to 62% in 1994 and 70% in 1989.
- Prompt response and safe drivers were seen as the most important aspects of taxicab service.
- Overall taxicab service was rated "good" by 61% of the respondents.
- Most passengers viewed taxicab service in San Diego as "the same" as other areas.
- Only 29% of residents had a private car available.
- If a taxi had not been available for the trip, 38% of residents would have taken public transportation, while 34% of visitors would have rented a car.
- Sixty-nine percent of respondents had never used a paid shuttle in the San Diego area.
- The reason mentioned most often for taking a taxicab instead of a shuttle was convenience.





## ESTIMATION OF ANNUAL TAXICAB TRIPS

Using data provided by taxicab radio service companies, survey results, and the Port of San Diego, an estimate was developed of annual taxicab trips in the MTDB service area. An estimated 3.9 to 4.2 million taxicab trips were made in the service area between August 1998 and July 1999. The table below and the subsequent text explain the methodology and results.

**Figure 38**  
**Estimation of Annual Taxicab Trips**

Average Daily Non-Airport Taxicabs in Operation	672.8
Average Hours Per Taxicab	13.28
Daily Vehicle Hours of Operation	8,935
Trips Per Hour	1.08
Average Daily Non-Airport Taxicab Trips	9,650
Average Daily Airport Taxicab Trips	1,956
Total Daily Taxicab Trips	11,606
Total Yearly Taxicab Trips	4,236,014

Currently, 945 taxicabs are authorized for operation in the MTDB service area. Using data from MTDB and selected taxicab radio service companies, it is estimated that on average, 673 taxicabs are operating on any given day, excluding airport taxicabs. Also using radio service company information, the average daily hours of operation of each taxicab is estimated at 13.28. Multiplying the average number of taxis by the average hours per taxicab results in 8,935 vehicle daily hours of operation. Survey results show that the average number of trips per hour is 1.08, resulting in 9,650 non-airport trips daily. The Port of San Diego provided daily airport trip data. Adding together non-airport and airport trips and multiplying by 365 results in a total of 4.2 million trips annually. Similar results were achieved using a different estimation technique that utilized taxi driver trip logs and airport information. This procedure resulted in an estimation of 3.9 million annual taxicab trips.

In 1994 SANDAG estimated the number of annual taxi trips to be between 3.8 and 4.0 million. The volume of taxicab trips increased by an estimated 4% to 5% between 1994 and 1999, while population increased by 8% and visitation by 9% between 1994 and 1998.



[Print this page](#)

## Gas Prices Reach Stratospheric Heights, Jump More Than 20 Cents In One Week

(LOS ANGELES, June 6, 2008) – Gas prices spiked over the last week at a pace not seen since 2003, bringing new all-time price records that are more than a dollar higher than this time last year in most areas, according to the Automobile Club of Southern California's Weekend Gas Watch.

The average price of self-serve regular gasoline in the Los Angeles-Long Beach area is \$4.339 per gallon, which is 22.7 cents more than last week, 44 cents higher than last month, and 98 cents above last year. In San Diego, the price is \$4.375, which is 21 cents higher than last week's price, 44 cents above last month, and \$1.03 higher than last year. On the Central Coast, the average price is \$4.415, up 18.3 cents from last week, 40 cents above last month, and 92 cents more than last year. In the Inland Empire, the average per gallon price is \$4.345, 21.1 cents over last week, up 43 cents from last month, and \$1.01 higher than last year.

"The last time that weekly gas prices rose by more than three cents a day locally was in August 2003, when several refinery outages and an Arizona gasoline pipeline shutdown caused a major supply issue," said Auto Club spokesperson Jeffrey Spring. "Oil industry analysts say that California refineries have begun producing more diesel fuel and less gasoline, creating a need to import more costly unleaded fuel from out-of-state and overseas.

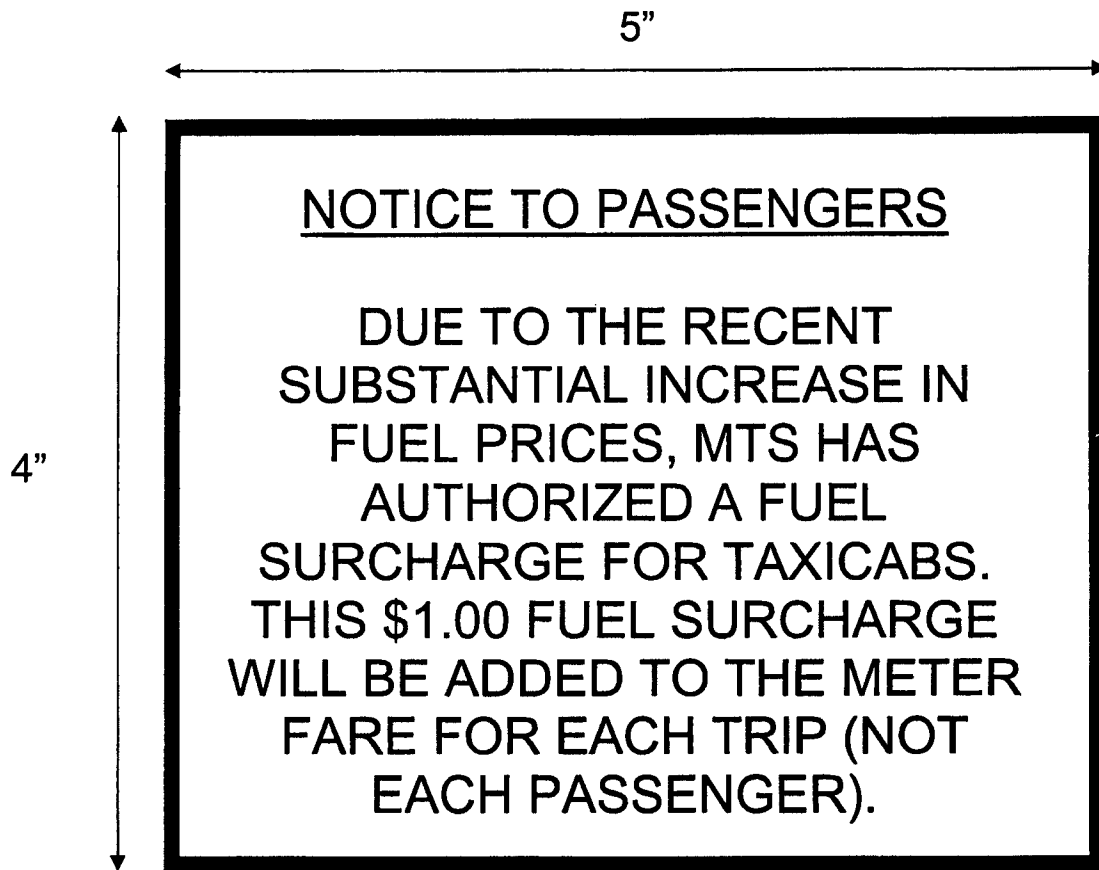
"There are a few rays of hope, however – crude oil and California wholesale gasoline prices have dropped, and several Midwestern and Southern states have seen slight gas price decreases in the past week."

The Weekend Gas Watch monitors the average price of gasoline as of 12:01 a.m., June 6:

Area	Regular	One-week change	Record Price
Los Angeles – Long Beach	\$4.339	+ 22.7 cents	\$4.339 (6/5/08)
Orange County	\$4.315	+ 22.3 cents	\$4.315 (6/5/08)
San Diego	\$4.375	+ 21.0 cents	\$4.375 (6/5/08)
Santa Barbara – Santa Maria – Lompoc	\$4.415	+ 18.3 cents	\$4.415 (6/5/08)
Riverside – San Bernardino	\$4.345	+ 21.1 cents	\$4.345 (6/5/08)
Bakersfield	\$4.388	+ 19.3 cents	\$4.388 (6/5/08)

Las Vegas, NV	\$4.050	+ 15.8 cents	\$4.050 (6/5/08)
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## Policies and Procedures

No. 34

### SUBJECT:

Board Approval: 04/26/07

### FOR-HIRE VEHICLE SERVICES

### PURPOSE:

To establish a policy with guidelines and procedures for the implementation of MTS Ordinance No. 11.

### BACKGROUND:

Regulation of for-hire vehicle service is in the interest of providing the citizens and visitors to the MTS region and particularly the Cities of El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, and Santee, with a good quality local transportation service. Toward this end, MTS finds it desirable to regulate the issuance of taxicab permits, to establish maximum rates of fare, and to provide for annual review of cost-recovery regulatory fees.

### POLICY:

#### 34.1 City of San Diego Entry Policy

34.1.1 MTS will periodically establish the maximum number of taxicab permits to be issued for the City of San Diego.

34.1.2 New City of San Diego permits will be issued in accordance with amended City Council Policy No. 500-2, "Taxicab Permits," adopted on August 6, 2001.

#### 34.2 City of San Diego Entry Policy Implementation

The following guidelines should be observed with respect to the issuance of taxicab permits when the formula yields an increase of at least 40 permits.

34.2.1 The percentage of growth in population divided by 2 plus the percentage of growth in hotel room nights occupied times the current number of permits. All changes are to be calculated on a two-year rolling average.



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.

34.2.2 The process through which permits are issued will limit the concentration of permits. No permit will be issued or transferred to any person, partnership, corporation, association, or other entity if such issuance or transfer would result in any permit holder having an interest in more than 40 percent of the existing permits. New permits shall not be transferred for a period of five years after issuance.

34.2.3 No single permit will be issued or transferred to any person, company, business, corporation, or other entity if such issuance or transfer would result in single permit holders in aggregate having interest in more than 40 percent of the existing permits.

### 34.3 City of San Diego Entry Policy Exclusions

This policy is not intended to govern the issuance of limited permits as authorized by Section 1.7 of MTS Ordinance No. 11.

### 34.4 Maximum Fare Policy

Pursuant to MTS Ordinance No. 11, Section 2.2(a) and after a duly noticed and open public hearing, MTS determined that the maximum rate of fare for exclusive ride and group ride hire of taxicabs shall be that fare that does not exceed twenty percent (20%) more than the weighted average of fares as established in accordance with this policy.

#### 34.4.1 Maximum Fare Determination

The weighted average of fares shall be computed by the Chief Executive Officer and duly promulgated in writing upon the passage of this policy and thereafter each year by averaging each segment of the fare structure of all MTS taxicab permit holders. The fare structure shall consist of the dollar amounts charged by said permit holders for the flag drop, the per-mile charge, waiting-time charge, first zone, and each additional zone charge. The weighted average of these charges shall be arrived at by adding each segment of each respective charge and dividing it by the total number of taxicabs holding effective permits.

34.4.2 The Chief Executive Officer will use his discretion when the maximum rates of fare and the uniform rates of fare for trips from Lindbergh Field airport are incompatible. The Chief Executive Officer may adjust the maximum rates of fare so that the uniform rates of fare, based on the change in the Annual All Urban Western Transportation Consumer Price Index, do not exceed the maximum rates allowed in accordance with Section 34.4.1.

### 34.5 Airport Taxicab Fare Policy

Rates of fare for trips from Lindbergh Field Airport shall be uniform.

In the event an owner chooses a different rate for nonairport trips for taxicabs authorized to service the airport, two meters or a multirate meter shall be installed

and identified. The meter(s) shall be activated according to the proper rate for the trip's origin, and it shall be clearly visible to the passenger which rate is being charged.

- 34.5.1 The uniform rates of fare for taxicab trips from Lindbergh Field Airport are initially established at \$1.40 flag drop, \$1.50 per mile, and \$12.00 per hour, effective June 1, 1990.

The airport rates shall be reviewed ~~every two years~~ annually, beginning in January ~~1997~~ 2009, by the Chief Executive Officer. Airport rates shall be adjusted based on the 1990 amounts, in accordance with the change in the Annual All Urban Western Transportation Consumer Price Index/ San Diego. Adjustments shall be rounded up or down, as appropriate, to the nearest even \$0.10 increment.

#### 34.6 Regulatory Fee Review

The following procedures will be utilized for the establishment of for-hire vehicle regulatory fees.

- 34.6.1 In accordance with State of California Public Utilities Code Section 120266, MTS shall fully recover the cost of regulating the taxicab and other for-hire vehicle industry. Pursuant to MTS Ordinance No. 11, Sections 1.3(b), 1.4(b), and (d), and 1.5(d), the Chief Executive Officer establishes a fee schedule to effect full-cost recovery and notify affected permit holders of changes in the fee schedule.

- 34.6.2 The procedure for establishing a regulatory fee schedule will include an annual review of the audited expenses and revenue of the previous fiscal year associated with MTS for-hire vehicle activities. The revised fee schedule will be available for review by interested parties in November each year and is subject to appeal as provided for in Ordinance No. 11, Section 1.5(d).

- 34.6.3 A fee schedule based on previous year expenses and revenue amounts will be put into effect each January.

DDarro/SClamp/JGarde/DSundholm  
POLICY.34.FOR-HIRE VEHICLE SERVICES  
4/20/07

This policy was originally adopted on 12/8/88.  
This policy was amended on 7/26/90.  
This policy was amended on 5/9/91.  
This policy was amended on 6/13/91.  
This policy was amended on 1/28/93.  
This policy was amended on 5/11/95.  
This policy was amended on 10/31/02.  
This policy was amended on 4/24/03.  
This policy revised on 3/25/04.

This policy was amended on 4/26/07



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## Agenda

Item No. 34

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

MKPC 620.9

July 17, 2008

**SUBJECT:**

**MTS: CBS OUTDOOR ADVERTISING - CONTRACT RENEWAL**

**RECOMMENDATION:**

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

1. a Memorandum of Understanding (MTS Doc. No. G1124.0-08) between MTS and the City of San Diego allowing MTS to generate revenue from advertising sales on bus shelters and on bus benches placed within the City of San Diego right-of-way in substantially the same format as attached; and
2. a five-year contract extension (MTS Doc. No. T0068.8-91, Attachment B) with CBS Outdoor to maintain all existing bus shelters, relocate bus shelters as directed by MTS, install new bus shelters as directed by MTS, and provide MTS with advertising revenue from bus shelters of at least \$4 million over the five-year contract period in substantially the same format as attached.

**Budget Impact**

The contract extension would generate total revenue of more than \$4 million over the five-year contract extension.

**Executive Committee Recommendation**

At its meeting on July 10, 2008, the Executive Committee recommended forwarding this item to the Board of Directors for approval.





## DISCUSSION:

### History

In 1990, MTS entered into a 15-year agreement with Gannett Outdoor to provide and maintain bus shelters in the Cities of San Diego, National City, Imperial Beach, Santee, and La Mesa. The contract included two five-year options. CBS Outdoor subsequently assumed the contract from Gannett Outdoor.

The agreement between MTS and CBS Outdoor generated \$150,000 per year to cover the administrative costs incurred by MTS. In each of the Memorandums of Understanding between MTS and the participating cities, it was stipulated that the shelter program would not generate income for MTS beyond its administrative costs. An amendment to the MOU between MTS and the City of San Diego provided that MTS and the City of San Diego would share equally in the net revenues generated by bus bench advertising.

Currently, CBS manages 479 bus shelters—three quarters of which generate revenues from the sale of advertising panels. This revenue is used by CBS to clean and repair all shelters, install new shelters, pay for electricity, obtain all necessary permits, and solicit advertising.

At the conclusion of the original term of the agreement, MTS opted to extend the contract for only two years. At the end of the extension, MTS intended to have a new shelter program that would be awarded through a competitive bid process and include the replacement of all existing shelters to enhance the appearance and customer experience of public transportation.

Subsequently, over the last two fiscal years, the general economic downturn has caused advertising revenues to fall for CBS Outdoor as well as significant budget deficits for MTS. To help balance its budget for fiscal year 2009 and maintain CBS Outdoor's existing revenue stream, MTS and CBS Outdoor explored options to exercise the remaining five-year option in an effort to generate new revenues for MTS.

Concurrently, MTS approached the City of San Diego to terminate its existing MOU and establish a new MOU to allow MTS to generate revenues from both its bus shelter and bus bench programs to fund current bus operations.

MTS has also consulted industry experts to assess the market conditions conducive to issuing a Request for Proposals for a new bus shelter and advertising program. Experts cited that current advertising revenues are down by more than 40 percent and postponed Requests for Proposals in other markets as reasons for not pursuing a long-term bus shelter program at this time.

These facts combined with MTS's immediate need to generate greater revenues to preserve transit services has prompted staff to work with City of San Diego staff and CBS Outdoor to modify its existing agreements. The following summarizes the substantive changes of each agreement.

### MTS Memorandum of Understanding with the City of San Diego

The proposed new MOU between MTS and the City of San Diego contains several major changes from the existing document:

1. There will be no restrictions on the ability of MTS to generate revenues from bus shelter advertising panels. The previous agreement allowed MTS to recoup only up to \$150,000 in administrative costs.
2. MTS will utilize any advertising revenue generated over the length of the MOU to operate, maintain, and enhance transit services within the City of San Diego.
3. There will be no limit to the number of bus shelters that can have advertising panels. The previous agreement specified that advertising would be limited to 75 percent of the total number of shelters.
4. MTS will reserve unsold space on which the City of San Diego can place advertising to promote civic activities. There was no similar provision in the previous agreement.
5. MTS plans to incorporate "showcase" transit shelters in high-visibility areas of the city. The previous agreement did not include new shelters.
6. MTS will endeavor to include new technologies, such as next-bus information and solar power, into the shelter design when possible.

The San Diego City Council will consider the proposal in July.

### Contract Modifications between MTS and CBS Outdoor

MTS is proposing Amendment No. 8 to MTS Doc. No. T0068.0-91- Advertising Transit Shelter Agreement.

The amendment contains the following provisions:

1. Contractor (CBS Outdoor) shall make the following payments to MTS:
  - a. \$1,000,000 on July 1, 2008, or upon execution of this amendment, whichever is sooner.
  - b. \$50,000 per month, payable on the first of each month of this amendment, for the duration of the Agreement.
  - c. After installation expenses are paid for, 50% of the revenue generated from the sale of advertising on the 20 new shelter locations (identified on Attachment B to the contract) payable on the first of each month of this amendment for the duration of the Agreement.
  - d. 75% of the revenue generated from the sale of advertising on any new shelter purchase and installation paid for by MTS payable on the first of each month of this amendment for the duration of the Agreement.
  - e. After installation expenses are paid, a minimum of 50% of the revenue generated on the other advertising opportunities (outlined on Attachment C to the contract) payable on the first of each month of this amendment

for the duration of the Agreement. The parties shall negotiate any additional revenue split over and above the 50% minimum for each of the advertising opportunities (outlined on Attachment C to the contract).

2. Additionally, the scope of work includes these amendments to the original contract:
  - a. MTS shall have the right to utilize any unused advertising space on a space-available basis to promote MTS, the City of San Diego, or other public service programs.
  - b. Contractor shall assume the cleaning and maintenance of the shelters (identified on Attachment A to the contract).
  - c. Contractor shall provide and install 20 new shelters, from existing shelters Contractor has in stock, in premium sales locations as identified on Attachment B (to the contract).
  - d. Should MTS desire to install more than 20 shelters, MTS shall pay for the shelter(s) and pay the reasonable cost for installation of the shelter(s). MTS shall have the right to select any shelter of its choice. Contractor shall install the shelter that MTS selects.
  - e. At the completion of this amendment and the Agreement, MTS shall have the option to take title to any and all ad faces, bus shelters, and/or street furniture installed pursuant to this Agreement.
  - f. Contractor shall provide a monthly advertising report that details the number of advertisements sold, the client who purchased the advertising, and the revenue generated from the advertising sale, for each advertisement sold during the previous month. The monthly advertising report shall be provided to MTS, attention Cliff Telfer, Chief Financial Officer, on the 15th of each month of this Agreement.
3. The term of the contract will be from August 1, 2008, through June 30, 2013. There shall be no further extensions of the agreement.
4. All other conditions remain unchanged. They include maintenance, permitting, electricity payments, and other provisions.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Rob Schupp, 619.557.4511, [rob.schupp@sdmts.com](mailto:rob.schupp@sdmts.com)

JULY17-08.34.CBS OUTDOOR AD CONTRACT.RSCHUPP.doc

Attachments: A. MOU - MTS Doc. No. G1124.0-08  
B. Contract Extension - MTS Doc. No. T0068.8-91

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY OF SAN DIEGO  
AND  
THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM

THIS AGREEMENT is entered into by and between THE CITY OF SAN DIEGO, a municipal corporation, herein called "CITY," and the SAN DIEGO METROPOLITAN TRANSIT SYSTEM, a public entity, herein called "MTS."

WHEREAS, MTS and the CITY have for the last 16 years operated a successful transit shelter and bus bench advertising and maintenance program; and

WHEREAS, MTS desires to install new transit shelters of the highest possible quality and aesthetic appeal and maintain transit shelters that are already in place in keeping with the image of the CITY; and

WHEREAS, MTS desires to install and/or maintain its transit shelters to provide a higher level of service to all patrons; and

WHEREAS, MTS will require all transit shelters to meet Americans with Disabilities Act requirements;

WHEREAS, MTS will endeavor to include new technologies, such as next-bus information and solar power, into the shelter design; and

WHEREAS, MTS plans to incorporate "showcase" transit shelters with electronic advertising in high-visibility areas within the CITY; and

WHEREAS, public funding is unavailable for the construction and maintenance of transit shelters; and

~~WHEREAS, MTS proposes to issue a Request for Proposals, herein called "RFP," to qualified transit shelter and bus bench advertising companies in an effort to contract with a company to provide the construction, installation, and ongoing maintenance services for the full term of a proposed 10-year contract (with two 5-year renewal options) for the MTS area of jurisdiction; and~~

WHEREAS, MTS will utilize any advertising revenue generated over the length of this Memorandum of Understanding (MOU) to operate, maintain and enhance transit services within the City of San Diego;

WHEREAS, MTS will provide the CITY an annual update on the installation of new shelters within the City;

~~WHEREAS, MTS proposes that the RFP will include the potential to generate revenue for MTS via shelter advertising; and~~

~~WHEREAS, MTS proposes to utilize any advertising revenue generated over the length of the contract to enhance transit services within its service area; and~~

~~WHEREAS, MTS proposes to provide the City Council of the City of San Diego an annual update of installations of new shelters and revenue generated; and~~

~~WHEREAS, MTS will require the successful bidder to allocate to MTS and the City of San Diego up to 20 shelter advertising panels per month and/or electronic advertising space for the purpose of promoting transit and civic activities; and~~

WHEREAS, MTS proposes to enter into an agreement, such as this one, with each of the other cities within its service territory wishing to participate in the new transit shelter program; and

WHEREAS, Section 3D of City Council Policy No. 600-34 calls for the CITY to maximize transit-operating efficiency and to maintain a reasonable high farebox recovery rate in order to minimize the need for other sources of funding; and

WHEREAS, the transit shelter program would provide a significant improvement in the area's transit system potentially increasing ridership without incurring any public costs; NOW, THEREFORE, be it ordained that the CITY and MTS agree as follows:

1. The CITY Council hereby grants to MTS for a period of ~~ten five~~ (105) years, ~~with two 5-year renewal options~~, the exclusive authority to install, or cause to be installed, bus benches and transit shelters within the public rights-of-way in the CITY contingent upon the following:

A. Maximum Number of Transit Shelters

No more than six hundred and ninety (690) transit shelters shall be permitted in the ~~CITY~~city. Any additional transit shelters that MTS proposes to install shall require prior approval from the CITY.

B. Maximum Number of Bus Benches

No more than two thousand five hundred (2,500) bus benches shall be permitted in the city. Any additional bus benches that MTS proposes to install shall require prior approval from the CITY.

~~C. Cancellation of Existing Permit~~

~~After the final execution of this agreement and according to the installation schedule of new bus shelters and bus benches, the CITY shall take such action as is necessary to cancel the permit of the present provider of bus benches.~~

~~D. Ratio of Nonadvertising to Advertising Transit Shelters~~

~~Within the CITY, MTS shall seek to maintain a ratio of one shelter without advertising for every three shelters with advertising.~~

~~E.C. Standard Signage~~

Standard size for poster ads within transit shelters is four (4) feet in width or six (6) feet in height. Showcase transit shelters may also include electronic advertising including, but not limited to, electronic message boards and video displays.

F.D. Installation of Transit Shelters or Bus Benches

MTS will develop a list of locations for the installation of bus benches or transit shelters and provide the list to the CITY. All installations shall conform to the terms of this agreement.

G.E. Removal of Transit Shelters or Bus Benches

MTS and the CITY's designated representatives shall mutually agree to remove a transit shelter or bus bench or relocate the transit shelter or bus bench from any location, at no cost to the CITY, upon the CITY's written ~~demand~~ request to MTS for such removal.

H.F. Maintenance

Through its contractor, MTS shall be responsible for providing ongoing maintenance for every bus bench or transit shelter that is installed under this agreement. Transit shelters and bus benches shall be repaired or replaced upon notification to MTS of any damage, vandalism, or graffiti on any MTS transit shelter or bench. Through its subcontractor, MTS will repair, replace, or remove damage, vandalism, or graffiti within forty-eight (48) hours of notification or such longer period as may be needed in order to reasonably complete the repairs. If the transit shelter or bus bench is destroyed, it shall be removed within twenty-four (24) hours of notification and shall be replaced within thirty (30) days. In conjunction with such removal, the curbs and sidewalk, if affected by the removal, shall be restored to a safe, finished condition.

I.G. Notices

MTS shall use its best efforts to notify the underlying property owners, as indicated on the most recent tax assessor's rolls, and building occupants that a new transit shelter or bus bench with or without advertising is proposed to be installed within 100 feet of their property in the public right-of-way prior to any transit shelter installation. Such notice will not be required if a shelter or bus bench currently exists and is simply being replaced by a new shelter or bus bench.

J.H. Permits

All new transit shelters will require an encroachment, excavation, or other permit from the CITY. MTS's contractor will be required to comply with all rules, regulations, and laws of the CITY and any applicable state or federal laws. Permit fees shall be paid by MTS's contractor for each permit issued. All permit applications for new shelters shall require proof of notification of the proposed transit shelter installation to adjacent property owners and tenants.

K.I. Electrification

MTS's contractor will secure all electrical permits necessary for the installation of new shelters. MTS's contractor shall assume all costs associated with lighting and powering transit shelters.

2. Advertising Policy

A. Standards

In its agreements with its advertising contractors, MTS shall reserve the right to reject any advertisement that does not meet the standards set forth in MTS Policy No. 21, which includes the CITY's advertising policy. A copy of MTS Policy No. 21 is attached hereto and incorporated into this agreement.

B. Removal

The CITY may request that MTS exercise its right to remove any advertisement, commercial, or noncommercial that does not conform to MTS Policy No. 22. Such demand shall be in writing and state reasonable grounds for the demand. MTS shall consider and act upon the demand in accordance with the policy.

3. Hold Harmless

MTS undertakes and agrees to defend, indemnify, and hold harmless the CITY and any and all of the CITY's officers, agents, employees, assigns, and successors in interest from and against all suits and causes of actions, claims, loss, demands, expenses, including, but not limited to, attorneys' fees and costs of litigation, damage or liability, or any nature whatsoever, for death or injury to any person, including MTS's employees and agents, or damage or destruction to any property of either party hereto or third person in any manner arising by reason of or incident to the performance of this agreement on the part of MTS, except for sole active negligence of the CITY or any of the City's officers, agents, contractors or employees, in which case the CITY shall hold MTS harmless and MTS shall have no obligation to defend and indemnify the CITY or its officers, agents, employees, assigns or successors.

4. Termination of this Agreement

The CITY may terminate this Agreement without cause by serving if MTS or its contractor materially breaches the terms and conditions set forth herein. ~~written notice of termination of the agreement three hundred sixty five (365) days in advance of the date of termination.~~

~~The CITY shall, thereafter, in its discretion exercise the following:~~

In the event the CITY terminates this Agreement, MTS shall require the contractor to remove the advertising displays from every transit shelter in the public rights-of-way, and the CITY shall pay MTS the current value for every transit shelter in the public right-of-way.

The method of calculating the current value of a transit shelter will be as follows:

$$\text{CURRENT VALUE} = \left[ \frac{\text{Transit Shelter Unit Price}}{\text{Depreciation Period (in months)}} \right] \left[ \text{Depreciation Period (in months)} - \text{Months in Service} \right]$$

For purposes of calculating the current value the transit shelter:

- the unit price shall be the unit price listed in the contractor's financial plan submitted with the bid documents plus the installation costs of the bus bench or transit shelter;
- the depreciation period for transit shelters will be ninety-six (96) months; and
- the number of months in service will be calculated from the date the transit shelter is placed in service to the date of termination.

5. Insurance

During the term of the agreement, MTS shall require its contractor to maintain the following levels and types of insurance:

A. Comprehensive general liability insurance for bodily injury (including death) and property damage, which provides total limits of not less than two million five hundred thousand dollars (\$2,500,000.00) combined single limit per occurrence. Coverages included shall be:

1. Premises and operations;
2. Contractual liability expressly, including liability assumed under this agreement, with deletion of the exclusion as to performance of operations within the vicinity of any railroad bridge, trestle, track, roadbed, tunnel, underpass, and crossway;
3. Personal injury liability;
4. Independent contractors; and
5. Cross-liability clause providing that the insurance applies separately to each insured except with respect to the limits of liability.

Such insurance shall include the following endorsement (copies of which shall be provided):

- a. Inclusion of the CITY, its officers, agents, and employees as additional insureds with respect to activities, services, or operations under this agreement;
- b. Inclusion of MTS, and its subsidiaries, its officers, agents, and employees as additional insureds with respect to activities, services, or operations under this agreement;
- ~~b-c.~~ Stipulation that the contractor's insurance is primary insurance and that no insurance of the CITY or MTS will be called upon to contribute to a loss.

B. Comprehensive automobile liability insurance for bodily injury (including death) and property damage, which provides total limits of not less than two million five hundred thousand dollars (\$2,500,000.00) combined single limit per occurrence applicable to all owned, nonowned, and hired vehicles.



- C. Statutory workers' compensation coverage including a broad form all states endorsement; employer's liability insurance for not less than one million dollars (\$1,000,000.00) per occurrence for all individuals engaged in services or operations to implement this agreement, including an insurer's waiver of subrogation in favor of the CITY, their directors, officers, representatives, agents, and employees.
- D. MTS shall also provide CITY with satisfactory evidence of self-insurance that meets or exceeds the types and levels of insurance outlined above.

6. Condition Precedent

Certificates of insurance, satisfactory to the CITY, evidencing all coverages above shall be furnished to the CITY before commencing any operations under this agreement with complete copies of policies to be delivered to CITY upon its request.

7. Approval

Approval of the insurance by the CITY shall not relieve or decrease the liability of MTS.

~~8. Copies of Policies and General Provisions~~

~~MTS and its contractor shall submit evidence that the policies will be in effect continuously during the term of the agreement.~~

~~9.8. Notices~~

No notice, request, demand, instruction, or other document to be given hereunder to any party shall be effective for any purpose unless personally delivered to the person at the appropriate address set forth below (in which event, such notice shall be deemed effective only upon such delivery) or delivered by certified mail, return receipt requested, as follows:

To The CITY:

Jerry Sanders  
Mayor  
City of San Diego  
202 C Street  
San Diego, California 92101

To MTS:

Paul C. Jablonski  
Chief Executive Officer  
Metropolitan Transit System  
1255 Imperial Avenue, Suite 1000  
San Diego, California 92101

Notices so mailed shall be deemed to have been given forty-eight (48) hours after the deposit of same in any United States Post Office mailbox. The addresses and addressees, for the purpose of this paragraph, may be changed by giving written notice of such change in the manner herein provided for giving notice. Unless and until such written notice of change is received, the last address and addressee stated by written notice, or provided herein if no such written notice of change has been received, shall be deemed effective.

~~10.9. Time~~

It is agreed that time is of the essence in this agreement.

44.10. Attorneys' Fees

If legal action be commenced to enforce or to declare the effect of any provisions of the agreement, the court as part of its judgment shall award reasonable attorneys' fees and costs to the prevailing party.

42.11. No Waiver

The waiver by one (1) party of the performance of any covenant, condition, or promise shall not invalidate this agreement nor shall it be considered a waiver by such party of any other covenant, condition, or promise hereunder. The waiver by either or both parties of the time for performing any act shall not constitute a waiver of the time for performing any other act or identical act required to be performed at a later time. The exercise of any remedy provided by law and the provisions of this agreement for any remedy shall not exclude other consistent remedies unless they are expressly excluded.

43.12. Severance

If any provision of this agreement is found to be unenforceable, the remainder of the provisions shall continue to be given full force and effect.

44.13. Amendments

No change in or addition to this agreement or any part hereof shall be valid unless in writing and properly authorized by the CITY and MTS.

45.14. Computation of Periods

All periods of time referred to in this agreement shall include all Saturdays, Sundays, and state or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice with respect to the Agreement shall fall on a Saturday, Sunday, or state or national holiday, such act or notice may be timely performed or given on the next succeeding day that is not a Saturday, Sunday, or state or national holiday.

Dated this \_\_\_\_ day of \_\_\_\_\_ 20087.

METROPOLITAN TRANSIT SYSTEM

CITY OF SAN DIEGO

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

\_\_\_\_\_  
Jerry Sanders  
Mayor

APPROVED AS TO FORM

APPROVED AS TO FORM

\_\_\_\_\_  
Office of General Counsel

\_\_\_\_\_  
San Diego City Attorneys' Office

JULY17-08.34.AttA.CBS OUTDOOR MOU.RSCHUPP.doc

Attachment: MTS Policy No. 21



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

## Policies and Procedures \_\_\_\_\_ No. 21

### SUBJECT:

Board Approval: 2/26/04

**MTS: REVENUE-GENERATING DISPLAY ADVERTISING, CONCESSIONS, AND MERCHANDISE**

### PURPOSE:

To establish a policy and guidelines concerning a revenue-generating advertising, concessions, and merchandise program encompassing trolley stations, MTS property and facilities, and selected printed materials.

Advertising on bus shelters and benches within the public rights-of-way shall be governed by the applicable policies of the applicable jurisdiction. The City of San Diego policy is included as Attachment A to this policy.

### BACKGROUND:

Public transit operators and administration agencies have historically utilized advertising, concessions, and merchandising programs to supplement operational and capital funds. A sound advertising and concessions program can be a viable, alternative income source while maintaining aesthetic standards and promoting transit use.

### POLICY:

The following guidelines will be reviewed annually to reflect the current policies of the MTS Board of Directors and to reflect changes in the trends of social and economic acceptance and appropriateness of various forms of advertising and concessions.

#### 21.1 Advertising - General

21.1.1 Safety, aesthetic considerations, rider convenience, and information needs will take precedence over revenue generation.

21.1.2 Quantity, quality, and placement of all advertising will be controlled by and subject to the specific approval of 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.

- 21.1.3 MTS reserves the right to reject any advertisement, commercial or noncommercial, which does not meet the Board's standards as set forth in this policy. Before any advertisement is rejected, it shall be referred to the Chief Executive Officer and General Counsel for MTS for appropriate action and a final decision.
- 21.1.4 The advertising program will serve the needs of local as well as national advertisers and encourage the promotion of public transit. Local advertisers will be guided by the appropriate transit agency staff in promoting specific routes/lines serving their areas.
- 21.1.5 No advertisement will be permitted that:
- a. appears to make a personal attack on any individual or upon any company, product, or institution; or falsely disparages any service or product or is defamatory in any respect;
  - b. might be interpreted to be offensive to any religious, ethnic, racial, or political group;
  - c. might be interpreted as condoning any type of criminal act or which might be considered as derogatory toward any aspect of the law enforcement profession;
  - d. portrays acts of violence, murder, sedition, terror, vandalism, or other acts of violence against persons or institutions; or
  - e. depicts nudity or portions of nudity that would be considered as offensive, distasteful, pornographic, or erotic, is obscene, or advertises adult entertainment. The rule of "public acceptance" should be used in such cases; i.e., if the advertisement has already gained public acceptance, then it may be considered as acceptable to MTS.
  - f. might be interpreted as condoning any type of discrimination; or
  - g. might be interpreted as condoning or soliciting any unlawful act or conduct.
- 21.1.6 No advertisement will be permitted that is in conflict with any applicable federal, state, or local law, statute, or ordinance.
- 21.1.7 No advertisement will be permitted that contains false or grossly misleading information.
- 21.1.8 No liquor, tobacco, religious, political, or firearms advertisements will be permitted.

- 21.1.9 Upon written demand by the Chief Executive Officer of MTS on stated grounds that shall be reasonable and upon review by General Counsel of MTS, any advertisement or other display deemed to be objectionable will be removed. No refund shall be made for the time such objectionable material was on display.
- 21.1.10 Advertising treatments will not impede vehicular or pedestrian traffic, will not restrict the visibility of directional/traffic signs and informational material, and will not encroach on necessary sight lines (e.g., driver/operator view of waiting patrons) nor present any other safety risks or hazards.
- 21.1.11 Advertising industry standard sizes will be used for all advertising treatments.
- 21.1.12 Advertising treatments will be maintained in "like-new" condition. Damage to the advertisement or its housing will be corrected within forty-eight (48) hours.

21.2 Advertising - Light Rail Vehicles and Buses

- 21.2.1 Light rail vehicles (LRVs) will not carry commercial advertising. Buses may continue the practice of having interior and exterior advertising.
- 21.2.2 For buses, a maximum of 10 percent of the full fleet may carry full-bus advertising formats rather than conventional advertising formats. Vehicle fronts must remain "unwrapped" with standard paint schemes and materials. The San Diego Transit Executive Committee, serving as the advertising design review committee, shall review and approve all full-bus advertisements in advance of installation.
- 21.2.3 Transit information material may be placed inside LRVs and buses at the discretion of the operating corporation's Chief Executive Officer. Such information can include, in accordance with this policy, the promotion of regularly scheduled public transit routes that will serve major community events open to the public with no admission charge.
- 21.2.4 At the request of a recognized public entity and with the approval of the individual operating corporation's Chief Executive Officer, LRVs and buses may carry notices of events that are served by regularly scheduled transit routes and open to the public for an entrance or other fee in accordance with this policy and under the following conditions only:
- Such notices shall be limited to no more than once per month.
  - More than one event may be shown on the same notice.
  - The listing order within the monthly notice will be by event dates. Should more than one event start on the same date, alphabetical ranking will then be used.

- Notices will be produced in English and Spanish.
- The production costs of each notice (including translation, typesetting, camera work, and printing) will be reimbursed by the participating public entity/event. If more than one public entity/event is involved, costs will be divided equally among all participants.

21.2.5 Metropolitan Transit System advertising would be excluded from the 10 percent cap on full-bus advertising formats.

21.2.6 Super King and Mural formats are approved for acceptable use on buses. The size specification for the Super King is 226 inches x 30 inches and is placed between the front and rear wheel wells on the street side of the bus. Murals are defined as encompassing the space under the vehicle passenger windows on each side of the bus and extending from the front of the bus to just past the rear wheel well. These advertising formats will not be subject to the 10 percent cap assigned to full-bus wraps.

### 21.3 Advertising - Transit Centers, Major Transit Points, Stations, and Stops

21.3.1 Advertising treatments (housings) will be designed to complement the architecture of the transit centers/stations and the flavor of the surrounding community. MTS plan specifications will be followed wherever applicable. Advertising treatments will be designed, constructed, and placed in accordance with all applicable local, state, and federal standards.

21.3.2 Any unsold transit center, major transit points, and station display advertising space will be allocated for graphics and/or other nonrevenue-producing functions approved by the MTS Board. At least one full display panel per transit center and station will be reserved exclusively for transit-related items.

### 21.4 Advertising - Printed Materials

21.4.1 Advertising space may be allowed in printed materials (e.g., timetables, maps, and informational brochures) at the discretion of the operating corporation's Chief Executive Officer.

21.4.2 Advertising space may be allowed on the reverse side of regional passes, tickets, and transfers at the discretion of the MTS Chief Executive Officer.

21.4.3 No advertising space shall supersede necessary transit information and/or regulations.

21.4.4 At the discretion of the respective Chief Executive Officer, MTS and operating corporations may allocate space in printed materials to inform transit customers about private entities actively participating in transit services, e.g., pass and ticket-sales outlets.

## 21.5 Concessions

- 21.5.1 Concession formats, quantity, and placement will be approved and controlled by the MTS Board.
- 21.5.2 Acceptable concession formats are: pay telephones, automatic teller machines (ATMs), child-care facilities, and kiosks/shops for the sale of prepaid transit fares, transit-related merchandise, and rider convenience items approved by the MTS Board. Any additional concession formats are subject to Board approval.
- 21.5.3 Contracts for any concession format or related development will be awarded in accordance with existing MTS policies.
- 21.5.4 During hours of business, concessionaires will provide the public with transit information materials as directed and supplied by MTS or its designated representative.
- 21.5.5 Concession treatments/structures will be designed to complement the architecture of the transit centers/stations and the flavor of the surrounding community. MTS plan specifications will be followed wherever applicable. Concession treatments/structures will be designed, constructed, and placed in accordance with all applicable local, state, and federal standards.
- 21.5.6 Concession treatments/structures will not impede vehicular or pedestrian traffic, will not restrict the visibility of directional signs and informational materials, and will not encroach on necessary sight lines.
- 21.5.7 Concessionaire contracts will include remittance to MTS or its designated operating corporation. Said remittance will be made monthly and include a flat rate, plus percentage of gross revenue, as approved by the MTS Board.
- 21.5.8 Any and all concession on-site signing and displays will be in accordance with existing MTS policies and subject to approval of the MTS Chief Executive Officer.

## 21.6 Merchandise

- 21.6.1 Any and all system-related merchandise will be of the highest available quality and project a positive transit image.
- 21.6.2 Merchandise licensing agreements and royalty payments will be made in accordance with existing MTS policies.

## 21.7 Revenue

- 21.7.1 Except as otherwise provided, revenue from advertising in transit centers, major transit points, stations, and stops shall accrue to MTS.

21.7.2 Revenue received by each corporation for vehicle and printed material advertising, concessions, and merchandise will be retained by the respective corporation and used to offset the need for public subsidy. Revenue received from electronic message boards located at San Diego Trolley stations will be retained by San Diego Trolley.

21.7.3 Revenue received from advertising on the reverse side of regional passes, tickets, and transfers shall be utilized as reimbursement to the MTS "Transfers, Tickets, Passes" line item.

21.7.4 In lieu of revenue, MTS may elect to accept an equivalent value of goods and/or services, including, but not limited to, capital improvements, information services, and site maintenance.

## 21.8 Contractor Services

21.8.1 MTS may engage contractor(s) services for the development, implementation, management, and maintenance of advertising, concessions, and/or merchandise programs in conformance with existing Board policies and in the best interests of MTS.

LTresc/SChamp/JGarde  
POLICY.21.REV GENERATE DISPLAY AD CONCESSIONS & MERCHANDISE  
7/13/06

## Attachment A – City of San Diego Advertising Policy

Original Policy approved on 5/9/83.

Policy revised on 6/6/85.

Policy revised on 7/9/87.

Policy revised on 6/23/88.

Policy revised on 3/22/90.

Policy revised on 3/14/91.

Policy revised on 4/9/92.

Policy revised on 5/12/94.

Policy revised on 8/11/94.

Policy revised on 6/22/95.

Policy revised on 3/27/97.

Policy revised on 6/11/98.

Policy revised on 2/22/01

Policy revised on 2/26/04.



ATTACHMENT A  
MTS POLICY NO. 21  
CITY OF SAN DIEGO  
ADVERTISING POLICY

Subject:

ADVERTISING ON BUS STOP SHELTERS AND BENCHES

Background:

The City of San Diego (City) entered into a Memorandum of Understanding (MOU) with the Metropolitan Transit Development Board (MTS), adopted July 25, 1988, and amended February 25, 1991, and June 21, 1999, authorizing MTS to install bus stop shelters and bus benches in public rights-of-way in the City. Pursuant to the MOU, MTS contracted with third parties for the construction, installation, and maintenance of the bus stop shelters and benches. In exchange, MTS's contractors receive the proceeds from the sale of advertising space on the shelters and benches.

MTS regulated the content of the advertising placed on the bus stop shelters and benches according to its Policies and Procedures No. 21. After advertising containing a religious message was removed pursuant to that policy, valid concerns were raised that the policy may violate due process and first amendment rights governing public speech.

Purpose:

It is the intent of the City Council to establish a policy governing advertising on bus stop shelters and benches in the public rights-of-way within the City that will be included by amendment in the MOU between the City and MTS, and administered by MTS.

It is the further intent of the City Council to prohibit advertising on bus stop shelters and benches of alcoholic beverages, tobacco products, and firearms in recognition of the fact that many public transit patrons are minors, that possession of these products by minors is illegal and dangerous, and that advertising is a persuasive medium for encouraging the use of these products by minors.

This policy applies only to advertising space located in designated areas on bus stop shelters and benches, as described in the MOU between the City and MTS.

Policy:

Advertising on Bus Stop Shelters and Benches:

1. In its agreement with its advertising contractors, MTS shall reserve the right to reject any advertisement, commercial or noncommercial, which does not meet the standards set forth in this policy.
2. All advertising posted on bus stop shelters and benches must conform to the following criteria:
  - A. Defamatory Advertising. No advertising will be permitted that falsely disparages any person, product, or company, or that is likely to damage the reputation of any person, product, or company.
  - B. Advertising Condoning Criminal Conduct. No advertising will be permitted that is likely to incite or produce imminent unlawful activity.
  - C. Obscene Advertising. No advertising will be permitted that contains obscene matter or matter harmful to minors, as defined in California Penal Code Sections 311 and 313.
  - D. False Advertising. No advertisement will be permitted that contains false or grossly misleading information.
  - E. Alcohol, Tobacco, and Firearms. No advertisement will be permitted that promotes the sale of alcoholic beverages, tobacco or tobacco products, or firearms.
  - F. Existing Laws. All advertisements must conform to applicable federal, state, and local laws.
3. The City may make demand upon the Chief Executive Officer of MTS for the removal of any advertisement, commercial or noncommercial, that does not conform to this policy. Such demand shall be in writing and shall state reasonable grounds for the demand. MTS shall consider and act upon the demand in accordance with this policy.

SGreen/SChamp/JGarde  
POLICY.21.REV GENERATE DISPLAY  
AD CONCESSIONS & MERCHANDISE  
7/13/06

DRAFT

June 17, 2008

MTS Doc. No. T0068.8-91  
OPS 850.3 (PC 50911)

Mr. Ron Moreno  
General Manager  
CBS Outdoor  
4450 Alvarado Canyon Road  
San Diego, CA 92120

Dear Mr. Moreno:

RE: AMENDMENT NO. 8 TO MTS DOC. NO. T0068.0-91; ADVERTISING TRANSIT SHELTER AGREEMENT

This letter shall serve as Amendment No. 8 to MTS Doc. No. T0068.0-91.

#### CONTRACT MODIFICATIONS

The following language shall be removed from the original Agreement, MTS Doc. No. T0068.0-91:

*"Within the City, MTS shall maintain a ratio of one shelter without advertising for every three shelters with advertising."*

#### SCOPE OF WORK

Continue to operate and maintain advertising transit shelters on each participating municipality's property pursuant to the terms and conditions of the original agreement. In addition, Contractor shall provide the following additional work:

- MTS shall have the right to utilize any unused advertising space on a space-available basis to promote MTS, the City of San Diego, or other public service programs.
- Contractor shall assume the cleaning and maintenance of the shelters identified on Attachment "A" hereto.
- Contractor shall provide and install 20 new shelters, from existing shelters Contractor has in stock, in premium sales locations as identified on Attachment "B" hereto.
- Should MTS desire to install more than 20 shelters, MTS shall pay for the shelter(s) and pay the reasonable cost for installation of the shelter(s). MTS shall have the right to select any shelter of its choice. Contractor shall install the shelter MTS selects.
- At the completion of this amendment and the Agreement, MTS shall have the option to take title to any and all ad faces, bus shelters, and/or street furniture installed pursuant to this Agreement.
- Contractor shall provide a monthly advertising report that details the number of advertisements sold, the client who purchased the advertising, and the revenue generated from the advertising sale for each advertisement sold during the previous month. The monthly advertising report

shall be provided to MTS to the attention of Cliff Telfer, Chief Financial Officer, on the 15th of each month of this Agreement.

#### PAYMENT

Contractor shall make the following payments to MTS:

- \$1,000,000 on July 1, 2008, or upon execution of this amendment, whichever is sooner.
- \$50,000 per month, payable on the first of each month of this amendment, for the duration of the Agreement.
- After installation expenses are paid for, 50% of the revenue generated from the sale of advertising on the 20 new shelter locations identified on Attachment "B" payable on the first of each month of this amendment for the duration of the Agreement.
- 75% of the revenue generated from the sale of advertising on any new shelter purchase and installation paid for by MTS payable on the first of each month of this amendment for the duration of the Agreement.
- After installation expenses are paid, a minimum of 50% of the revenue generated on the other advertising opportunities outlined on Attachment "C" payable on the first of each month of this amendment for the duration of the Agreement. The parties shall negotiate any additional revenue split over and above the 50% minimum for each of the advertising opportunities outlined on Attachment "C".

#### TERM

Extend the contract for the sole remaining 5 year option from July 1, 2008, through June 30, 2013. There shall be no further extensions of the Agreement.

All other conditions shall remain unchanged. If you agree with the above, please sign and return the page marked "Original" to the Contracts Specialist at MTS. The other copy is for your records.

Sincerely

Agreed:

Paul C. Jablonski  
Chief Executive Officer

\_\_\_\_\_  
Ron Moreno  
CBS Outdoor

JULY17-08.34.AttB.CBS OUTDOOR AMDMT.RSCHUPP.doc

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

Attachments: A. List of Cleaning and Maintenance Shelters to be assumed by CBS  
B. List of Locations for 20 New Shelters to be installed by CBS  
C. List of Other Advertising Opportunities

## **ATTACHMENT A**

**List of Cleaning and Maintenance Shelters to be Assumed by CBS**

**CBS Outdoor Shelters**

Revised: June 08

Total # : 462

(343) Ad

(119)Non-Ad

**J. Perez Associates****San Diego**

	AREA	SHELTER	LOCATION	CORNER	Ad/ Non
	#	#			
1	1008	68	GRAND/CASS	SE	Ad
2	1009	69	W MISSION BAY/QUIVERA RD.	SE	Ad
3	1010	70	W MISS. BAY/MARINERS PT.	SE	Ad
4	1012	94	N. TORREY PINES/L.J. SHORES	SE	Ad
5	1014	96	GRAND/LAMONT	SE	Ad
6	1018	125	MIDWAY/DUKE	NW	Ad
7	1019	181	INGRAHAM/LA PLAYA	NW	Ad
8	1020	182	MISSION BLVD/THOMAS	SW	Ad
9	1021	183	GARNET/CASS	SE	Ad
10	1022	184	MISSION BLVD/P.B. DRIVE	SW	Ad
11	1023	185	MISSION BLVD/SAFFIRE	SW	Ad
12	1024	186	GRAND/INGRAHAM	SE	Ad
13	1025	187	GRAND/OLNEY	SE	Ad
14	1026	188	GARNET/INGRAHAM	SW	Ad
15	1027	206	VOLTAIRE/POINTSETTIA	NW	Ad
16	1028	211	VOLTAIRE/POINTSETTIA	SW	Ad
17	1035	255	GRAND/CULVER	SW	Ad
18	1037	257	W MISSION BAY/MISSION BLVD.	SE	Non
19	1038	258	GRAND/CULVER	NW	Ad
20	1039	273	GENESEE/DECORO	NW	Ad
21	1040	274	GENESEE/NOBEL	SW	Ad
22	1041	276	L.J. VILLAGE/VILLA LA JOLLA	SE	Ad
23	1042	288	GRAND/FANUAL	SW	Non
24	1043	295	LA JOLLA VILLAGE/REGENTS	NE	Ad
25	1044	296	GOVERNOR/GENESEE	NW	Ad
26	1045	341	MISSION BLVD/FELSPAR	SW	Ad
27	1046	346	GENESEE/GOVERNOR	SW	Ad
28	1047	347	ROSECRANS/MIDWAY	SW	Ad
29	1048	357	N. TORR. PINES/SCRIPPS HOSP.	SW	Ad
30	1049	358	GRAND/INGRAHAM	NW	Ad
31	1050	361	ROSECRANS/MOORE	SE	Ad
32	1051	402	ROSECRANS/LYTTON	NE	Ad
33	1055	401	MIDWAY/FORDHAM	SW	Ad
34	1057	426	ROSECRANS/LOMA SQUARE	SE	Ad
35	1058	431	MIDWAY/EAST	SE	Ad
36	1059	434	GENESEE/GOVERNOR	NE	Ad
37	1060	437	INGRAHAM/VACATION RD.	SW	Ad
38	1062	463	W. POINT LOMA/GROTON	NW	Ad
39	1063	465	N. TORR.PINES/SCIENCE PARK	SW	Ad
40	1064	466	N. TORR.PINES/SCRIPPS HOSP.	SE	Ad
41	1065	476	GRAND/BOND	SE	Ad
42	1066	477	GRAND/LAMONT	NW	Ad
43	1069	488	GRAND/BAYARD	SE	Non
44	1070	493	INGRAHAM/FORTUNA	NE	Non
45	1072	503	GARNET/LAMONT	SW	Ad

**CBS Outdoor Shelters**

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	AREA	SHELTER	LOCATION	CORNER	Ad/ Non
	#	#			
46	1073	506	ROSECRANS/SPORTS ARENA	SE	Ad
47	1078	550	NOBEL/COSTA VERDE	NW	Ad
48	1080	579	GILMAN DR./VILLA LA JOLLA	NE	Ad
49	1082	595	LA JOLLA VILLAGE/GENESEE	SE	Ad
50	1083	606	NOBEL DR./LA JOLLA VILL. SQ	SW	Ad
51	1084	607	LA JOLLA VILL. DR./LEBON DR.	NW	Ad
52	1085	609	GRAND AVE./BAYARD	NE	Ad
53	1086	615	INGRAHAM/GARNET	SW	Ad
54	1087	616	GARNET/FANUEL	SE	Ad
55	1088	623	NOBEL DR./LA JOLLA VILL. SQ	NW	Ad
56	1089	635	LA JOLLA VILLAGE/REGENTS	SE	Ad
57	1092	659	PAC. HWY/WITHERBY	NE	Non
58	1093	661	GARNET/LAMONT	NW	Ad
59	1094	662	GARNET/JEWELL ST.	NE	Ad
60	1095	663	MIDWAY DR./KEMPER ST.	NW	Non
61	1096	675	W.MISSION BAY/DANA LANDING	SW	Non
62	1207	129	PACIFIC HWY/COUNTY ADMIN.	W-SS	Ad
63	1210	132	5TH/B STREET	NE	Ad
64	1211	133	MARKET/16TH	SW	Ad
65	1212	159	ASH/HARBOR	NE	Ad
66	1213	160	13TH/IMPERIAL	SW	Ad
67	1217	197	11TH/B STREET	NE	Ad
68	1218	266	1ST/ASH	SE	Ad
69	1223	308	5TH/ASH	NE	Ad
70	1225	310	10TH/MARKET	NW	AD
71	1228	314	BROADWAY/KETTNER	NE	Non
72	1229	315	BROADWAY/KETTNER	SE	Non
73	1230	316	BROADWAY/COLUMBIA	NE	Non
74	1231	317	BROADWAY/UNION	NE	Non
75	1232	318	BROADWAY/STATE	SW	Non
76	1233	319	BROADWAY/FRONT	SW	Non
77	1234	320	BROADWAY/1ST	NE	Non
78	1239	381	4TH/CEDAR	SW	Ad
79	1240	412	2ND/ASH	NW	Ad
80	1241	413	12TH/B STREET	SW	Ad
81	1242	414	11TH/MARKET	SE	Ad
82	1243	415	B STREET/5TH	NE	Ad
83	1245	417	2ND/BEECH	NW	Ad
84	1246	418	4TH/ASH	SW	Ad
85	1247	419	12TH/RUSS	NE	Ad
86	1249	428	BROADWAY/15TH	NE	Ad
87	1254	452	FRONT/A STREET	NW	Ad
88	1256	454	MARKET/10TH	NE	Ad
89	1259	457	MARKET/16TH	NE	Ad
90	1263	479	BROADWAY/15TH	SE	Ad

**CBS Outdoor Shelters**

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	AREA	SHELTER	LOCATION	CORNER	Ad/ Non
	#	#			
91	1264	533	BROADWAY/6TH	NE	Non
92	1265	534	BROADWAY/6TH	NE	Non
93	1266	560	BROADWAY/4TH	NE	Non
94	1267	561	BROADWAY/4TH	NE	Non
95	1271	541	BROADWAY/9TH	NE	Non
96	1272	542	BROADWAY/9TH	NE	Non
97	1273	543	BROADWAY/8TH	SW	Non
98	1274	544	BROADWAY/8TH	SW	Non
99	1275	608	13TH/IMPERIAL	SW	Ad
100	1276	618	4TH/BROADWAY	SW	Ad
101	1277	643	PARK/SD HIGH SCHOOL	E-MID	Non
102	1278	655	10TH AVE./PARK BLVD.	NW	Ad
103	1279	656	PARK BLVD./10TH AVE.	SW	Ad
104	1280	674	MARKET ST./PARK BLVD.	SW	Ad
105	1303	71	GENESEE/CLAIREMONT MESA	SW	Ad
106	1304	72	LINDA VISTA/MESA COLLEGE	SW	Ad
107	1305	73	LINDA VISTA/SANTA ANA	SE	Ad
108	1307	89	AERO/SANDROCK	SE	Ad
109	1308	90	LINDA VISTA/COMSTOCK	NE	Ad
110	1309	91	CLAIREMONT DR./UTE	SW	Non
111	1310	41	GENESEE/BALBOA	NE	Ad
112	1311	43	BALBOA/GENESEE	NW	Ad
113	1312	136	CLAIREMONT MESA/LIMERICK	SW	Ad
114	1313	137	CLAIREMONT MESA/DIANE	SE	Ad
115	1314	140	CLAIREMONT DR./CLAIR. MESA	SW	Ad
116	1315	141	CLAIREMONT DR./BURGENER	SW	Ad
117	1316	142	BALBOA/MORAGA	NW	Ad
118	1318	144	BALBOA/GENESEE	SE	Ad
119	1319	145	GENESEE/LINDA VISTA	NE	Non
120	1320	146	GENESEE/CLAIREMONT MESA	NE	Ad
121	1321	147	LINDA VISTA/ULRIC	SW	Ad
122	1322	167	GENESEE/MARLESTA	NE	Ad
123	1323	168	GENESEE/MARLESTA	NE	Non
124	1324	169	COMPLEX/CLAIREMONT MESA	SW	Ad
125	1325	170	COMPLEX/CLAIREMONT MESA	SW	Non
126	1326	171	COMPLEX/CLAIREMONT MESA	SW	Ad
127	1327	172	CLAIREMONT MESA/COMPLEX	S-MID	Ad
128	1328	173	CLAIREMONT MESA/COMPLEX	SE	Non
129	1330	223	BALBOA/CLAIREMONT DR.	SE	Non
130	1332	225	RUFFIN/CLAIREMONT MESA	NW	Ad
131	1333	226	GRAMERCY/RUFFIN	NW	Ad
132	1334	227	RUFFIN/CLAIREMONT MESA	NE	Ad
133	1336	229	CLAIREMONT MESA/RUFFIN	SW	Ad
134	1337	230	LINDA VISTA/ULRIC	NE	Ad
135	1338	231	LINDA VISTA/ULRIC	NW	Non



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	AREA	SHELTER	LOCATION	CORNER	Ad/ Non
	#	#			
136	1339	232	LINDA VISTA/FULTON	SW	Non
137	1340	233	LINDA VISTA/GENESEE	NW	Non
138	1341	234	LINDA VISTA/MORLEY	NE	Ad
139	1342	235	LINDA VISTA/MORLEY	NW	Ad
140	1343	236	LINDA VISTA/TAIT	SW	Non
141	1344	237	LINDA VISTA/NORTH RIM	NW	Non
142	1346	250	CLAIREMONT DR./IROQUOIS	SE	Ad
143	1348	252	CLAIREMONT DR./BALBOA	NE	Ad
144	1349	253	BURGENER/CLAIREMONT DR.	SE	Non
145	1351	259	GENESEE/DERRICK	SW	Ad
146	1352	260	BALBOA/MT. ABERNATHY	NW	Ad
147	1353	261	GENESEE/MT. ETNA	SW	Ad
148	1354	262	GENESEE/MT. ALIFAN	SW	Ad
149	1356	264	CLAIREMONT MESA/GENESEE	SE	Ad
150	1357	265	CLAIREMONT MESA ROLFE	NW	Ad
151	1358	267	BALBOA/MT. ALIFAN	SW	Ad
152	1359	277	AERO/SANDROCK	NW	Ad
153	1360	281	CLAIREMONT DR./DENVER	NE	Ad
154	1361	282	CLAIREMONT DR./IROQUOIS	SW	Non
155	1362	283	GENESEE/OSLER	NE	Non
156	1363	287	LINDA VISTA/THRIFT VILLAGE	NE	Non
157	1364	293	LINDA VISTA/VIA LAS CUMBRES	NE	Non
158	1365	291	TIERRASANTA/ESPLENDENTE	SE	Ad
159	1366	292	CLAIREMONT MESA/OVERLAND	NW	Ad
160	1367	294	LINDA VISTA/VIA LAS CUMBRES	SE	Ad
161	1368	297	CLAIREMONT MESA/OVERLAND	SW	Ad
162	1369	301	CLAIREMONT MESA/GENESEE	NW	Ad
163	1372	311	CLAIREMONT MESA/ANTIGUA	NE	Non
164	1373	322	GENESEE/BALBOA	SW	Ad
165	1374	323	GENESEE/BALBOA	SW	Non
166	1375	355	GENESEE/LA JOLLA VILLAGE	SW	Ad
167	1376	356	CLAIREMONT DR./BALBOA	SW	Non
168	1377	363	CONVOY/CLAIREMONT MESA	SW	Ad
169	1378	406	CLAIREMONT MESA/KLEEFIELD	SW	Ad
170	1379	409	CLAIREMONT MESA/SANTO	NW	Ad
171	1380	422	BALBOA/CLAIREMONT DR.	NW	Ad
172	1382	430	AERO/WEST CANYON	SW	Ad
173	1383	433	CLAIREMONT MESA/CLAIR. DR.	NE	Ad
174	1385	440	CLAIR. MESA/K. MESA RD.	SW	Ad
175	1386	441	KEARNEY VILLA RD/K. VILLA WY.	SE	Ad
176	1387	446	SANTO/AERO	NE	Ad
177	1388	490	CONVOY/BALBOA	NE	Ad
178	1389	495	CONVOY/ENGINEER	NE	Ad
179	1391	501	CLAIREMONT MESA/CONVOY	SE	Ad
180	1392	508	AERO/RUFFIN	NE	Ad

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	#	#			
181	1393	510	BALBOA/RUFFIN	SW	Ad
182	1398	549	CLAIREMONT MESA/SHAWLINE	SE	Ad
183	1399	551	KEARNEY VILLA/BALBOA	NE	Ad
184	1400	558	CLAIREMONT DR/CLAIR. MESA	NE	Ad
185	1401	577	CLAIREMONT DR./BURGENER	NE	Ad
186	1402	597	LINDA VISTA/USD MAIN ENT.	NW	Non
187	1403	604	GENESEE AVE./LINDA VISTA RD.	SE	Ad
188	1403	622	GENESEE/GENESEE CT.	SE	Non
189	1404	605	GENESEE AVE./GENESEE CT.	SW	Ad
190	1405	611	GENESEE/MARLESTA	NW	Ad
191	1406	612	GENESEE/MARLESTA	NW	Non
192	1407	614	CLAIREMONT MESA/KMART	S-MID	Ad
193	1409	637	GENESEE/MT ALIFAN	NE	Ad
194	1410	669	RUFFIN RD/CHESAPEAKE DR.	SE	Ad
195	1411	670	BALBOA AVE./CONVOY ST.	NW	Ad
196	1411	676	HEALTH CENTER DR./FROST ST.	SW	Non
197	1412	671	GENESEE/MT.ETNA	NE	Ad
198	1413	672	CLAIREMONT MESA/MERCURY ST.	SE	Ad
199	1414	673	CLAIREMONT MESA/MERCURY ST.	NW	Ad
200	1515	74	5TH/UPAS	SE	Ad
201	1516	75	30TH/NORTH PARK WAY	SW	Ad
202	1517	76	ADAMS/CHEROKEE	NW	Ad
203	1519	93	PARK/UPAS	NE	Non
204	1521	97	PARK/UNIVERSITY	NW	Ad
205	1522	98	PARK/UNIVERSITY	NW	Non
206	1523	99	PARK/UNIVERSITY	NE	Ad
207	1524	100	PARK/UNIVERSITY	NE	Non
208	1525	101	EL CAJON/FAIRMOUNT	SE	Ad
209	1526	120	EL CAJON/43RD	NE	Ad
210	1528	138	UNIVERSITY/TEXAS	SE	Ad
211	1530	148	EL CAJON/54TH	NW	Ad
212	1531	149	EL CAJON/COLLEGE	NW	Ad
213	1534	152	EL CAJON/TEXAS	NE	Ad
214	1535	153	EL CAJON/43RD	SE	Ad
215	1536	154	ADAMS/30TH	SW	Ad
216	1537	155	4TH/HAWTHORNE	SW	Ad
217	1538	156	4TH/ROBINSON	SW	Ad
218	1539	157	30TH/ADAMS	SW	Ad
219	1540	163	5TH/UNIVERSITY	SE	Ad
220	1542	165	EL CAJON/54TH	NW	Non
221	1543	190	PARK/DE LA RAZA	NW	Non
222	1544	209	UNIVERSITY/UNIVERSITY SQ.	SE	Ad
223	1545	210	COLLEGE/UNIVERSITY	SW	Ad
224	1547	213	UNIVERSITY/54TH	NE	Ad
225	1548	214	4TH/UNIVERSITY	SW	Ad

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	AREA	SHELTER	LOCATION	CORNER	Ad/ Non
	#	#			
226	1550	221	WASHINGTON/DOVE	NE	Ad
227	1551	222	ADAMS/33RD	NE	Non
228	1553	285	UNIVERSITY/VERMONT	SW	Ad
229	1554	286	30TH/UNIVERSITY	NW	Ad
230	1556	290	COLLEGE/EL CAJON	SW	Ad
231	1557	298	BEECH/FERN	NW	Non
232	1559	324	FAIRMOUNT/UNIVERSITY	NW	Ad
233	1560	325	UNIVERSITY/10TH	SW	Ad
234	1561	326	EL CAJON/GEORGIA	NE	Ad
235	1562	327	EL CAJON/ILLINOIS	NW	Ad
236	1563	328	UNIVERSITY/36TH	NW	Ad
237	1565	330	EL CAJON/COLLEGE	SE	Ad
238	1566	331	EL CAJON/COLLEGE	SE	Non
239	1567	332	EL CAJON/OREGON	SE	Ad
240	1570	335	EL CAJON/MARBOROUGH	NW	Ad
241	1571	336	EL CAJON/47TH	NW	Ad
242	1573	338	EL CAJON/PARK	SE	Ad
243	1574	339	PARK/MADISON	NW	Ad
244	1575	340	UNIVERSITY/COLLEGE	NE	Ad
245	1576	343	WASHINGTON/DOVE	SE	Ad
246	1579	348	54TH/UNIVERSITY	SW	Ad
247	1580	350	HAWK/FORT STOCKTON	NW	Non
248	1581	351	EL CAJON/30TH	SE	Ad
249	1582	352	EL CAJON/ART	SE	Ad
250	1583	353	FRONT/ARBOR	SW	Non
251	1584	354	FRONT/ARBOR	SW	Non
252	1585	365	FAIRMOUNT/UNIVERSITY	NE	Ad
253	1586	366	30TH/MEADE	SW	Non
254	1587	367	PARK/MEADE	SW	Non
255	1588	368	UNIVERSITY/GRIM	SE	Ad
256	1589	369	UNIVERSITY/35TH	NW	Ad
257	1590	382	EL CAJON/ILLINOIS	SE	Ad
258	1592	384	UNIVERSITY/NORMAL	NE	Ad
259	1593	385	EL CAJON/LOUISIANA	SE	Ad
260	1594	386	UNIVERSITY/K-MART	S-MID	Ad
261	1595	387	UNIVERSITY/FOOD 4 LESS	S-MID	Ad
262	1596	388	UNIVERSITY/SHILOH	SE	Ad
263	1597	389	UNIVERSITY/RICHMOND	NE	Ad
264	1600	393	UNIVERSITY/ARIZONA	NE	Ad
265	1601	394	UNIVERSITY/UTAH	NE	Ad
266	1603	396	UNIVERSITY/43RD	NE	Ad
267	1604	397	EL CAJON/33RD PLACE	NW	Ad
268	1606	399	UNIVERSITY/HERMAN	SE	Ad
269	1607	400	UNIVERSITY/BANCROFT	NW	Ad
270	1608	423	UNIVERSITY/SHILOH	NE	Ad

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	#	#			
271	1609	407	4TH/JUNIPER	SW	Ad
272	1610	435	EL CAJON/33RD STREET	SW	Ad
273	1612	445	30TH/GRAPE	SE	Non
274	1614	469	UNIVERSITY/69TH	NW	Ad
275	1617	480	UNIVERSITY/ILLINOIS	NW	Ad
276	1618	481	30TH/EL CAJON	SW	Ad
277	1620	483	EL CAJON/WINONA	NW	Ad
278	1622	511	NORMAL/CAMPUS	NW	Non
279	1623	492	NAVAJO/PARKRIDGE	NW	Ad
280	1624	500	ADAMS/FLORIDA	NW	Non
281	1625	505	EL CAJON/ESTRELLA	SW	Ad
282	1628	522	ADAMS/HAWLEY	NE	Ad
283	1629	578	UNIVERSITY/ALABAMA	NE	Ad
284	1631	644	I-15/UNIVERSITY	NW	Non
285	1632	645	I-15/UNIVERSITY	SE	Non
286	1633	647	I-15/EL CAJON BLVD. (Southbound)	NW	Non
287	1634	648	I-15/ELCAJON BLVD (Northbound)	SE	Non
288	1703	79	MARKET/36TH	NE	Ad
289	1706	104	EUCLID/GROVELAND	SW	Ad
290	1708	161	LOGAN/CROSBY	SW	Ad
291	1709	162	HOME AVE./GATEWAY	SE	Ad
292	1710	198	EUCLID TROLLEY	SE	Non
293	1711	199	EUCLID TROLLEY	SE	Non
294	1712	207	OCEANVIEW BLVD./35TH	NW	Ad
295	1713	208	DEEP DEL/PARADISE VALL. RD.	NE	Ad
296	1714	299	25TH/BROADWAY	NW	Ad
297	1715	321	EUCLID/FEDERAL	SW	Ad
298	1716	342	MEADOWBROOK/SKYLINE	SE	Ad
299	1717	364	NATIONAL AVE./35TH	NE	Ad
300	1718	373	NATIONAL AVE./38TH	NW	Ad
301	1719	374	MARKET/GATEWAY CNTR WAY	NW	Ad
302	1720	375	43RD/NATIONAL AVE.	NE	Ad
303	1723	378	SKYLINE/SYCHAR	NE	Non
304	1724	391	FEDERAL/EUCLID	SE	Ad
305	1726	425	IMPERIAL AVE./62ND	SW	Ad
306	1727	436	43RD/NATIONAL AVE.	NW	Ad
307	1728	438	47TH/OCEANVIEW BLVD.	NE	Ad
308	1729	491	OCEANVIEW BLVD./32ND	SW	Non
309	1730	484	47TH/FEDERAL	SW	Ad
310	1731	502	NATIONAL AVE./30TH	NW	Ad
311	1734	570	EUCLID TROLLEY STATION	SE	Non
312	1735	571	EUCLID TROLLEY STATION	SE	Non
313	1737	573	EUCLID TROLLEY STATION	SE	Non
314	1738	574	EUCLID TROLLEY STATION	SE	Non
315	1739	575	EUCLID TROLLEY STATION	SE	Non

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	#	#			
316	1740	576	FEDERAL/47TH	SE	Ad
317	1741	589	IMPERIAL/50TH	NE	Non
318	1742	590	SKYLINE/RIO LINDO	NW	Non
319	1743	591	SKYLINE/69TH	NW	Non
320	1744	592	CROSBY/LOGAN	SE	Non
321	1745	613	LOGAN/CROSBY	NW	Ad
322	1747	628	COLLEGE GROVE WAY/COLLEGE AVE.	SW	Ad
323	1748	629	COLLEGE GROVE WAY/COLLEGE AVE.	SW	Ad
324	1749	630	COLLEGE GROVE WAY/COLLEGE AVE.	SW	Ad
325	1750	631	COLLEGE GROVE WAY/COLLEGE AVE.	SW	Ad
326	1752	641	EUCLID TROLLEY STATION	SE	Non
327	1753	642	EUCLID TROLLEY STATION	SE	Non
328	1754	660	HOME AVE./FAIRMOUNT	NW	Ad
329	1804	78	CRAWFORD/ZION	SW	Non
330	1805	88	ZION/CRAWFORD	SW	Ad
331	1806	121	NAVAJO/FANITA	NW	Ad
332	1807	238	CBS OUTDOOR OFFICE	NE	Ad
333	1808	239	LAKE MURRAY/JACKSON	NW	Non
334	1810	241	MISSION GORGE/RAINEER	SW	Ad
335	1811	242	COLLEGE/DEL CERRO	NW	Ad
336	1813	245	NAVAJO/JACKSON	NW	Ad
337	1814	246	JACKSON/GOLFCREST	NW	Ad
338	1815	247	LAKE MURRAY/NAVAJO	SW	Ad
339	1816	248	LAKE MURRAY/LYNNHAVEN	NW	Ad
340	1818	349	GROSSMONT TROLLEY	NE	Ad
341	1819	370	FRIARS/FRAZEE	SW	Ad
342	1820	408	FRIARS/FRAZEE	N-MID	Ad
343	1822	420	CAM.DE LA REINA/MISS. CNTR	SE	Ad
344	1823	468	FRIARS/NORTHSIDE	NE	Ad
345	1824	478	CAM.DE LA REINA/DEL ARROYO	N-MID	Non
346	1826	594	FRIARS/@NORDSTROM ENTR.	SE	Ad
347	1827	600	WARD RD./RNCHO MISS RD.	SE	Ad
348	1828	601	WARD RD./RNCHO MISS. RD.	SW	Ad
349	1829	602	CAM DE LA REINA/PK IN VALLEY	NE	Ad
350	1830	610	MISS. CNTR RD./MISS. CNTR CT.	SW	Ad
351	1832	619	CAM.DE LA REINA/MACY'S	SE	Non
352	1902	80	CAMINO RUIZ/MIRA MESA BL.	SW	Ad
353	1903	105	BLCK MT. RD./MIRA MESA BL.	SW	Ad
354	1904	158	BLCK MTN RD./MIRA MESA BL	SW	Non
355	1905	268	MIRAMAR RD./K. VILLA RD.	SW	Ad
356	1906	269	R NCHO CARMEL/CARMEL MT	NW	Ad
357	1907	270	CARMEL MTN./PENASQUITOS	NW	Ad
358	1909	272	MIRAMAR RD./DISTRIBUTION	NW	Ad
359	1910	362	MIRA MESA BL./BLACK MTN RD.	NW	Ad
360	1911	411	RNCHO CARMEL/INNOVATION	SE	Ad

**CBS Outdoor Shelters**  
**Revised: June 08**  
**Total # : 462**  
**(343) Ad**  
**(119)Non-Ad**

**J. Perez Associates**  
**San Diego**

	AREA	SHELTER	LOCATION	CORNER	Ad/ Non
	#	#			
361	1912	443	CARMEL MTN./FREEPORT	NW	Ad
362	1913	444	CARMEL MTN/PASEO CARDIEL	NW	Ad
363	1914	467	BLACK MTN RD./GOLD COAST	NW	Ad
364	1915	470	MIRAMAR RD./CAMINO RUIZ	NW	Ad
365	1916	474	CARMEL MT/CAM. DEL NORTE	SW	Ad
366	1917	475	R NCHO CARMEL/INNOVATION	NW	Ad
367	1918	489	MIRA MESA BL /BLCK MT. RD.	SE	Ad
368	1919	497	CAMINO RUIZ/REAGAN RD.	SW	Non
369	1920	498	MIRA MESA BLVD/WESTONHILL	SW	Non
370	1924	553	BLACK MTN RD./GOLD COAST	NE	Ad
371	1925	555	RNCHO CARMEL/CARMEL MT	NE	Ad
372	1926	587	BLACK MTN RD/HILLARY	SW	Ad
373	1927	639	CARMEL MTN./STONE PEAK	NW	Ad
374	2003	87	PALM/SATURN	SW	Ad
375	2004	106	HOLLISTER/PALM	NE	Ad
376	2007	177	HOLLISTER/PALM	SW	Ad
377	2008	178	BEYER WAY/PALM	NE	Ad
378	2009	179	PALM/BEYER WAY	NE	Ad
379	2010	180	CORONADO/HOLLISTER	SW	Ad
380	2011	191	SATURN/CORONADO	SW	Ad
381	2012	192	BEYER BLVD/DEL SOL	SW	Ad
382	2013	193	SATELLITE/SATURN	SW	Non
383	2014	194	ORO VISTA/TOCAYO	NE	Non
384	2015	195	PALM/16TH	NE	Ad
385	2016	196	BEYER/DEL SUR	SE	Non
386	2017	371	PALM/HOLLISTER	NE	Ad
387	2018	372	PALM/HOLLISTER	NE	Non
388	2019	464	CORONADO/27TH	SW	Ad
389	2020	499	PALM/THERMAL	SW	Ad
390	2026	545	SAN YSIDRO/BORDER VILLAGE	NW	Ad
391	2027	546	SAN YSIDRO/BORDER VILL.	SE	Non
392	2028	547	SAN YSIDRO/VIRGINIA	SE	Non
393	2029	548	SAN YSIDRO/VIRGINIA	NW	Ad
394	2030	562	IRIS TROLLEY STATION	N	Non
395	2031	563	IRIS TROLLEY STATION	N	Non
396	2032	564	IRIS TROLLEY STATION	N	Non
397	2033	565	IRIS TROLLEY STATION	N	Non
398	2034	566	IRIS TROLLEY STATION	N	Non
399	2035	567	IRIS TROLLEY STATION	N	Non
400	2036	568	IRIS TROLLEY STATION	N	Non
401	2037	569	IRIS TROLLEY STATION	N	Non
402	2038	582	SAN YSIDRO/CENTER ST.	SW	Ad
403	2039	588	CORONADO/25TH	SE	Ad
404	2040	593	BEYER/DEL SUR	SW	Non
405	2042	626	PALM/HOLLISTER	SW	Non

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	AREA	SHELTER	LOCATION	CORNER	Ad/ Non
	#	#			
406	2043	632	SAN YSIDRO/CENTER ST.	SE	Non
407	2044	633	DENNERY/WALMART	SW	Ad
408	2045	634	PALM/DENNERY	NW	Ad
409	2046	664	VIA DE LA AMISTD/ROLL RD	NE	Non
410	2047	666	DENNERY/PALMPROMENADE	SE	Ad
411	2048	667	DENNERY/PALMPROMENADE	SW	Ad
412	2049	668	PALM AVE./BEYER WAY	SE	Non
413	3001	35	MISSION GORGE/CUYAMACA	NW	Ad
414	3002	36	MISSION GORGE/CUYAMACA	SW	Ad
415	3007	42	MISS GORGE/COTTONWOOD	SE	Ad
416	3008	44	CUYAMACA/MISSION GORGE	SW	Ad
417	3009	46	MAGNOLIA/WOODGLEN VISTA	SW	Non
418	4001	57	9TH/IMPERIAL BEACH BLVD.	NW	Non
419	4002	58	IMPERIAL BEACH BLVD./13TH	NW	Ad
420	4003	59	PALM/4TH	SW	Non
421	4004	60	PALM/7TH	SW	Ad
422	4005	61	HIGHWAY 75/7TH	NE	Ad
423	4006	62	PALM/9TH	SE	Ad
424	4007	63	PALM/9TH	NW	Ad
425	4008	64	PALM/11TH	SW	Ad
426	4009	65	PALM/12TH	SW	Ad
427	4010	66	PALM/13TH	SE	Ad
428	4015	111	IMPERIAL BEACH BLVD/4TH	SE	Ad
429	4019	166	IMPERIAL BEACH BLVD./9TH	NW	Ad
430	4023	204	IRIS/13TH	NW	Non
431	4024	205	IRIS/13TH	SW	Non
432	4025	462	HIGHWAY 75/RAINBOW	NE	Ad
433	4026	472	9TH/PALM	SW	Non
434	4027	583	PALM/9TH	NW	Non
435	4028	586	PALM/RAINBOW	NE	Ad
436	4029	603	IMPERIAL BEACH BLVD./13TH	SE	Ad
437	4030	620	SEACOAST/DAISY	NW	Non
438	4031	621	SEACOAST/EVERGREEN	NW	Non
439	4032	625	PALM/5TH		Non
440	4033	653	9TH/EBONY	SE	Non
441	5002	51	NATIONAL CITY BLVD./18TH	SW	Ad
442	5003	52	D. STREET/15TH	NE	Non
443	5005	54	HIGHLAND/12TH	NW	Ad
444	5006	55	PLAZA/HIGHLAND	SE	Ad
445	5007	56	HIGHLAND/16TH	SE	Ad
446	5009	84	8TH/EUCLID	SE	Ad
447	5011	86	HIGHLAND/16TH	SW	Ad
448	5012	48	NATIONAL CITY BLVD./2ND	SE	Ad
449	5013	49	NATIONAL CITY BLVD./12TH	SE	Ad
450	5016	280	DIVISION/EUCLID	NW	Ad

**CBS Outdoor Shelters**  
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**San Diego**

	AREA	SHELTER	LOCATION	CORNER	Ad/ Non
	#	#			
451	5017	447	8TH STREET TROLLEY	W	Ad
452	5018	654	D. STREET/15TH	NW	Ad
453	7000	527	ALLISON/SPRING	SW	Ad
454	7002	529	LA MESA BLVD./UNIVERSITY	SW	Ad
455	7003	530	LA MESA BLVD./UNIVERSITY	SE	Ad
456	7004	531	GROSSMNT CNTR/CENTER DR.	NE	Ad
457	7005	532	GROSSMNT CNTR/HLTH CARE	NE	Ad
458	7006	554	LA MESA BLVD./GROSSMONT	SW	Ad
459	7007	559	LAKE MURRAY/BALTIMORE	NW	Ad
460	7008	581	BALTIMORE/WELLESELY	NW	Ad
461	7009	584	BALTIMORE/PARKWAY	NW	Ad
462	7010	585	BALTIMORE/PARKWAY	NE	Ad



## Attachment B

### List of New Locations for Shelters with Ad Panels

# Phase 1

### Convert Non Ad Shelters to Ad Shelters

Broadway & 9<sup>th</sup> (2)

Broadway & 8<sup>th</sup> (2)

Broadway & 6<sup>th</sup> (2)

Broadway & 4<sup>th</sup> (2)

Broadway & 3<sup>rd</sup> (2)

Broadway & 1<sup>st</sup> (1)

Broadway & Union (1)

Broadway & State (1)

Broadway & Columbia (1)

Broadway & Kettner (1)

Broadway & India (1)

*This is a potential of five (5) additional shelters or 10 displays.*

### Pacific Beach:

Garnet & Fanuel - NEC/ Beach currently in place

Mission & Hornblend- NWC/ Bench currently in place

Grand & Bayard- SWC/ Non- ad currently in place

Grand & Fanuel- SEC/ Non-ad currently in place

Grand & Everts- SEC/ Bench currently in place

Grand & Cass- SEC/ Bench Currently in place

### Mission Beach:

Mission Redondo- NWC/ pad large enough for shelter

W. Mission Bay & Mission Blvd. – SEC/ non-ad currently in place

W. Mission Bay/ Quivera- SEC/ bench currently in place

### Ocean Beach

Voltaire & Sunset Cliffs- NEC & SEC/ benches currently in place on both corners

## Phase 2

### Torrey Pines (UCSD):

NTP & Amhurst- SWC/ custom wooden shelter in place

NTP & Scenic Dr.- SEC/ bench currently in place

NTP & Scripps Clinic Dr.- NEC & SEC/ pad large enough at both locations for shelter

Villa La Jolla & La Jolla Village Dr. – SWC/ bench currently in place

### Downtown:

Pearl & Eves- NEC/ bench currently in place

LJ Blvd. & Arenas- NWC/ pad big enough for shelter

LJ Blvd. & Nautilus- NWC/ bench currently in place

LJ Blvd. & Colmar- NWC/ bench currently in place

LJ Blvd. & Palomar- NEC/ bench currently in place

*These are possible locations based on approval of the MTS Board.*

## Attachment C

### List of Other Advertising Opportunities

- 1) 3-6 WALLS in San Diego State Trolley Station (sell at approximately \$500- \$1000 per wall).
- 2) To add advertising in the back of 4-6 shelter locations in Old Town/ Downtown/ Seaport Village at approximately \$500- \$1000 per unit.
- 3) Possibly WALL at transit's main Building. Sell at approximately \$1500- \$3000
- 4) Possibly adding 3-4 Kiosks in San Ysidro. Sell at approximately \$500- \$750 per unit.

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## Agenda

Item No. 45

JOINT MEETING OF THE BOARD OF DIRECTORS  
for the  
Metropolitan Transit System,  
San Diego Transit Corporation, and  
San Diego Trolley, Inc.

FIN 310.2 (PC 50601)

July 17, 2008

### SUBJECT:

MTS: YEAR-TO-DATE OPERATIONS BUDGET STATUS REPORT THROUGH MAY  
2008

### RECOMMENDATION:

That the Board of Directors receive the MTS Year-to-Date Operations Budget Status  
Report through May 2008.

#### Budget Impact

None at this time.

### DISCUSSION:

This report summarizes MTS's year-to-date operating results through May 2008 compared to the Board-approved midyear budget. Attachment A-1 combines the operations, administration, and other activities results through May 2008. Attachment A-2 details the year-to-date May 2008 combined operations results and Attachments A-3 to A-8 present budget comparisons for each MTS operation. Attachment A-9 details budget comparisons for MTS Administration, and A-10 provides year-to-date May 2008 results for MTS other activities (Taxicab/San Diego and Arizona Eastern Railway Company).



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.

## MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, the year-to-date May 2008 MTS net-operating subsidy favorable variance totaled \$5,420,000 (4.5%). Operations produced a \$5,012,000 (4.4%) favorable variance, and the administrative/other activities areas were favorable by \$408,000.

## MTS COMBINED RESULTS

### Operating Revenues

Year-to-date combined operating revenues through May 2008 were \$77,713,000 compared to the year-to-date budget of \$75,391,000 representing a \$2,322,000 favorable variance. This is due to higher passenger revenues within rail operations (\$1,174,000) and multimodal fixed route operations (\$843,000). Consolidated other operating revenues were favorable by \$80,000.

### Expenses

Year-to-date combined expenses through May 2008 were \$191,500,000 compared to the year-to-date budget of \$194,598,000 resulting in a \$3,098,000 (1.6%) favorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$89,960,000 compared to a year-to-date budgetary figure of \$91,432,000 producing a favorable variance of \$1,472,000 (1.6%). This is primarily due to favorable variances within operator wages and other fringe benefits within transit services.

Outside Services and Purchased Transportation. Total outside services year-to-date expenses totaled \$64,270,000 compared to a budget of \$65,418,000 resulting in a year-to-date favorable variance of \$1,148,000 (1.8%). This is primarily due to lower-than-expected operating expenses within purchased transportation for fixed routes.

Materials and Supplies. Total year-to-date materials and supplies expenses totaled \$6,727,000 compared to a budgetary figure of \$6,802,000 resulting in a favorable expense variance of \$75,000 (1.1%).

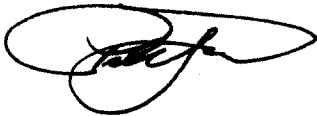
Energy. Total year-to-date energy costs were \$25,694,000 compared to the budget of \$25,764,000 resulting in a year-to-date favorable variance of \$70,000 (0.3%). This favorable variance is primarily due to favorable variances in traction power and facility electricity (\$828,000). Year-to-date compressed natural gas (CNG) prices averaged \$1.409 per therm compared to the budgetary rate of \$1.29 per therm. Year-to-date diesel prices averaged \$2.833 per gallon compared to a budgetary rate of \$2.62 per gallon.

Risk Management. Total year-to-date expenses for risk management were \$3,614,000 compared to the year-to-date budget \$3,963,000 resulting in a favorable variance totaling \$349,000 (8.8%).

General and Administrative. Year-to-date general and administrative costs, including vehicle and facilities leases, were \$16,000 (-1.3%) unfavorable to budget totaling \$1,234,000 through May 2008 compared to a year-to-date budget of \$1,218,000.

#### YEAR-TO-DATE SUMMARY

The May 2008 year-to-date net-operating subsidy totaled a favorable variance of \$5,420,000 (4.5%) and was produced by several factors. These factors include favorable variances in passenger revenue, personnel costs, purchased transportation, energy, materials, and risk management partially offset by general and administrative expenses.



---

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Larry Marinesi, 619.557.4542, [Larry.Marinesi@sdmts.com](mailto:Larry.Marinesi@sdmts.com)

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Attachment: A. Comparison to Budget

**MTS**  
**CONSOLIDATED**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**MAY 31, 2008**  
**(in \$000's)**

	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 71,331	\$ 69,089	\$ 2,242	3.2%
Other Revenue	6,382	6,302	80	1.3%
<b>Total Operating Revenue</b>	<b>\$ 77,713</b>	<b>\$ 75,391</b>	<b>\$ 2,322</b>	<b>3.1%</b>
Personnel costs	\$ 89,960	\$ 91,432	\$ 1,472	1.6%
Outside services	64,270	65,418	1,148	1.8%
Transit operations funding	-	-	-	-
Materials and supplies	6,727	6,802	75	1.1%
Energy	25,694	25,764	70	0.3%
Risk management	3,614	3,963	349	8.8%
General & administrative	970	911	(59)	-6.5%
Vehicle/facility leases	262	307	46	14.8%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	3	0	(3)	-4932.9%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 191,500</b>	<b>\$ 194,598</b>	<b>\$ 3,098</b>	<b>1.6%</b>
<b>Operating income (loss)</b>	<b>\$ (113,787)</b>	<b>\$ (119,207)</b>	<b>\$ 5,420</b>	<b>4.5%</b>
<b>Total public support and nonoperating revenues</b>	<b>19,443</b>	<b>19,529</b>	<b>(86)</b>	<b>-0.4%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (94,343)</b>	<b>\$ (99,678)</b>	<b>\$ 5,334</b>	<b>-5.4%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**CONSOLIDATED OPERATIONS**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**MAY 31, 2008**  
**(in \$000's)**

	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 71,331	\$ 69,089	\$ 2,242	3.2%
Other Revenue	1,641	1,959	(318)	-16.2%
<b>Total Operating Revenue</b>	<b>\$ 72,972</b>	<b>\$ 71,048</b>	<b>\$ 1,924</b>	<b>2.7%</b>
Personnel costs	\$ 79,532	\$ 81,158	\$ 1,626	2.0%
Outside services	61,933	62,998	1,064	1.7%
Transit operations funding	-	-	-	-
Materials and supplies	6,722	6,776	54	0.8%
Energy	25,361	25,389	28	0.1%
Risk management	3,135	3,512	377	10.7%
General & administrative	439	334	(104)	-31.3%
Vehicle/facility leases	262	307	46	14.8%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	5,205	5,202	(3)	-0.1%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 182,588</b>	<b>\$ 185,676</b>	<b>\$ 3,088</b>	<b>1.7%</b>
<b>Operating income (loss)</b>	<b>\$ (109,615)</b>	<b>\$ (114,628)</b>	<b>\$ 5,012</b>	<b>4.4%</b>
<b>Total public support and nonoperating revenues</b>	<b>2,354</b>	<b>2,440</b>	<b>(86)</b>	<b>-3.5%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (107,262)</b>	<b>\$ (112,188)</b>	<b>\$ 4,927</b>	<b>-4.4%</b>



**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**MAY 31, 2008**  
**(in \$000's)**

	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 21,463	\$ 21,494	\$ (31)	-0.1%
Other Revenue	920	954	(34)	-3.6%
<b>Total Operating Revenue</b>	<b>\$ 22,382</b>	<b>\$ 22,447</b>	<b>\$ (65)</b>	<b>-0.3%</b>
Personnel costs	\$ 49,897	\$ 51,670	\$ 1,772	3.4%
Outside services	2,242	2,415	172	7.1%
Transit operations funding	-	-	-	-
Materials and supplies	4,337	4,146	(191)	-4.6%
Energy	8,117	7,893	(225)	-2.8%
Risk management	1,470	1,463	(7)	-0.5%
General & administrative	251	171	(80)	-46.6%
Vehicle/facility leases	67	74	6	8.7%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	2,210	2,210	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 68,592</b>	<b>\$ 70,041</b>	<b>\$ 1,448</b>	<b>2.1%</b>
<b>Operating income (loss)</b>	<b>\$ (46,210)</b>	<b>\$ (47,594)</b>	<b>\$ 1,383</b>	<b>2.9%</b>
<b>Total public support and nonoperating revenues</b>	<b>(3,287)</b>	<b>(3,201)</b>	<b>(86)</b>	<b>2.7%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (49,497)</b>	<b>\$ (50,795)</b>	<b>\$ 1,298</b>	<b>-2.6%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**MAY 31, 2008**  
**(in \$000's)**

	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 27,892	\$ 26,718	\$ 1,174	4.4%
Other Revenue	658	706	(48)	-6.7%
<b>Total Operating Revenue</b>	<b>\$ 28,550</b>	<b>\$ 27,423</b>	<b>\$ 1,127</b>	<b>4.1%</b>
Personnel costs	\$ 28,505	\$ 28,275	\$ (230)	-0.8%
Outside services	8,165	8,094	(71)	-0.9%
Transit operations funding	-	-	-	-
Materials and supplies	2,384	2,628	244	9.3%
Energy	7,986	8,744	758	8.7%
Risk management	1,665	2,049	384	18.7%
General & administrative	183	137	(46)	-33.7%
Vehicle/facility leases	79	78	(1)	-0.8%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	2,089	2,089	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 51,056</b>	<b>\$ 52,094</b>	<b>\$ 1,038</b>	<b>2.0%</b>
<b>Operating income (loss)</b>	<b>\$ (22,506)</b>	<b>\$ (24,671)</b>	<b>\$ 2,165</b>	<b>8.8%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (22,506)</b>	<b>\$ (24,671)</b>	<b>\$ 2,165</b>	<b>-8.8%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**MULTIMODAL OPERATIONS (FIXED ROUTE)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**MAY 31, 2008**  
**(in \$000's)**

	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 17,614	\$ 16,772	\$ 843	5.0%
Other Revenue	63	300	(237)	-78.9%
<b>Total Operating Revenue</b>	<b>\$ 17,678</b>	<b>\$ 17,072</b>	<b>\$ 606</b>	<b>3.5%</b>
Personnel costs	\$ 285	\$ 287	\$ 2	0.9%
Outside services	36,574	37,493	919	2.5%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	6,732	6,252	(480)	-7.7%
Risk management	-	-	-	-
General & administrative	2	6	4	67.6%
Vehicle/facility leases	115	154	39	25.3%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	740	740	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 44,448</b>	<b>\$ 44,932</b>	<b>\$ 485</b>	<b>1.1%</b>
<b>Operating income (loss)</b>	<b>\$ (26,770)</b>	<b>\$ (27,861)</b>	<b>\$ 1,091</b>	<b>3.9%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (26,770)</b>	<b>\$ (27,861)</b>	<b>\$ 1,091</b>	<b>-3.9%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**MULTIMODAL OPERATIONS (PARATRANSIT)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**MAY 31, 2008**  
**(in \$000's)**

	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 1,595	\$ 1,625	\$ (31)	-1.9%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 1,595</b>	<b>\$ 1,625</b>	<b>\$ (31)</b>	<b>-1.9%</b>
Personnel costs	\$ 189	\$ 189	\$ (1)	-0.3%
Outside services	9,510	9,489	(21)	-0.2%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	1,851	1,829	(22)	-1.2%
Risk management	-	-	-	-
General & administrative	2	5	3	56.3%
Vehicle/facility leases	-	1	1	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	25	25	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 11,578</b>	<b>\$ 11,538</b>	<b>\$ (41)</b>	<b>-0.4%</b>
<b>Operating income (loss)</b>	<b>\$ (9,984)</b>	<b>\$ (9,912)</b>	<b>\$ (71)</b>	<b>-0.7%</b>
<b>Total public support and nonoperating revenues</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (8,484)</b>	<b>\$ (8,412)</b>	<b>\$ (71)</b>	<b>0.8%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**CONSOLIDATED CHULA VISTA TRANSIT OPERATIONS**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**MAY 31, 2008**  
**(in \$000's)**

	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 2,768	\$ 2,481	\$ 287	11.6%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 2,768</b>	<b>\$ 2,481</b>	<b>\$ 287</b>	<b>11.6%</b>
Personnel costs	\$ 601	\$ 683	\$ 82	12.1%
Outside services	5,306	5,371	65	1.2%
Transit operations funding	-	-	-	-
Materials and supplies	1	3	2	62.1%
Energy	675	672	(3)	-0.5%
Risk management	-	-	-	-
General & administrative	1	16	15	95.6%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	139	136	(3)	-2.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 6,722</b>	<b>\$ 6,880</b>	<b>\$ 158</b>	<b>2.3%</b>
<b>Operating income (loss)</b>	<b>\$ (3,954)</b>	<b>\$ (4,399)</b>	<b>\$ 445</b>	<b>10.1%</b>
<b>Total public support and nonoperating revenues</b>	<b>3,997</b>	<b>3,997</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 43</b>	<b>\$ (401)</b>	<b>\$ 445</b>	<b>-110.8%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**CORONADO FERRY**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**MAY 31, 2008**  
**(in \$000's)**

	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	131	131	-	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	-
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 131</b>	<b>\$ 131</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Operating income (loss)</b>	<b>\$ (131)</b>	<b>\$ (131)</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total public support and nonoperating revenues</b>	<b>143</b>	<b>143</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 12</b>	<b>\$ 12</b>	<b>\$ -</b>	<b>0.0%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**ADMINISTRATION**  
**CONSOLIDATED**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**MAY 31, 2008**  
**(in \$000's)**

	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	3,701	3,571	130	3.6%
<b>Total Operating Revenue</b>	<b>\$ 3,701</b>	<b>\$ 3,571</b>	<b>\$ 130</b>	<b>3.6%</b>
Personnel costs	\$ 9,914	\$ 9,696	\$ (218)	-2.2%
Outside services	2,223	2,320	97	4.2%
Transit operations funding	-	-	-	-
Materials and supplies	4	16	12	77.4%
Energy	323	362	39	10.7%
Risk management	442	412	(30)	-7.4%
General & administrative	439	476	37	7.9%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(5,217)	(5,217)	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 8,127</b>	<b>\$ 8,064</b>	<b>\$ (63)</b>	<b>-0.8%</b>
<b>Operating income (loss)</b>	<b>\$ (4,426)</b>	<b>\$ (4,493)</b>	<b>\$ 67</b>	<b>1.5%</b>
<b>Total public support and nonoperating revenues</b>	<b>17,089</b>	<b>17,089</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 12,664</b>	<b>\$ 12,597</b>	<b>\$ 67</b>	<b>0.5%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OTHER ACTIVITIES**  
**CONSOLIDATED**  
**COMPARISON TO BUDGET - FISCAL YEAR 2008**  
**MAY 31, 2008**  
**(in \$000's)**

	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	1,040	772	268	34.8%
<b>Total Operating Revenue</b>	<b>\$ 1,040</b>	<b>\$ 772</b>	<b>\$ 268</b>	<b>34.8%</b>
Personnel costs	\$ 515	\$ 578	\$ 63	10.9%
Outside services	114	101	(13)	-13.1%
Transit operations funding	-	-	-	-
Materials and supplies	2	10	8	80.1%
Energy	10	13	3	24.1%
Risk management	37	40	3	6.5%
General & administrative	93	101	8	8.2%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	15	15	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 786</b>	<b>\$ 858</b>	<b>\$ 72</b>	<b>8.4%</b>
<b>Operating income (loss)</b>	<b>\$ 255</b>	<b>\$ (86)</b>	<b>\$ 341</b>	<b>395.7%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 255</b>	<b>\$ (86)</b>	<b>\$ 341</b>	<b>-395.7%</b>





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## Agenda

Item No. 62

Chief Executive Officer's Report

ADM 121.7 (PC 50101)

July 17, 2008

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 June 16, 2008, through July 14, 2008.

[gail.williams/agenda item 62](#)



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,

# CONTRACTS

Doc #	Organization	Subject	Amount	Day
B0339.2-02	FIRST TRANSIT	POWAY FIXED ROUTE SERVICE - OPTION MONTH	\$110,000.00	6/16/2008
M6662.0-08	CITY OF SAN DIEGO	EMRA-MORENAVISTA 6' WROUGHT IRON FENCE	\$0.00	6/16/2008
M6663.0-08	CITY OF SAN DIEGO	EMRA-MORENA PRIVATE BACKFLOW PREVENTER	\$0.00	6/16/2008
M6664.0-08	CITY OF SAN DIEGO	EMA MORENA VISTA BUILDING AL AT PATIO	\$0.00	6/16/2008
M6665.0-08	CITY OF SAN DIEGO	EMA MORENA VISTA BUILDING FOOTINGS	\$0.00	6/16/2008
G0668.8-02	EMBASSY SUITES	AMENDMENT TO ECO PASS PROGRAM	(\$34,333.20)	6/18/2008
G0878.6-03	SCRIPPS HEALTH CARE	AMENDMENT TO ECO PASS PROGRAM	(\$76,032.00)	6/18/2008
G1026.2-07	SAN DIEGO UNIFIED SCHOOL DIST	AMENDMENT TO ECO PASS PROGRAM	(\$71,544.00)	6/18/2008
G1016.2-06	CANON BUSINESS SOLUTIONS	INCREASE NUMBER OF COPIERS MAINTAINED	\$20,275.00	7/1/2008
G1155.3-08	TELLIARD CONSTRUCTION	EMERGENCY REPAIRS FOR STEAM RACK HOIST	\$24,800.00	7/1/2008
G1194.0-08	THE BUSINESS CLEANING COMPANY	FASHION VALLEY DRIVER RESTROOM CLEANING	\$39,034.32	7/1/2008
L0091.1-91	CCRT PROPERTIES	AMENDMENT TO LANDSCAPING AGREEMENT	\$0.00	7/1/2008
L0842.0-08	COM-SEC INCORPORATED	INSTALL CCTV EQUIPMENT UPGRADE AT OTTC	\$74,514.65	7/1/2008
L0843.0-03	ELECTRO SPECIALTY SYSTEMS	CCTV EQUIPMENT UPGRADE SDSU STATION	\$60,601.83	7/1/2008
L0844.0-08	CABRILLO NATIONAL MONUMENT FD	ROE PERMIT FOR HALF MARATHON	(\$500.00)	7/1/2008
L0846.0-08	CENTRE CITY DEVELOPMENT CORP	PURCHASE AGREEMENT FOR PARK BLVD BRIDGE	\$29,000.00	7/1/2008
S200-08-366	CCRT PROPERTIES	LEASE FOR PARKING SPACES UNDER JACKSON	(\$35,000.00)	7/1/2008
S200-08-371	BIKE THE BAY	ROE PERMIT FOR BIKE TO BAY BIKE RIDE	(\$500.00)	7/1/2008
S200-08-373	SAN DIEGO GAS & ELECTRIC	EASEMENT FOR ADDITIONAL DISTRIBUTION FAC	\$0.00	7/1/2008
T0068.7-91	CBS OUTDOOR	TEMPORARY TIME EXTENSION	\$0.00	7/1/2008
ZB05-001.1	MICHELIN NORTH AMERICA, INC.	AMENDMENT TO LEASED BUS TIRES AGREEMENT	\$93,711.75	7/1/2008
G0419.2-98	CITY OF SAN DIEGO	AMENDMENT TO LINEAR PARK AGREEMENT	\$0.00	7/3/2008
L5687.0-09	INTERGULF DEVELOPMENT GROUP	LICENSE FOR LANDSCAPE AND IRRIGATION	(\$15,000.00)	7/3/2008
YCO.003.07	SELECT TRANSIT PRODUCTS	BRAKES	\$36,500.25	7/6/2008

# PURCHASE ORDERS

DATE	Organization	Subject	AMOUNT
6/17/2008	HI WAY SAFETY INC.	BUS STOP POLE EXTENSIONS	\$2,425.99
6/17/2008	TRAFFIC CONTROL SERVICE	BUS STOP SUPPLIES	\$3,677.34
6/17/2008	HI WAY SAFETY INC.	BUS STOP SUPPLIES	\$5,710.75

# **PURCHASE ORDERS**

DATE	Organization	Subject	AMOUNT
6/17/2008	ASSOCIATED POSTERS INC.	BUS KINGS AND SHELTER ADS	\$1,468.43
6/17/2008	DIGITAL ONE COLOR	DUMP THE PUMP BANNER	\$1,086.12
6/17/2008	DIMENSIONAL SILKSCREEN	DECALS FOR MUSEUM PAINTED BUS	\$824.29
6/17/2008	SAN DIEGO CITYBEAT	DUMP THE PUMP BACK COVER AD	\$1,200.00
6/17/2008	FRANKLIN COVEY	PARTICIPANT MANUALS	\$1,314.03
6/18/2008	LLC ROYAL IMAGING CA	SCAN & SHRED DOCUMENTS	\$15,389.47
6/18/2008	INTEGRATED OFFICE SYSTEMS	SERVICE MTS PRINTERS, COPIERS, FAX	\$6,474.00
6/20/2008	DAY WIRELESS SYSTEMS	PORT TERMINATION/4 CHANNEL DISTRIB.	\$1,502.34
6/20/2008	REID AND CLARK SCREEN ARTS CO.	REPRINT SHELTER KIOSK INSERTS	\$1,939.50
6/20/2008	FEDEX/KINKOS	PRINT FY 2009 BUDGETS	\$1,092.59
6/20/2008	INTEGRATED OFFICE SYSTEMS	ANNUAL MAINTENANCE FOR SAVIN COPIER	\$1,800.00
6/20/2008	LAPEL PIN PRODUCTION	MTS LAPEL PINS	\$3,120.00
6/20/2008	PIXEL IMAGING MEDIA	GREEN TROLLEY WRAP	\$10,990.50
6/25/2008	CART MART INC.	2 TAYLOR DUNN YARD CARTS	\$16,507.30
6/25/2008	CART MART INC.	2 BUILDING MAINTENANCE CARTS	\$23,543.38
6/25/2008	SUNDOG PRINTING	2008 QUALCOMM TRANSPORTATION GUIDE	\$2,387.00
6/25/2008	DIGITAL ONE COLOR	DECALS FOR TROLLEY/PRADO RESTAURANT	\$2,388.41
6/25/2008	SAN DIEGO CITYBEAT	BACK COVER AD FOR CITYBEAT	\$2,000.00
6/27/2008	DIMENSIONAL SILKSCREEN	FAREBOX DECALS	\$592.63
7/2/2008	B&B DIVERSIFIED MATERIALS	RAILROAD TIES WITH END PLATES	\$80,597.43
7/2/2008	THE PINNACLE GROUP	HP LASER JET PRINTER	\$5,603.00
7/2/2008	DELL COMPUTER GROUP	MONITOR, LAPTOP AND DESKTOP	\$29,243.23

# **WORK ORDERS**

Doc #	Organization	Subject	Amount	Day
G1127.0-08.05	BUREAU VERITAS	ECTC BUILDING UTILITIES RESEARCH	\$15,754.00	7/1/2008
G1127.0-08.08.03	BUREAU VERITAS	GEC SERVICES FOR KMD BUS WASHER	\$0.00	7/3/2008