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Agenda

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

December 10, 2009

9:00 a.m.

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

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ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - November 12, 2009 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Please turn off cell phones and pagers
during the meeting

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • www.sdmts.com

Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

CONSENT ITEMS

- | | | |
|-----|---|---------|
| 6. | <u>MTS: Capital Improvement Project Funds Transfer</u>
Action would approve the transfer of federal Section 5307 and Transit Development Act (TDA) funds from MTS Capital Improvement Program (CIP) 11272 funds (South Bay Maintenance Facility Acquisition) to create a CIP for trolley automated passenger counters (APCs). | Approve |
| 7. | <u>MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at its November 3, 2009, Meeting</u>
Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports (Attachment A); and (2) ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on November 3, 2009. | Ratify |
| 8. | <u>MTS: Insurance Brokerage and Consultation Services - Contract Amendment</u>
Action would authorize the CEO to enter into MTS Doc. No. G1035.1-07 with BB&T John Burnham Insurance Services to exercise remaining option years to provide insurance brokerage and consultation services as specified in MTS's Request for Proposals (RFP). | Approve |
| 9. | <u>MTS: Investment Report - October 2009</u>
Action would receive a report for information. | Receive |
| 10. | <u>MTS: Series B Variable Pension Obligation Bonds Refinancing</u>
Action would approve Resolution No. 09-25.1, which would amend previously approved Resolution No. 09-25 by modifying the interest rate provision. | Approve |
| 11. | <u>MTS: Federal 5311(f) Intercity Bus Program Grant Application</u>
Action would approve Resolution No. 09-26 authorizing the CEO to submit applications for \$233,498 of Federal Transit Administration (FTA) Section 5311(f) funds for operating assistance in nonurbanized areas. | Approve |
| 12. | <u>MTS: Amendments to Policy No. 21 - Revenue-Generating Display Advertising, Concessions, and Merchandise</u>
Action would adopt the proposed amendments to MTS Policy No. 21 regarding revenue-generating display advertising, concessions, and merchandise. | Adopt |

CLOSED SESSION

- | | | |
|-----|---|-----------------|
| 24. | a. <u>MTS: CONFERENCE WITH REAL PROPERTY NEGOTIATORS</u> Pursuant to California Government Code Section 54956.8;
<u>Property:</u> 3650 Main Street, Chula Vista, California (Assessor Parcel No. 623-250-23);
<u>Agency Negotiators:</u> Tiffany Lorenzen, General Counsel; Tim Allison, Manager of Real Estate Assets; and Bruce Beach, Best Best & Krieger, LLP;
<u>Negotiating Parties:</u> Sav-On Systems, a California Limited Partnership;
<u>Under Negotiation:</u> Price and Terms of Payment | Possible Action |
|-----|---|-----------------|

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. MTS: Public Hearing on FY 2010 Midyear Service Changes (Sharon Cooney) Adopt
Action would: (1) conduct a public hearing on recommended service adjustments to achieve \$7 million in subsidy savings; (2) adopt Resolution No. 09-27, "Findings in Support of Exemption Under the California Environmental Quality Act (CEQA) Related to Proposed Budget-Related Service Adjustments"; and (3) respond to suggestions made by the public and take action (if any) on the package of service adjustments at the next regularly scheduled Board meeting on January 7, 2010.

DISCUSSION ITEMS

30. MTS: FY 2009 Final Budget Comparison (Tom Lynch) Approve
Action would approve applying \$1,853,000 to the MTS contingency reserve.

REPORT ITEMS

45. MTS: Semiannual Security Report (January through June 2009) (Bill Burke) Receive
Action would receive a report for information.
46. MTS: Fare Component Usage Trends (Mark Thomsen) Receive
Action would receive a report on fare component usage trends.
47. MTS: Operations Budget Status Report for September 2009 (Mike Thompson) Receive
Action would receive the Metropolitan Transit System (MTS) operations budget status report for September 2009.
48. MTS: Report on the Creation of a Central MTS Database and Reporting Tool (Devin Braun) Receive
Action would receive a report on the new central database and reporting tool.
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: January 7, 2010
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)

MINUTES

November 12, 2009

MTS
1255 Imperial Avenue, Suite 1000, San Diego

FINANCE WORKSHOP

1. Roll Call

Chairman Rindone called the meeting to order at 9:01 a.m. A roll call sheet listing Board member attendance is attached. The Finance Workshop was recessed at 9:02 a.m. to accommodate outside counsel attending the Board meeting closed session.

BOARD OF DIRECTORS MEETING

Chairman Mathis called the meeting of the Board of Directors to order at 9:03 a.m. The Board convened to Closed Session at 9:03 a.m.

CLOSED SESSION (Taken Out of Order)

24. a. MTS: CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
SIGNIFICANT EXPOSURE TO LITIGATION Pursuant to Subdivision (b) of the California
Government Code Section 54956.9 (One Potential Case).
- b. MTS: CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California
Government Code Section 54956.8; Property: 3650 Main Street, Chula Vista, California
(Assessor Parcel No. 623-250-23); Agency Negotiators: Tiffany Lorenzen, General
Counsel; Tim Allison, Manager of Real Estate Assets; and Jane Wiggans, Wiggans
Group, Inc.; Negotiating Parties: Sav-On Systems, a California Limited Partnership;
Under Negotiation: Price and Terms of Payment

Oral Report of Final Actions Taken in Closed Session

The Board reconvened to open session at 9:42 a.m. Ms. Lorenzen reported the following:

- a. The Board received a report from General Counsel.
- b. The Board received a report and gave direction to the agency negotiators and outside counsel.

The Board of Directors meeting was recessed until after the Finance Workshop. The Finance Workshop reconvened at 9:45.

FINANCE WORKSHOP

2. MTS: Fiscal Year 2010 and 2011 Budgets

Mr. Jablonski stated that meetings have taken place with the Budget Development Committee and the Executive Committee concerning a variety of revenue and expense updates and their potential impacts on the fiscal year 2010 and 2011 operating budgets. He added that staff will be reviewing the current situation, the projected forecast, and the strategy going forward.

Mr. Larry Marinesi, MTS Budget Manager, gave a PowerPoint presentation on the MTS fiscal year 2010 and 2011 forecast. He added that the fiscal year 2009 sales tax revenue began to drop off in the first quarters with a significant drop in the third and fourth quarters compared to the previous fiscal years. He stated that the first quarter of fiscal year 2010 was down 17% compared to the first quarter of 2009.

Mr. Marinesi stated that SANDAG's new sales tax projection is a reduction of -11.1% from the budgeted projection for fiscal year 2010, which is a \$7.2 million decrease. He stated that ridership is -8.6% lower than budgeted, and there is a \$7.5 million reduction in fare revenue expected compared to the fiscal year 2010 budget, which is an 8% variance. He stated that interest income and advertising revenue have decreased by \$8.7 million, which is a total of -8.6%. He reviewed expenses, which are expected to be lower than budgeted for a favorable variance of 2.9%. He explained that the budget shortfall expected for fiscal year 2010 is \$13 million.

Mr. Marinesi described options for \$12.5 million in one-time funding shifts from the capital program to operations that included American Recovery Reinvestment Act funds, compressed natural gas credits, funds from the South Bay Maintenance Facility Project, and TDA capital reserves. He added that all of these funds are flexible and can be used for operations. He stated that these options were discussed with the Budget Development Committee and the Executive Committee.

Mr. Marinesi added that MTS TDA capital reserves at SANDAG for federally funded capital projects could be shifted into operations. He stated that the \$13 million shortfall in the fiscal year 2010 budget could be balanced with \$12.6 million from one-time funding.

Mr. Marinesi reviewed fiscal year 2011 projections for operating revenues and expenses, which results in a \$14 million shortfall. He stated that there could be \$8.2 million in one-time funding, which would leave a remaining deficit of \$6.2 million for fiscal year 2011.

Sharon Cooney continued with the presentation describing fare adjustments. She stated that a number of opportunities have been considered including increases in monthly pass fares, increases in day pass fares, additional charges for day passes, raising the senior eligibility to age 65, and implementing on-peak and off-peak rates. She added that all fare activities would require a fare ordinance change and actions by the SANDAG Board.

Ms. Cooney stated that \$7 million in annual subsidy savings could be realized from service changes. She reviewed the proposal of Sunday service reductions, which would be reduced substantially. She added that very few weekday reductions are being considered because it is felt that the current weekday service is appropriate for the demand. She stated that there may be reductions in Saturday frequency on some routes, and one route may be discontinued.

Ms. Cooney stated that the baseline level of Sunday service would be reduced substantially, 28 of the current 60 Sunday routes would not operate, and of the 32 routes remaining, most would be shortened, operate at a reduced frequency, or have reduced spans in the evenings and mornings.

Ms. Cooney described the data from the Comprehensive Operational Analysis of weekend service that was completed and analyzed by staff. There were 2,556 total hours of onboard passenger counts on Saturdays and Sundays. She stated that 56% of the weekday passenger load is carried on Saturday, and 58% of the weekday hours and miles are operated at a cost of \$11 million. She stated that Sunday is the lowest ridership day of the week (43.8 riders per revenue hour, which is 43% of the total of weekday passengers) carrying 145,000 passengers versus 274,000 weekday riders. She added that Sunday has the highest percentage of discretionary trips.

Ms. Cooney described the approach to the Sunday restructure, which would retain weekday and Saturday service as much as possible. She pointed out that all of the routes that are proposed to be affected are listed in the handout, and the map shows the Sunday network of routes with frequency changes and span changes.

Ms. Cooney stated that the Budget Development Committee has made a recommendation to staff to move forward as soon as possible with the service adjustments. She stated that staff will continue to refine the alternatives adding that the schedule includes November public outreach and passenger feedback, a public hearing on December 10, final Board decision on January 7, and February 28 implementation.

Mr. Jablonski stated that one-time dollars will have to be used to balance the fiscal year 2010 budget. He stated that to balance the remaining \$6 million deficit, the Budget Development Committee decided against raising fares. He stated that there is volatility relating to sales tax revenue and passenger revenue, and implementing the service changes in March rather than June would save money that could be used as a hedge going into fiscal year 2011. He stated that staff is seeking Board concurrence on the strategy proposed.

Members discussed the process required to have senior age limits raised and the reliance on SANDAG sales tax projections. Mr. Jablonski stated that staff feels that structural change is necessary instead of relying on one-time dollars to balance the budget.

In response to Ms. Boyak, Mr. Jablonski clarified that the fare adjustments being proposed include changing the senior eligibility age of full fare pass from age 60 to age 65 over a period of time. Ms. Boyak expressed her support of the service changes and urged the Budget Development Committee to be more aggressive due to the uncertainty of TDA funds.

Mr. Gloria recognized staff's efforts to avoid a fare increase stating that fare adjustments would be inappropriate at this time. In response to Mr. Gloria, Ms. Cooney stated that riders were asked about their pattern of need during the weekend service analysis, and those patterns were considered in the proposed service adjustments. She explained that various trips were considered to be discretionary. Mr. Gloria stated that he cannot support fare increases or reductions in service and does not want to have to consider service reductions annually. Mr. Rindone clarified that service adjustments are being considered rather than fare increases.

Mr. Jablonski stated that \$30 million has been lost in State Transit Assistance funds. He stated that we would not be where we are today if those dollars had not been lost. He added that he is

having discussions with the California Transit Association (CTA) about the lawsuit it prevailed in against the state. He described other budget-saving measures including freezing staff wages and a 20% reduction in management staff that have already taken place. He stated that the attempt has been to balance the budget with the least amount of impact to the public.

Mr. Mathis added that everyone on the Board would agree that it is not the desire to cut service, but the circumstances require making a business decision about solutions to continue to serve the greatest number of members of the public.

Mr. Gloria stated that he recognizes that tough decisions need to be made. He feels that the people that he represents rely on the system and discretionary trips are a part of their quality of life. He wants to be clear about his position on reducing weekend service.

Mr. Rindone encouraged members to submit any recommendations or alternatives that may differ from those of the Budget Development Committee.

Mr. McClellan encouraged raising the age of senior eligibility to the age of 66 or 67. In response, Mr. Mathis stated that other transit agencies in the state consider age 65 to be the age limit for the senior pass.

In response to Ms. Lightner, Ms. Cooney will look into why there are no outreach events planned at University Town Center. Ms. Lightner stated that the map showing discontinued routes needs to be more easy to read. Ms. Cooney stated that the Budget Development Committee has asked that the location of the houses of worship be looked at in relation to routes.

Ms. Bragg stated that the schedule is very aggressive and shared that she is concerned about the amount of public outreach. Ms. Cooney described the method of public outreach.

Mr. Ewin stated displeasure that the public outreach schedule does not give him enough time to get the word out. He asked if the changes would affect the lifeline services at all and stated that as long as he can remember, bus service ran all the way down University Avenue. He added that this could be a road map to developers defining where projects should be planned.

Mr. Roberts urged members to consider where the money is going to come from for the budget deficit and suggestions and recommendations are encouraged.

Mr. Ewin suggested that more than six days lead time be allowed for public input. He also suggested that the members go to Sacramento to confront the elected officials to let them know how transit is affected. He stated that this is a good lesson on controlling the baseline when times are good because you are forced to live with those decisions when times are tough.

Mr. Rindone requested that staff look for some outreach dates in early December.

Action Taken

Mr. Ovrum moved to receive the report, to provide direction consistent with staff's recommendation, and to encourage members to submit suggestions and recommendations to the Budget Development Committee prior to the December 10, 2009, public hearing and the January 7, 2010, Board meeting. Ms. Boyak seconded the motion, and the vote was 13 to 0 in favor.

3. Public Comment

Clive Richard: Mr. Richard acknowledged the prevailing lawsuit against the State of California. He stated that MTS's current situation is because of the economy and added that transit is last in line for funding. He stated his concern over using one-time funding for ongoing expenses. He stated that he is concerned about the lead time that has been given for the service adjustments as he feels that more time is needed for discussion.

Michel Anderson: Mr. Anderson stated that Michael Allen & Associates would like to alert the Board of the possibility of increasing advertising revenue. He added that of the 600 buses in the fleet, 225 have advertising leaving 60% without advertising. He stated that if advertising were to be allowed on the Series 300 and 400 buses (the red and white buses), the result would be that over 50% of the fleet would have advertising, and local advertisers would recognize the heavier exposure. He stated that schematics have been shared with staff. Mr. Rindone requested that staff provide a report at the next Budget Development Committee meeting.

4. Adjournment

The Finance Workshop adjourned at 10:55 a.m.

BOARD OF DIRECTORS MEETING

The Board meeting reconvened at 10:55 a.m.

1. Roll Call

2. Approval of Minutes of October 22, 2009

Mr. McClellan moved to approve the minutes of the October 22, 2009, MTS Board of Directors meeting. Mr. Ewin seconded the motion, and the vote was 12 to 0 in favor (Ms. Bragg abstained).

3. Public Comments

There were no public comments.

4. MTS: Appointment of Ad Hoc Nominating Committee for Recommending Appointments to MTS Committees for 2010 (Tiffany Lorenzen)

Mr. Rindone nominated Mr. Roberts, Mr. Selby, and Mr. Mathis to the Ad Hoc Nominating Committee. There were no nominations from the floor.

Mr. Rindone moved to accept the nominations. Ms. Bragg seconded the motion, and the vote was 13 to 0 in favor.

5. MTS: Nomination and Election of the MTS Chairperson (Tiffany Lorenzen)

Mr. Mathis excused himself from the meeting to comply with the state voting requirements. Mr. Rindone stated that this item is to consider the recommendation for chairmanship effective January 2010. Tiffany Lorenzen, MTS General Counsel, described the process for appointment

of the chairperson. She stated the Executive Committee reviews and makes a recommendation to the Board whether to renominate the existing chairperson. The Executive Committee has followed that process. The motion before the Board would be to reelect the existing chairperson.

Mr. McClellan moved to receive the recommendation from the Executive Committee for the nomination of Harry Mathis as the MTS Chairperson. Mr. Ovrum seconded the motion, and the vote was 12 to 0 in favor (the vote excluded Mr. Mathis).

CONSENT ITEMS

6. MTS: San Diego Trolley, Inc. Safety Process Audit Report
Action would receive an internal audit report on San Diego Trolley, Inc.'s (SDTI's) safety process.
7. MTS: Public Transportation Modernization, Improvement, and Service Enhancement Account Funding
Action would adopt Resolution No. 09-24 authorizing the CEO or his designee to submit allocation requests for interest earned from fiscal year 2007-2008 California Public Transportation Modernization, Improvement, and Service Enhancement Account-State Transit Assistance Agencies funding.
8. MTS: Semiannual Uniform Report of DBE Awards or Commitments and Payments
Action would receive the Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards or Commitments and Payments.
9. MTS: San Diego Transit Corporation Warranty Process Audit Report
Action would receive an internal audit report on San Diego Transit Corporation's (SDTC's) warranty process.
10. MTS: Investment Report - September 2009
Action would receive a report for information.
11. MTS: Southland Transit, Inc. - Contract Option Year
Action would authorize the CEO to execute MTS Doc. No. B0449.2-06 for: (1) one 12-month option period for central minibus fixed-route services with Southland Transit, Inc. (Southland); and (2) one 12-month option period for Sorrento Valley Coaster Connection (SVCC) services with Southland.
12. MTS: Capital Improvement Project Grant Award
Action would approve the addition of Federal Grant No. CA-04-0145 to MTS Capital Improvement Program (CIP) 11239 (40-Foot Compressed Natural Gas Bus Procurement Project).
13. MTS: Investment Report - August 2009
Action would receive a report for information.
14. MTS: Transportation Development Act (TDA) Claim Amendment

Action would adopt Resolution Nos. 09-1, 09-2, and 09-3 approving the revised FY 2009 Transportation Development Act (TDA) Article 4.0, 4.5, and 8.0 claims.

Action on Consent Items

Mr. Van Deventer moved to approve Consent item Nos. 6-14. Mr. Ewin seconded the motion, and the vote was 13 to 0 in favor.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. None.

REPORT ITEMS

46. MTS: Fiscal Year 2009 Comprehensive Annual Financial Report (Cliff Telfer) (Taken Out of Order)

Linda Musengo stated that the Comprehensive Annual Financial Report (CAFR) for the years ended June 30, 2009 and 2008 has been presented to the Audit Oversight Committee, and the recommendation was that the CAFR be presented to the Board. Ms. Musengo introduced Ken Pun and Roma Layosa of Caporicci & Larson to give the highlights of the CAFR.

Mr. Pun, CPA with Caporicci & Larson (C&L), gave a PowerPoint presentation on the scope of work for the audit performed by C&L that included the audit of MTS's financial statements and the review of internal control policies and procedures.

Mr. Pun gave an overview of MTS's management responsibilities, C&L's responsibilities, and summary of C&L's audit approach, which included year-to-year comparisons of specific account balances. He stated that the assessment determined that MTS is a low-risk auditee, which means that there is no need to test a high number of transactions in order to determine that the numbers and disclosures are accurate.

Mr. Pun reviewed C&L's unqualified audit opinion stating that financial statements are fairly presented in all material respects, significant accounting policies have been consistently applied, estimates are reasonable, and disclosures are properly reflected in the financial statements.

Mr. Pun stated that the audit resulted in no disagreements with management, no material errors or irregularities were discovered, and no significant deficiencies or material weaknesses were determined. He provided a brief overview of the financial statement sections of the audit that included the introductory, financial, and statistical sections.

Mr. Pun stated that compared to last year, the balance sheet is consistent. As of June 30, 2009, MTS has approximately \$1.9 billion in total assets and \$2.74 billion in total liabilities with a net result of \$1.2 billion in net assets. He added that the total revenue is \$278 million and total

operating expenses are \$296 million. He noted that there is an increase in the net assets of \$15 million.

Mr. Pun summarized statements of cash flow from operating activities, which were consistent with 2008. He reviewed cash flows from operating activities, noncapital financing activities, capital, related financing activities, and investing activities.

Mr. Pun reviewed the state financial and budget shortfall and subsequent events, including the stabilization of fuel prices, refinancing the variable rate pension obligation bonds (POBs), the State of California's budget, and evaluation of the fare and route structures. He stated that the state and financial budget shortfall has reduced or eliminated State Transit Assistance (STA) significantly, which could affect ongoing operations.

Mr. Pun reported on the pension plan schedule of funding progress for San Diego Trolley, Inc (SDTI) and San Diego Transit Corporation (SDTC) and concluded his report with a review of the new Governmental Accounting Standards Board (GASB) pronouncements. He noted that next year, GASB Statement No. 53 (Accounting and Financial Reporting for Derivative Instruments) will be required, which may have an impact on the MTS financial statement and will require more disclosure related to the CNG swap agreement.

Mr. Mathis, Mr. Roberts, and Mr. Falconer acknowledged the service of Ernie Ewin, Chairman of the Audit Oversight Committee.

Mr. Ewin asked Mr. Pun if there was any information requested from management that was not provided in conjunction with this CAFR; Mr. Pun responded that there was not.

Action Taken

Mr. Selby moved to receive the Fiscal Year 2009 CAFR. Mr. Roberts seconded the motion, and the vote was 13 to 0 in favor.

45. MTS: 2009 Taxicab Passenger Survey (John Scott) (Taken Out of Order)

John Scott, Taxicab Administration Manager, reported on the results of the 2009 Taxicab Passenger Study. He explained that the Taxicab Administration conducts these studies on a periodic basis, and the last studies were completed in 1994 and 1999. He stated that the purpose of the survey was to gather performance data regarding trip origins, destinations, distances, times and fares, and to profile passenger characteristics.

Tim McLarney, True North Research, gave a PowerPoint presentation that reviewed the results of the study beginning with the methodology. He stated that a total of 896 passengers were surveyed; 420 were residents of the county, and 476 were visitors. He reviewed how trips were initiated and reported that the average trip distance in the city was 4.6 miles with the vast majority of trips beginning and ending in downtown San Diego.

Mr. McLarney reviewed opinions of passengers who were asked to rate taxicab service in San Diego. He stated passengers were generally pleased with the various aspects of service—in particular, taxicab availability during the day, driver courtesy, and promptness of service. He stated that across the board, passengers are rating the taxicab industry in San Diego better than they were ten years ago.

Mr. McLarney reported that the taxicab industry is being viewed more favorably today, and 25.3% of the passengers rated service to be better than in other cities. He reported that the most important aspects of taxicab service to the customer is ease of finding a taxicab on the street and prompt response to phone calls.

Mr. McLarney stated that 27.3% chose public transportation as their second choice of transportation if taxicabs were not available and 12% would have taken a personal vehicle if taxicabs were not available. He added that 44% have access to a vehicle compared to 29% who did not have a vehicle in the past study.

Mr. McLarney reported that from the customers' perspective, the industry's performance has improved overall—especially promptness of service, overall performance, and safety.

Mr. Scott reported that the study will be used as a regional tool to improve service and safety issues. Mr. Gloria added that the Taxicab Committee will be looking at the number of medallions that are issued, the standard rate of fare, and the distribution of service. Mr. McLarney reported that the average cost of a taxicab ride is \$14.

Action Taken

Mr. Gloria moved to receive the report and confirmed that the Taxicab Committee will be discussing the number of medallions, standard rates of fare, and distribution of service. Ms. Bragg seconded the motion, and the vote was 11 to 0 in favor.

47. MTS: Semiannual Security Report (January through June 2009) (Bill Burke)

This agenda item was trailed to the December 10, 2009, meeting.

48. MTS: Report on the Creation of a Central MTS Database and Reporting Tool (Devin Braun)

This agenda item was trailed to the December 10, 2009, meeting.

49. MTS: Operations Budget Status Report for September 2009 (Mike Thompson)

This report was waived.

Action Taken

Mr. Van Deventer moved to receive the report for information. Mr. Ewin seconded the motion, and the vote was 11 to 0 in favor.

60. Chairman's Report

Mr. Mathis thanked the Board for its confidence in his chairmanship and stated that he looks forward to serving in the next four years.

61. Audit Oversight Committee Chairman's Report

None.

62. Chief Executive Officer's Report

Mr. Jablonski reported that on October 27 and 28, 2009, he was in Pasadena with the California Transit Association. He also reported that there has been activity in the LOSSAN Corridor Board related to the creation of an MOU to hire consultants to improve the corridor between all of the partners from San Luis Obispo to San Diego. He stated that the MOU will come before this Board for approval. He stated that funding is still being worked out—possibly shared along the corridor.

63. Board Member Communications

Mr. Rindone described how LOSSAN was created and how it was extended to the six southern counties of California to coordinate heavy rail. He stated that currently funding is being sought for double tracking and to improve AMTRAK service. He added that LOSSAN will be involved in high-speed rail, heavy rail, and light rail.

64. Additional Public Comments Not on the Agenda

Clive Richard: Mr. Richard complimented San Diego Trolley for planning for the future. He stated that rail transit has done a great job of coordinating with SANDAG.

65. Next Meeting Date

The next regularly scheduled Board meeting is December 10, 2009.

66. Adjournment

Chairman Mathis adjourned the meeting at 11:42 a.m.

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 11-12-09

CALL TO ORDER (TIME): 9:01 a.m.

RECESS: -

RECONVENE: -

CLOSED SESSION: 9:03 a.m.

RECONVENE: 9:42 a.m.

PUBLIC HEARING: -

RECONVENE: -

ORDINANCES ADOPTED: -

ADJOURN: 11:20 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BOYACK	<input checked="" type="checkbox"/> (Cunningham) <input type="checkbox"/>		11:26 a.m.
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		11:29 a.m.
GLORIA	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		
JANNEY	<input type="checkbox"/> (Bragg) <input checked="" type="checkbox"/>		
LIGHTNER	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		
SELBY	<input checked="" type="checkbox"/> (England) <input type="checkbox"/>	9:04 during closed	
VAN DEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		
YOUNG	<input type="checkbox"/> (Emerald) <input type="checkbox"/>		

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Vide Rogers
[Signature]



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

CIPs 11272, 11278

December 10, 2009

SUBJECT:

MTS: CAPITAL IMPROVEMENT PROJECT FUNDS TRANSFER

RECOMMENDATION:

That the Board of Directors approve the transfer of federal Section 5307 and Transit Development Act (TDA) funds from MTS Capital Improvement Program (CIP) 11272 funds (South Bay Maintenance Facility Acquisition) to create a CIP for trolley automated passenger counters (APCs).

Budget Impact

The transfer of \$2 million from MTS CIP 11272 to a new CIP would allow all necessary trolley APCs to be procured and installed in a timely manner.

DISCUSSION:

The funds needed for the South Bay Land Acquisition Project (CIP 11272) have been reduced due to falling property values. As a result, a total of \$2 million in federal and TDA funding has become available. The procurement and installation of the APCs would allow MTS to outfit the needed sample size within the fleet to gather more frequent and accurate passenger counts on the trolley.

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

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Lisa Fowler, 619.557.4510, lisa.fowler@sdmts.com

DEC10-09.6.CIP FUNDS TRANSFER.LFOWLER.doc

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • www.sdmts.com

Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



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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.

SDAE 710 (PC 50771)

December 10, 2009

SUBJECT:

MTS: SAN DIEGO AND ARIZONA EASTERN (SD&AE) RAILWAY COMPANY
QUARTERLY REPORTS AND RATIFICATION OF ACTIONS TAKEN BY THE SD&AE
RAILWAY COMPANY BOARD OF DIRECTORS AT ITS NOVEMBER 3, 2009,
MEETING

RECOMMENDATION:

That the Board of Directors:

1. receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports (Attachment A); and
2. ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on November 3, 2009 (Attachment A).

Budget Impact

None.

DISCUSSION:

Quarterly Reports

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV, Museum, and Carrizo have provided the attached quarterly reports of their operations during the third quarter of calendar year 2009 (Attachment A).

SD&AE Property Matters

Under its adopted policy for dealing with the SD&AE Railway, the MTS Board of Directors must review all property matters acted on by the SD&AE Board. At its meeting of November 8, 2009, the SD&AE Board:

1. received a report on the documents processed by staff since its last meeting on July 28, 2009 (Attachment A);
2. approved issuing a license to Cox Communications, Inc. for a proposed aerial fiber-optics crossing over SD&AE tracks located on West Palm Avenue between South Marshall Avenue and Front Street in the City of El Cajon;
3. approved the execution of a Construction and Maintenance Agreement granting a license for Segments 7 and 8A of the Bayshore Bikeway Project;
4. authorized the execution of a Construction and Maintenance Agreement granting a license to the San Diego Unified Port District (the Port) for fiber-optics installations with the condition that installation be within the Blue Line Rehabilitation Project's schedule; and
5. approved the 2010 SD&AE Board of Directors meeting schedule.



Paul C. Jablonski
Chief Executive Officer

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

DEC10-09.7.SDAE RPTS.TLOREN.doc

Attachment: A. SD&AE Meeting Agenda & Materials (**Board Only Due to Volume**)



AGENDA

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

SDAE 710.1
(PC 50771)

San Diego & Arizona Eastern
Railway Company

A Nevada Nonprofit
Corporation

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

BOARD OF DIRECTORS
Don Seil, Chairman
Bob Jones
Paul Jablonski

OFFICERS
Paul Jablonski, President
Bob Jones, Secretary
Linda Musengo, Treasurer

OF COUNSEL
Tiffany Lorenzen

November 3, 2009

9:00 a.m.

Executive Committee Room
James R. Mills Building
1255 Imperial Avenue, 10th Floor

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 prior to the meeting and are to be returned at the end of the meeting.

- | | RECOMMENDED
ACTION |
|--|-------------------------------|
| 1. <u>Approval of the Minutes of July 28, 2009</u>
Action would approve the SD&AE Railway Company minutes of July 28, 2009. | Approve |
| 2. <u>Statement of Railway Finances (Linda Musengo)</u>
Action would receive a report for information. | Receive |
| 3. <u>Report on San Diego and Imperial Valley (SD&IV) Railroad Operations (Jose Ramos)</u>
Action would receive a report for information. | Receive |
| 4. <u>Report on Pacific Southwest Railway Museum (Diana Hyatt)</u>
Action would receive: (1) a report for information; and (2) an update on the Notice to Abate Nuisance. | Receive |
| 5. <u>Report on the Desert Line (Armando Freire)</u>
Action would receive: (1) a report for information; and (2) an update on the Notice to Abate Nuisance. | Receive |
| 6. <u>Real Property Matters (Tim Allison)</u>

a. <u>Summary of SD&AE Documents Issued Since July 28, 2009</u>
Action would receive a report for information. |

Receive |

- b. License Agreement with Cox Communications, Inc. Approve
Action would approve issuing a license to Cox Communications, Inc. for a proposed aerial fiber-optics crossing over SD&AE tracks located on West Palm Avenue between South Marshall Avenue and Front Street in the City of El Cajon.
 - c. Bayshore Bikeway Project – Segment North of the Salt Works Approve
Action would approve the execution of a Construction and Maintenance Agreement granting a license for Segments 7 and 8A of the Bayshore Bikeway Project.
 - d. Port of San Diego Fiber-Optics Connectivity Project License Approve
Action would authorize the execution of a Construction and Maintenance Agreement granting a license to the San Diego Unified Port District (the Port) for fiber-optics installations.
 7. Approval of the 2010 SD&AE Board of Directors Meeting Schedule (Tiffany Lorenzen) Approve
Action would approve the 2010 SD&AE Board of Directors meeting schedule.
 8. Old Business
 9. New Business
 10. Public Comments
 11. Next Meeting Date: January 19, 2010 (pending approval of Agenda Item No. 7).
 12. Adjournment

DRAFT

MINUTES OF THE
BOARD OF DIRECTORS MEETING OF THE
SAN DIEGO & ARIZONA EASTERN RAILWAY COMPANY

July 28, 2009

A meeting of the Board of Directors of the San Diego & Arizona Eastern (SD&AE) Railway Company, a Nevada corporation, was held at 1255 Imperial Avenue, Suite 1000, San Diego, California 92101, on July 28, 2009, at 9:00 a.m.

The following persons, constituting the Board of Directors, were present: Bob Jones and Paul Jablonski. Also in attendance were:

MTS staff:	Tiffany Lorenzen, Tim Allison
San Diego Trolley, Inc. staff:	Wayne Terry
SD&IV staff:	Jose Ramos, Don Seil
Pacific Southwest Railway Museum:	Diana Hyatt, Dick Pennick, Dan Marnell,
	Duane Dubke
Carrizo Gorge Railway, Inc. (Carrizo):	Chas McHaffie
Burlington Northern Santa Fe (BNSF):	John Hoegemeier
International Border Rail Institute:	Richard Borstadt
Tierra Madre Railway:	R. Mitchel Beauchamp
City of Chula Vista:	Janice Kluth

1. Approval of Minutes

Mr. Jablonski moved to approve the Minutes of the April 21, 2009, SD&AE Railway Board of Directors meeting. Mr. Jones seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Linda Musengo reviewed the financial statement as of the second quarter of 2009 (attached to the agenda item). Ms. Musengo noted that last year's profits were remarkable due to the sale of property and recouping income that had been incorrectly reported. She also noted that the revenue from right of entry permits has doubled.

Action Taken

Mr. Jablonski moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

3. Report on SD&IV Operations

Jose Ramos reviewed the Periodic Report of the SD&AE Railway Company for activities for the 2nd quarter of calendar year 2009 (attached to the agenda item). Mr. Ramos noted a correction to page 3-2 under Labor: *"At the end of June 30, 2009, the San Diego & Imperial Railroad had 44 13 employees."*

Action Taken

Mr. Jones moved to receive the report for information. Mr. Jablonski seconded the motion, and it was unanimously approved.

4. Report on Pacific Southwest Railway Museum Operations

Diana Hyatt reviewed the Museum's second quarter report (attached to the agenda item) and submitted an update on the Museum's vegetation and debris removal (see attachment) in response to the Department of Forestry and Fire Protection's Order to Abate Public Nuisance. Ms. Hyatt reported that the Museum has completed about 50% of its weed abatement and added that the Border Patrol is not happy because the cleanup uncovers its hidden sensors. She stated that the fire prevention bureau chief was impressed with the Museum's progress and identified five areas that still need attention, such as the trestle under the bridge at Division. Ms. Hyatt reported that the Museum's biggest issue is its current financial crisis and stated concern as to how much longer it will be able to operate.

Ms. Hyatt requested Board approval to allow the Museum to operate in the Campo Valley (see attached letter from James P. Garrett, Fire Prevention Bureau Chief). Tim Allison clarified that no report has been submitted stating that operations are safe over the bridge at milepost 66.7.

Mr. Jones stated that the Board must have a report stating that the bridge at milepost 66.7 is safe to operate over to consider the Museum's request. Ms. Hyatt asked if the Board would approve the Museum's operations if it did not cross over the bridge at milepost 66.7. Chas McHaffie said that Carrizo does not have any issues with those conditions. Mr. Jones responded that he had no objections as long as the Museum can get a waiver and, once the Board receives the waiver, the Board will notify the Museum that it may begin operations—the Museum does not have to wait until next meeting to begin.

Action Taken

Mr. Jones moved to receive the report for information. Mr. Jablonski seconded the motion, and it was unanimously approved.

5. Report on the Desert Line

Charles McHaffie reviewed Carrizo's report (attached to the agenda item). Mr. McHaffie stated that Carrizo has applied for federal stimulus funding for the Desert Line. He added that Carrizo now has an additional office in Washington DC. In response to Mr. Jablonski's question regarding Carrizo's bridge inspections noted on pages 5-5 and 5-6 of the agenda item, Mr. Allison stated that staff is scheduling an inspection to compare the repairs made to the recommendations in the Osmose report.

Action Taken

Mr. Jablonski moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

6. Real Property Matters

a. Summary of SD&AE Documents Issued Since April 21, 2009

Since the April 21, 2009, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-09-399: Right of Entry Permit to HP Communications, Inc. to repair fiber infrastructure at 36th Street in San Diego and Lemon Avenue in La Mesa.
- S200-09-401: Right of Entry Permit to the US Navy for the Bay Bridge run/walk event.
- S200-09-402: Right of Entry Permit to the City of La Mesa for its Flag Day Parade.
- S200-09-403: Right of Entry Permit to David Evans & Associates for performing topographic surveys on the South Line.
- S200-09-404: Right of Entry Permit to Hillcrest Contracting for construction of the Palomar Gateway Project in Chula Vista.
- S200-09-405: Termination of license for a private crossing of the Coronado Branch with Dynergy, Inc.
- S200-09-406: Lease with Levi Herman for a portion of the spur track right-of-way at Main Street in Chula Vista.
- S200-09-407: Right of Entry Permit to Ninyo & Moore for excavation of test pits at the San Ysidro Yard.
- S200-09-408: Right of Entry Permit to Ross A. Guy & Son General Engineering for test pit excavations at the San Ysidro Yard.
- S200-09-409: Construction and Maintenance Agreement with the City of San Diego for the Bayshore Bikeway Project.
- S200-09-410: Right of Entry Permit to Ortiz Asphalt Paving, Inc. to perform roadway paving on State Route 94 in Campo.
- S200-09-411: Right of Entry Permit to PAR Electric to perform pole replacement for SDG&E on the Coronado Branch at F and G Streets.
- S200-09-412: Right of Entry Permit to TY Lin International to perform bridge inspections on the Orange Line.

Action Taken

Mr. Jones moved to receive the report for information. Mr. Jablonski seconded the motion, and it was unanimously approved.

b. License Agreement with Tessera Solar

Tim Allison reviewed Tessera Solar's request for a license for a proposed at-grade crossing over SD&AE tracks west of Plaster City and south of S80 at County Road 2003. Mr. Allison explained that Tessera Solar is constructing a solar plant south of Plaster City. Mr. Allison searched for prior authorization for this crossing but hasn't found

anything. He stated that the crossing would be utilized by approximately 80 Tessera Solar employees, and Tessera Solar would pay for and maintain a full upgrade of the crossing (to SD&AE standards). Mr. Allison described the layout of the area and the proximity of SD&AE's property to the crossing.

Mr. Jones stated that the only concern that he has is that if SD&AE runs trains on the rail in the future, a signal would be needed considering the large number of Tessera Solar employees utilizing the crossing. Mr. Allison responded that the license agreement could include that Tessera Solar would have to agree to install and fund a full crossing, which would be very costly.

Mr. Allison clarified that SD&AE charges about \$1,500 annually for a licensing fee, but the Board can adjust that fee for annual recurring revenue. Mr. Jablonski and Mr. Jones agreed that the average industry standard annual rate is somewhere around \$5,000. Mr. Jones will verify this with a railroad real estate agent to determine the market amount. Mr. Allison clarified that annual increase fees are written into the licensing fees and are revocable.

Action Taken

Mr. Jones moved to approve issuing a license to Tessera Solar for a proposed at-grade crossing over SD&AE tracks located west of Plaster City and south of S80 (Evans Hewes Highway) at County Road 2003. Tessera Solar will pay for and maintain a crossing to railroad requirements, and the annual rate will be negotiated consistent with industry standards. Mr. Jablonski seconded the motion, and it was unanimously approved.

c. Otay Valley Regional Park Trail Crossing

Mr. Allison reviewed the County of San Diego's request for a public crossing and agreements for the Otay Valley Regional Park Trail north of the Palm Avenue Station in the City of San Diego (as described in the agenda item). Mr. Jones asked if there would be a public barrier from the tracks. Mr. Allison stated that the County proposes adding a chain-link fence—currently there is no barrier—and the agreement would require that the County be responsible for all liabilities. Mr. Allison clarified that the trail would be used recreationally by pedestrians and bicyclists.

Wayne Terry informed the Board that the west end of the Palm Avenue Station is slated for the Blue Line rehab staging area. Discussion ensued regarding possible affects to the station from the proposed crossing.

Tiffany Lorenzen added that the insurance is being finalized with the City of San Diego, and, if this request is approved by the SD&AE Board, it would be forwarded to the MTS Board of Directors for approval.

Action Taken

Mr. Jablonski moved to approve a public crossing and agreements for the Otay Valley Regional Park Trail north of the Palm Avenue Station in the City of San Diego. Mr. Jones seconded the motion, and it was unanimously approved.

d. Private Crossing of the Coronado Branch North of E Street in Chula Vista

Tim Allison introduced Janice Kluth from the City of Chula Vista Redevelopment Agency. Mr. Allison stated that the City of Chula Vista Redevelopment Agency is requesting a license for a proposed at-grade crossing over SD&AE tracks located on the Coronado Branch north of E Street in the City of Chula Vista (as described in the agenda item). Mr. Allison added that currently the tracks are not operational.

Mr. Jablonski inquired as to whether the Redevelopment Agency intends to sell this property to a private developer. Ms. Kluth responded that it would most likely be a sale.

Action Taken

Mr. Jablonski moved to approve issuing a license to the Redevelopment Agency of the City of Chula Vista for a proposed at-grade crossing over SD&AE tracks located on the Coronado Branch north of E Street in the City of Chula Vista. The Redevelopment Agency will pay for and maintain a crossing to railroad requirements, and the annual rate will be negotiated. Mr. Jones seconded the motion, and it was unanimously approved.

7. Election to Fill Vacant Position of SD&AE Chairman

Mr. Jones stated that RailAmerica is recommending that Don Seil replace Pete Jespersen as Chairman as Mr. Jespersen has taken a position as General Manager for the Indiana/Ohio Railroad.

Action Taken

Mr. Jablonski moved to approve forwarding a recommendation to the MTS Board of Directors to elect Don Seil as Chairman of the SD&AE Railway Company Board of Directors to replace the position vacated by Pete Jespersen. Mr. Jones seconded the motion, and it was unanimously approved.

8. Election to Fill Vacant Position of SD&AE Alternate

Action Taken

Mr. Jablonski moved to forward a recommendation to the MTS Board of Directors to elect Wayne Terry as Mr. Jablonski's alternate on the SD&AE Railway Company Board of Directors to replace the position vacated by Peter Tereschuck. Mr. Jones seconded the motion, and it was unanimously approved.

9. Old Business

None.

10. New Business

None.

11. Public Comments

None.

12. Next Meeting Date

The next meeting of the SD&AE Railway Company Board of Directors is scheduled for Tuesday, October 20, 2009.

13. Adjournment

The meeting was adjourned at 9:57 a.m.

President

Of Counsel

JGarde
MINUTES-SDAE.7-28-09..doc

Attachments: PSRM Vegetation and Debris Removal June 13 – July 25, 2009
Letter dated 5/28/09 from James P. Garrett

Pacific Southwest Railway Museum

PSRM vegetation and debris removal June 13 - July 25, 2009

Column1 Date	Column2 MP	Column3 MP	Column4 # of laborers	Column5 total manhours	Column6 \$ value*	Column7 notes
6/13/2009	65	65.5	18	135	3,077.00	
6/17/2009	64.8	65	3	24	547.00	
6/20/2009	64.7	65	6	36	820.00	
6/23/2009	64.9	65.2	3	18	410.00	
6/24/2009	64.9	65.2	6	36	820.00	
6/26/2009	64.8	65	7	42	957.00	
6/27/2009	64.6	65	14	112	2,552.00	
7/4/2009	60	60.1	4	24	547.00	
7/4/2009	65.5	66.4	4	4	91.00	
7/8/2009	66.7	66.8	8	32	729.00	
7/8/2009	62.5	62.8	6	12	273.00	
7/10/2009	65.8	66.4	5	12.5	285.00	
7/11/2009	65.8	66.4	7	42	957.00	
7/18/2009	59.9	60	3	9	205.00	
7/19/2009	59.9	65.5	2	4	91.00	1
7/22/2009	65	65.5	6	36	820.00	
7/25/2009	59.9	60	4	16	365.00	
equipment rental					1,690.00	
Total to date:					15,236.00	

* \$22.79/volunteer hour from 2007 study by Independent Sector:
www.independentsector.org

1. preliminary inspection

Pacific Southwest Railway Museum

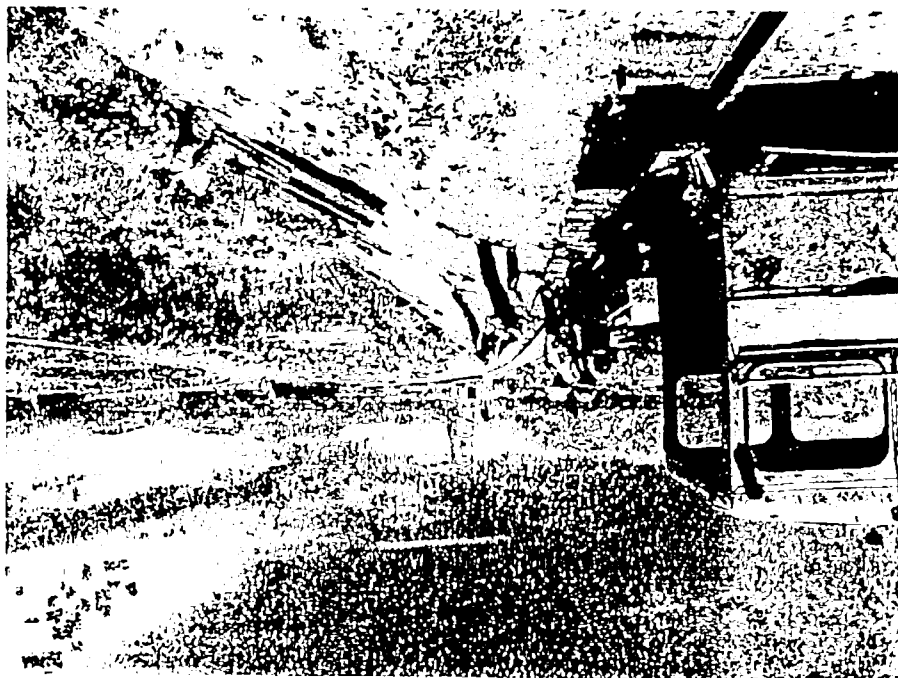
PSRM vegetation and debris removal June 13 - July 25, 2009



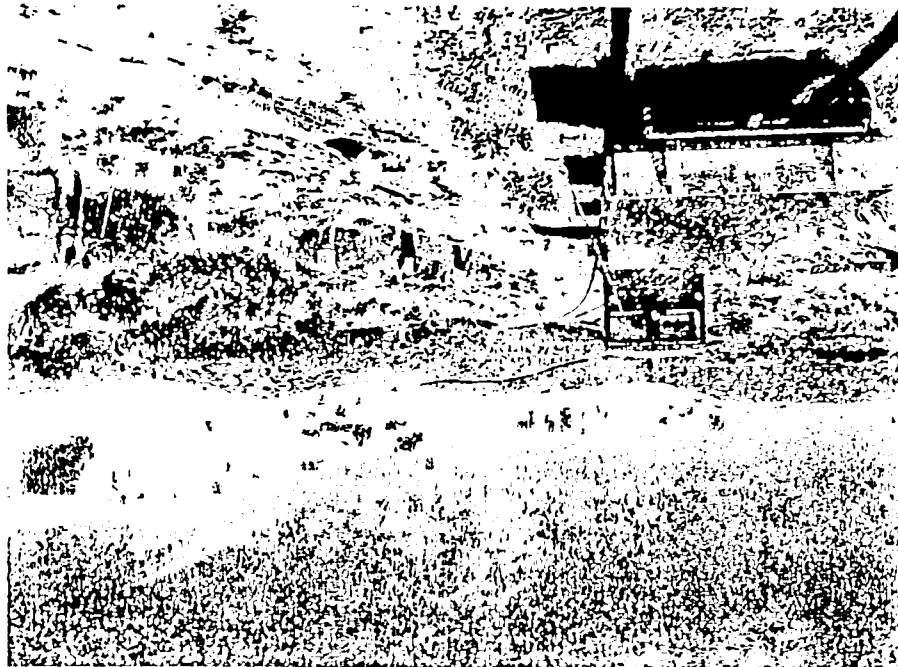
Brush clearing @ MP 64.9 looking west



Completing debris cleanup at Division looking west



Cleaning ROW of rotten ties @ MP 66.8 looking east



Clearing vegetation back 25' at MP 62.7 looking west (site of first fire)



Clearing dried tumbleweeds past fence line at MP 65.9 looking east

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

2249 Jamacha Road
 El Cajon, CA 92019
 Website: www.fire.ca.gov
 (619) 590-3100



May 28, 2009

Howard Winsor, Unit Chief
 California Department of Forestry and Fire Protection
 San Diego Unit
 2249 Jamacha Road
 El Cajon, CA 92019
 (619)590-3100

ORDER TO ABATE PUBLIC NUISANCE

Carrizo Gorge Railway, Inc. (CGR)
 2295 Fletcher Parkway, Suite 101
 El Cajon, CA 92020
 (619)938-1943

Pacific Southwest Railway Museum, Inc. (PSRM)
 4695 Nebo Drive
 La Mesa, CA 91941-5259

Pursuant Public Resources Code Section 4171 the California Department of Forestry and Fire Protection (Cal Fire) declares the operation of Locomotives and Railcars on the San Diego Short line Railway to be a public nuisance due to fire hazards endangering public safety. This determination is based on the following conditions:

- Violations of Public Resources Code 4296.5 and Title 14 of the California Code of Regulations sections 1290-1294 persist along the rail way. The rail way has never been in complete compliance with these provisions during the operating history of either CGR or PSRM.
- Inspection of Locomotive operated on Sunday May 24, 2009 following the fires occurring in the yard and near mile post 62.6 showed lack of adequate maintenance (i.e.: cleaning carbon traps) and/or malfunctioning equipment (carbon traps full).

You are hereby ordered to abate the public nuisance by the following actions:

- Suspend all operation of Locomotives and Rail Cars along the San Diego Short Line Railway from the US-Mexico Border to the San Diego-Imperial County Line. Except as permitted in attachment A of this order.
- Remove flammable vegetation/items along the railway in compliance with Public Resources Code 4296.5 and Title 14 of the California Code of Regulations sections 1290-1294 prior to resuming Locomotive and Rail Car operations. Compliance allowing the resumption of operations to be confirmed by Cal Fire.

•

- Develop in cooperation with Cal Fire operating plans that ensure safe operation of all locomotives, with particular attention to installation and maintenance of appropriate spark arrestors and brake components.

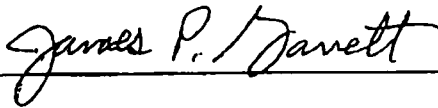
Hyrrailer and Railway Motorcar (speeders) operations in support of the listed activities are permitted under this order as follows:

- Law Enforcement, Fire Fighting and Rescue operations.
- Right of way maintenance including work towards compliance with this and previous abatement orders.

All vehicles operating on the right of way will be in compliance with all federal, state and local regulations, rules, and professional standards as listed but not limited to the Railroad Fire Prevention Field Guide.

Note that being in compliance with Public Resources Code 4296.5 and Title 14 of the California Code of Regulations sections 1290-1294 does not relieve you of any liability associated with the train operations of your organization.

If you should have any questions or concerns please do not hesitate to call.

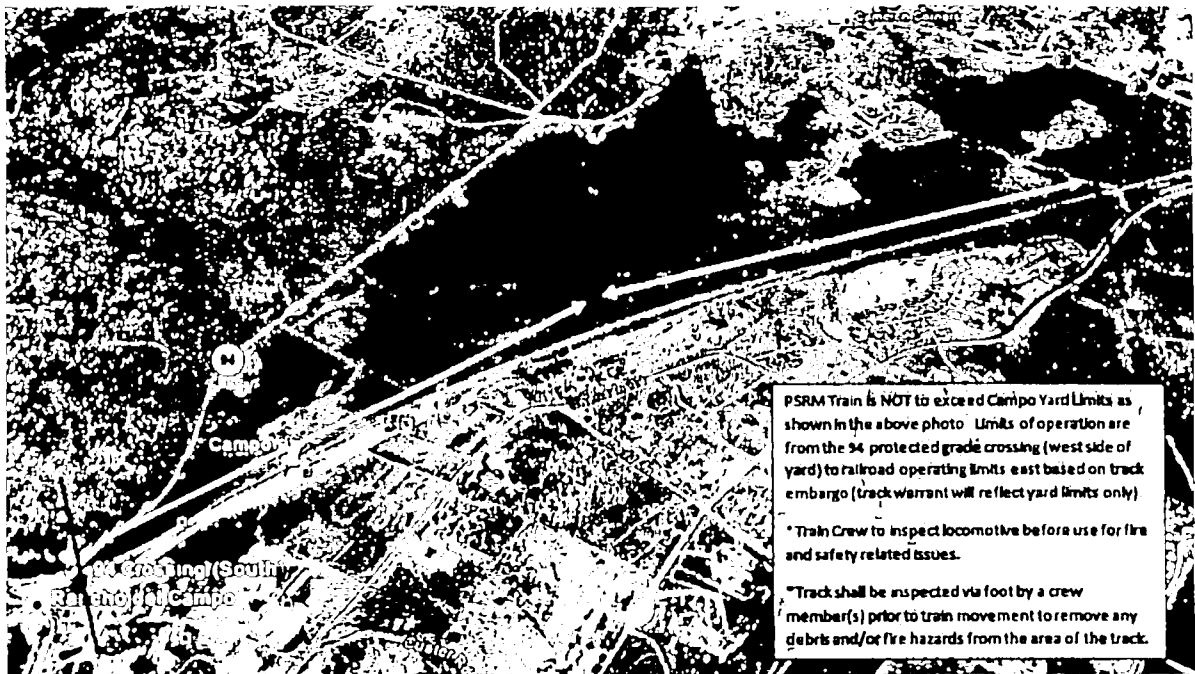


James P. Garrett
Fire Prevention Bureau Chief
San Diego Unit
619-590-3120

ATTACHMENT A

Locomotive and Rail Car operations are permitted under this order between the protected rail crossings at Hwy 94 near Forest Gate Road and the protected rail crossing at Hwy 94 near Old Mill Road. This will allow limited operations by CRG and PSRM within manageable area.

66.7



Agenda

Item No. 2

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

SDAE 710.1 (PC 50771)

November 3, 2009

SUBJECT:

STATEMENT OF RAILWAY FINANCES

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

The SD&AE operating statements for FY 08/09 and FY 09/10 are attached for information.
Linda Musengo will give an update during the meeting.

2-RAILWYFINANCES.doc

Attachment: Operating Statements for FY 08/09 and FY 09/10

SD&AE operating statement FY2009 and FY2008

	2009					2008				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Revenue										
Right of entry permits	\$ 30,178	\$ 10,900	\$ 13,113	\$ 35,141	\$ 89,332	\$ 5,000	\$ 8,650	\$ 2,850	\$ 19,050	\$ 35,550
Lease income	9,820	14,783	16,677	3,620	44,900	5,047	8,568	17,587	15,477	46,679
SD&IV 1% freight fee	-	-	-	35,803	35,803	-	38,720	106,331	-	145,051
Joint use fee	-	-	-	-	-	-	-	89,000	-	89,000
Carrizo Gorge	213	99	-	-	312	-	-	1,062	198	1,260
Sale of real property	-	-	-	-	-	-	-	-	288,693	288,693
Other income	-	-	-	-	-	570	5,696	(741)	-	5,525
Total revenue	40,211	25,782	29,790	74,564	170,347	10,617	61,634	216,089	323,418	611,758
Expense										
Admin wages	18,777	15,793	21,304	25,941	81,815	17,641	16,758	15,307	25,244	74,950
Outside services	7,196	13,273	319	23,893	44,681	3,898	10,631	53,987	10,554	79,070
Energy	-	-	-	99	99	1,395	-	-	4,794	6,189
Insurance premium	9,114	8,783	8,486	8,974	35,356	10,533	10,373	10,122	8,948	39,976
Other miscellaneous expense	6,666	1,772	5,252	238	13,927	543	845	342	18	1,748
Depreciation	-	-	-	19,499	19,499	-	-	-	19,496	19,496
Total expense	41,752	39,620	35,360	78,644	195,377	34,010	38,607	79,758	69,054	221,429
Net income/(loss)	\$ (1,541)	\$ (13,838)	\$ (5,571)	\$ (4,080)	\$ (25,030)	\$ (23,393)	\$ 23,027	\$ 136,331	\$ 254,365	\$ 390,330

Other miscellaneous expense includes \$12,337 paid to Baker & Miller related to petition filing

Outside services includes \$22,867 to LAN Engineering and \$14,354 to Kimley Horn for services related to right of way

Reserve balance 2008	\$ 890,451
Allocated interest earnings - estimated	1,766
Operating profit/(loss)	(25,030)
Improvement expense 2009	-
Reserve balance 2009- estimated	\$ 867,187

SD&AE operating statement FY2010-2009

	2010 Q1	2009 Q1
Revenue		
Right of entry permits	\$ 21,619	30,178
Lease income	25,871	9,820
SD&IV 1% freight fee	-	-
Carrizo Gorge	-	213
Sale of real property	-	-
Other income	-	-
Total revenue	47,490	40,211
Expense		
Personnel costs	22,734	18,777
Outside services	12,031	7,196
Energy costs	-	-
Risk management	8,486	9,114
Misc operating expenses	20,474	6,666
Depreciation	-	-
Total expense	63,725	41,753
Net income/(loss)	\$ (16,235)	\$ (1,542)

Misc operating expense includes \$20,069 paid to Baker & Miller

Outside services includes \$12,031 paid to LAN Engineering for services related to right of way

Reserve balance 2009	867,187
Allocated interest earnings - estimated	442
Operating profit (loss)	(16,235)
Improvement expense 2010	
Reserve balance 2010- estimated	851,394

Agenda

Item No. 3

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

SDAE 710.1 (PC 50771)

November 3, 2008

SUBJECT:

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

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

An oral report will be given during the meeting.

Attachment: Periodic Report for the 3rd Quarter of 2009



September 30, 2009

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

Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company; activities of interest for the 3rd Quarter of 2009 are listed as follows:

1. Labor

At the end of September 30, 2009 the San Diego & Imperial Railroad had 12 employees:

- 1 General Manager
- 1 Trainmaster
- 1 Asst. Trainmaster
- 1 Manager - Marketing & Sales
- 1 Office Manager
- 1 Mechanical Officer
- 2 Maintenance of Way Employees
- 4 Train Service Employees

2. Marketing

In the 3rd Quarter of 2009 versus 3rd Qt 2008, Gas (LPG), paper, Grain and abrasives material paper and poultry declined. In general Mexican traffic declined slightly.

New customer Rio Tinto – will begin shipments to Tecate, MX of Sodium Borate and new carloads should be reflected in 4th quarter.

3. Reportable Injuries/Environmental

Through year to date, September 30, 2009, there were no FRA Reportable injuries or environmental incidents on the SDIY Railroad.

Days FRA Reportable Injury Free: 3656

4. Summary of Freight

	2009	2008	2007
Total rail carloads that moved by SDIY Rail Service in the quarter.	1,272	1,653	1,650
Total railroad carloads Terminating/Originating Mexico in the quarter.	1,021	1,298	1,368
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	251	355	282
Total customers directly served by SDIY in the quarter	12	12	12
Regional Truck trips that SDIY Railroad Service replaced in the quarter	4,198	5,455	5,445

Respectfully,

D. J. Seil

General Manager

Agenda

Item No. 4

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

SDAE 710.1 (PC 50771)

November 3, 2009

SUBJECT:

REPORT ON PACIFIC SOUTHWEST RAILWAY MUSEUM

RECOMMENDATION:

That the SD&AE Board of Directors receive: (1) a report for information; and (2) an update on the Notice to Abate Nuisance.

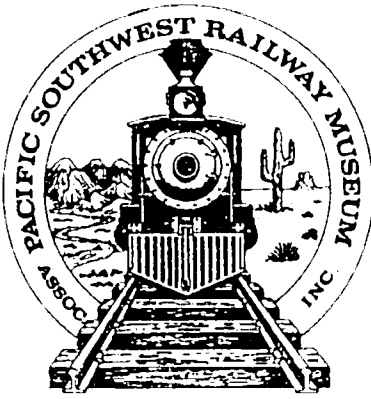
Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting. The report will include the status of the weed abatement and payment to CAL FIRE.

Attachment: Third Quarter Report for 2009



Pacific Southwest Railway Museum

La Mesa Depot 4695 Nebo Drive La Mesa, CA 91941 619-465-7776

October 9, 2009

SD&AE Board
c/o Metropolitan Transit System
1255 Imperial Avenue, #1000
San Diego, CA 92101

Re: Third Quarter, 2009 report

Dear SD&AE Board:

During the third quarter of 2009, the Pacific Southwest Railway Museum operated no Golden State and no Tecate passenger trains. Total income from SD&AE property for third quarter 2009 was \$3,001.00. In comparison, during the third quarter of 2008, we operated 34 passenger trains carrying 948 passengers with a total income of \$16,629. Our quarterly payment of \$60.01 is enclosed herein.

We have acquired two roofing quotes for the Campo Depot. Both quotes assume new wood sheeting will be purchased and installed by museum volunteers. One quote is for \$8,000 and the other is for \$13,195. The County of San Diego awarded the museum a grant of \$7,000 to be applied towards this necessity. We expect the entire undertaking to be completed by the end of November.

Weed abatement continued slowly through August and September. Two community residents have assisted us in our efforts to clean the right of way of vegetation and debris: Dan Lawrence of San Vicente Ranch (owned by Father Joe's Villages) and Tony Neff, owner and editor of the Backcountry Messenger. The San Diego Freedom Ranch continued to provide us with four men once a week during this quarter. As of early September we were unable to continue to contract with them for additional work days during the week for pay due to some internal financial issues at their organization. To date, we have been unable to schedule a final inspection by Cal Fire since Chief Francois has been on vacation since September 24th. Further, Cal Fire has never shared any genuine information with the museum, including a copy of the investigation or the notes of the investigator which conclusively proves a clear and direct connection between PSRM's train and the fires of May 24th.

We have been investigating other, more effective options regarding weed spraying along the right of way. It is possible that the museum may be able to do the job for the same costs as hiring an outside contractor and apply the herbicides and pre-emergents more frequently. The problem still remains that, particularly the pre-emergents are not effective unless they have sat on the ground for 12-24 hours, then saturated into the soil with at least half an inch of rain. Until our research is complete and all

necessary equipment is in our possession, we will continue to contract with an outside weed spraying company to treat the right of way as one of several weed control methods.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Diana Hyatt". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Diana Hyatt
President

Agenda

Item No. 5

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

SDAE 710.1 (PC 50771)

November 3, 2009

SUBJECT:

REPORT ON THE DESERT LINE

RECOMMENDATION:

That the SD&AE Board of Directors receive: (1) a report for information; and
(2) an update on the Notice to Abate Nuisance.

Budget Impact

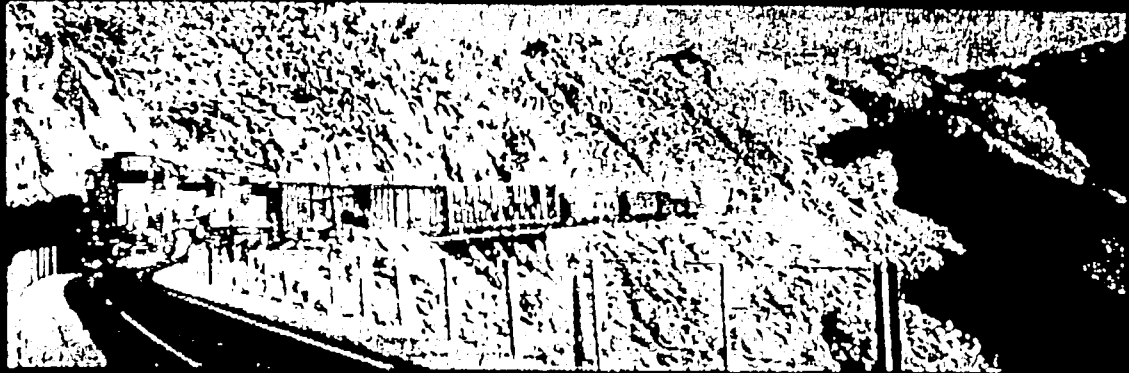
None.

DISCUSSION:

A report will be presented during the meeting. The report will include an update on the
status of the weed abatement.

5-DESERTLINE.doc

Attachment: A. Third Quarter 2009 Report



Carrizo Gorge Railway

Periodic Report

To The San Diego & Arizona Eastern Railway Company

Third Quarter 2009

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

CARRIZO GORGE RAILWAY, INC.

Accomplishments during Third Quarter 2009

- Weed Abatement.
- Bridge rehabilitation.
- Clean up and reorganization in Jacumba yard.
- Desert Line Spur Maintenance.

CONTENTS

THIRD QUARTER 2009 ACTIVITY

Appendix A- MOW Summary

Appendix B- Desert Line Track Rehabilitation
Offset Financial Summary

Appendix C- Desert Line Freight Revenues
Financial Summary

CARRIZO GORGE RAILWAY, INC.

Third Quarter 2009

Metropolitan Transit Development Board
San Diego & Arizona Eastern Railway Board
1255 Imperial Avenue 10th floor
San Diego, California 92101

Pursuant to reporting agreement, here is the summary of Third Quarter activity for 2009.

I. Labor

As of September 30th, 2009, Carrizo Gorge Railway has 21 employees to cover overall administration of the road and operations in the U.S. on the Desert Line.

- 4 Administration
- 1 Marketing
- 1 Purchasing Agent
- 1 DSL (contractor)
- 1 Train Master
- 5 Track Maintenance
- 1 Division Engineer
- 3 Locomotive engineers/Part Time
- 3 Railroad police
- 1 Railroad police chief

CARRIZO GORGE RAILWAY, INC.

II. Marketing

Carrizo Gorge Railway is in the process of conducting a survey to clearly define the current freight availability that could move via the desert line upon it's reopening.

More recent marketing efforts have resulted in new business moving in to our system via the San Ysidro border crossing wish will result in a moderate increase to our Mexico business:

III. Desert Line

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

In this quarter, we mostly concentrated in clearing vegetation. And have once again, began clearing vegetation 10 feet from the rail on each side of the track and 25 feet in MP 86.0. We have started clearing vegetation at MP 74.0 going eastbound. The goal set is: to have the desert line from MP 74.0 to MP 129.6 in compliance with CDF standards (mineral soil) by the fourth quarter of this year. The following is the breakdown of the clearence of vegetation for the third quarter.

CARRIZO GORGE RAILWAY, INC.

Vegetation Clearance				
Date	MP	MP	Total Miles Cleared	Type of Clearance
7/1/2009	88.00	88.60	0.60	10 ft. clearance on ROW
7/6/2009	87.00	88.00	1.00	10 ft. clearance on ROW
7/7/2009	86.75	87.00	0.25	25 ft. clearance on ROW
7/8/2009	86.50	86.75	0.25	25 ft. clearance on ROW
7/13/2009	86.40	86.50	0.10	25 ft. clearance on ROW
7/14/2009	86.25	86.40	0.15	25 ft. clearance on ROW
7/15/2009	86.10	86.25	0.15	25 ft. clearance on ROW
7/20/2009	86.00	86.10	0.10	10 ft. clearance on ROW
7/21/2009	85.40	86.00	0.60	10 ft. clearance on ROW
7/22/2009	85.00	85.40	0.40	10 ft. clearance on ROW
7/27/2009	84.70	85.00	0.30	10 ft. clearance on ROW
7/28/2009	84.10	84.70	0.60	10 ft. clearance on ROW
7/29/2009	83.90	84.10	0.20	10 ft. clearance on ROW
8/3/2009	83.50	83.90	0.40	10 ft. clearance on ROW
8/4/2009	83.10	83.50	0.40	10 ft. clearance on ROW
8/5/2009	82.80	83.10	0.30	10 ft. clearance on ROW
8/10/2009	82.00	82.80	0.80	10 ft. clearance on ROW
8/11/2009	81.40	82.00	0.60	10 ft. clearance on ROW
8/12/2009	80.70	81.40	0.70	10 ft. clearance on ROW
8/17/2009	80.20	80.70	0.50	10 ft. clearance on ROW
8/18/2009	79.70	80.20	0.50	10 ft. clearance on ROW
8/19/2009	79.00	79.70	0.70	10 ft. clearance on ROW
8/24/2009	84.10	84.40	0.30	10 ft. clearance on ROW
8/25/2009	82.40	82.60	0.20	10 ft. clearance on ROW
8/25/2009	78.90	79.00	0.10	10 ft. clearance on ROW
8/26/2009	78.30	78.90	0.60	10 ft. clearance on ROW
8/31/2009	78.00	78.30	0.30	10 ft. clearance on ROW
9/1/2009	86.30	86.70	0.40	25 ft. clearance on ROW
9/8/2009	74.00	74.20	0.20	10 ft. clearance on ROW
9/9/2009	74.20	74.60	0.40	10 ft. clearance on ROW
9/10/2009	74.60	74.90	0.30	10 ft. clearance on ROW
9/11/2009	74.90	75.00	0.10	10 ft. clearance on ROW
9/14/2009	75.00	75.40	0.40	10 ft. clearance on ROW
9/15/2009	75.40	75.80	0.40	10 ft. clearance on ROW
9/16/2009	75.80	76.00	0.20	10 ft. clearance on ROW
9/17/2009	76.00	76.50	0.50	10 ft. clearance on ROW
9/18/2009	76.50	76.90	0.40	10 ft. clearance on ROW
9/21/2009	76.90	77.10	0.20	10 ft. clearance on ROW
9/22/2009	77.10	77.70	0.60	10 ft. clearance on ROW
9/23/2009	77.70	78.00	0.30	10 ft. clearance on ROW
9/24/2009	78.00	78.40	0.40	10 ft. clearance on ROW
9/25/2009	74.00	74.20	0.20	10 ft. clearance on ROW
9/28/2009	74.20	74.60	0.40	10 ft. clearance on ROW
9/29/2009	74.60	74.90	0.30	10 ft. clearance on ROW
9/30/2009	74.90	75.80	0.90	10 ft. clearance on ROW

Total Miles
Cleared

From MP 74.0-MP 88.6= 17.7 Miles of
Main/Secondary Track.

CARRIZO GORGE RAILWAY, INC.

IV. Reportable Injuries / Environmental Incidents

There were no reportable injuries during the third quarter of 2009.

There were no reportable accidents in the third quarter of 2009.

There were no environmental incidents during the third quarter of 2009.

CARRIZO GORGE RAILWAY, INC.

V. Freight Activity

No freight activity in the 3rd quarter of 2009 due to the embargo. The purpose of embargo was to start a rehabilitation program to improve safety, capacity and reliability on the Desert Line. We begun to store empties, with an approxiamate amount of 200 GE cars located in various sidings and spurs as of July 2009.

MOW Sand carloads moved on the Desert Line	0
Revenue Sand carloads moved on the Desert Line	0
Revenue Freight carloads moved to/from Seeley Via interchange with UPRR, on the Desert Line	0
Non-Revenue Freight carloads moved from UPRR and USG, on the Desert Line	0
Revenue Freight carloads terminating/originating in Mexico to/from San Ysidro via interchange with SD&IV Railroad	0
Total overall third quarter 2009 Carloads Moved	0
Revenue Empty	200
Revenue Storage	374

CARRIZO GORGE RAILWAY, INC.

VI. Mexican Railroad

Carrizo Gorge Railway is the rail freight operator for the State of Baja California, Mexico and continues to employ the following personnel dedicated to freight service south of the border.

Here is an update of Carrizo Gorge Railway, Inc. Mexico's Operation.

CURRENT MEXICO PERSONNEL

- 1 Director of Operations
- 1 Trainmaster
- 3 Dispatchers
- 3 Train Engineers
- 6 Conductors
- 1 Mechanic
- 1 Car Inspector
- 1 Division Engineer
- 1 Track Inspector
- 2 Track Supervisor
- 8 Track laborer

CARRIZO GORGE RAILWAY, INC.

Appendix A M.O.W. SUMMARY

DESERT LINE

TRACK

Ties Installed (6" x 8" x 8')	0	each
(7" x 9" x 9")	0	each
Stringers	0	each
90 lb/yd Rail Change Out	0	ft.
113 lb. rail Change Out	0	ft.
Repair Open Joints	0	each
Track Regaging	0	each
Separator Rails (4" x 8" x 20")	0	each
Replace Missing Track Bolts	10	each
Rail Anchors Replaces	2	each
Repair Broken angle bars (60 lb.)	0	each
(75 lb.)	0	each
(90 lb.)	4	each
Track Surfaced	0	ft
Track Spikes Used (new)	0	each
Switch Ties Installed	0	each

CARRIZO GORGE RAILWAY, INC.

Appendix B OFFSET FINANCIAL SUMMARY

DESERT LINE SAND OPERATION

There was no production or commercial sale of sand from M.O.W. activity on the Desert Line during Third Quarter of 2009.

CARRIZO GORGE RAILWAY, INC.

Appendix C FINANCIAL SUMMARY

DESERT LINE

REVENUE FREIGHT HAULED

Railcar loads to/from UP Interchange, Seeley /Plaster City	0
Railcar loads revenue sand from Dixie (Plaster City) to Campo	0
Non-revenue Freight USG Cars	
Total	0

Track Use Fees:

Interchange freight to/from UPRR over the Desert Line

SD&AE/MTS 1%payment (200 Railcars Emptys and 374 Railcars Storage)	\$ 330.01
SD&IV / Rail America payment 6.9%	\$2,297.73

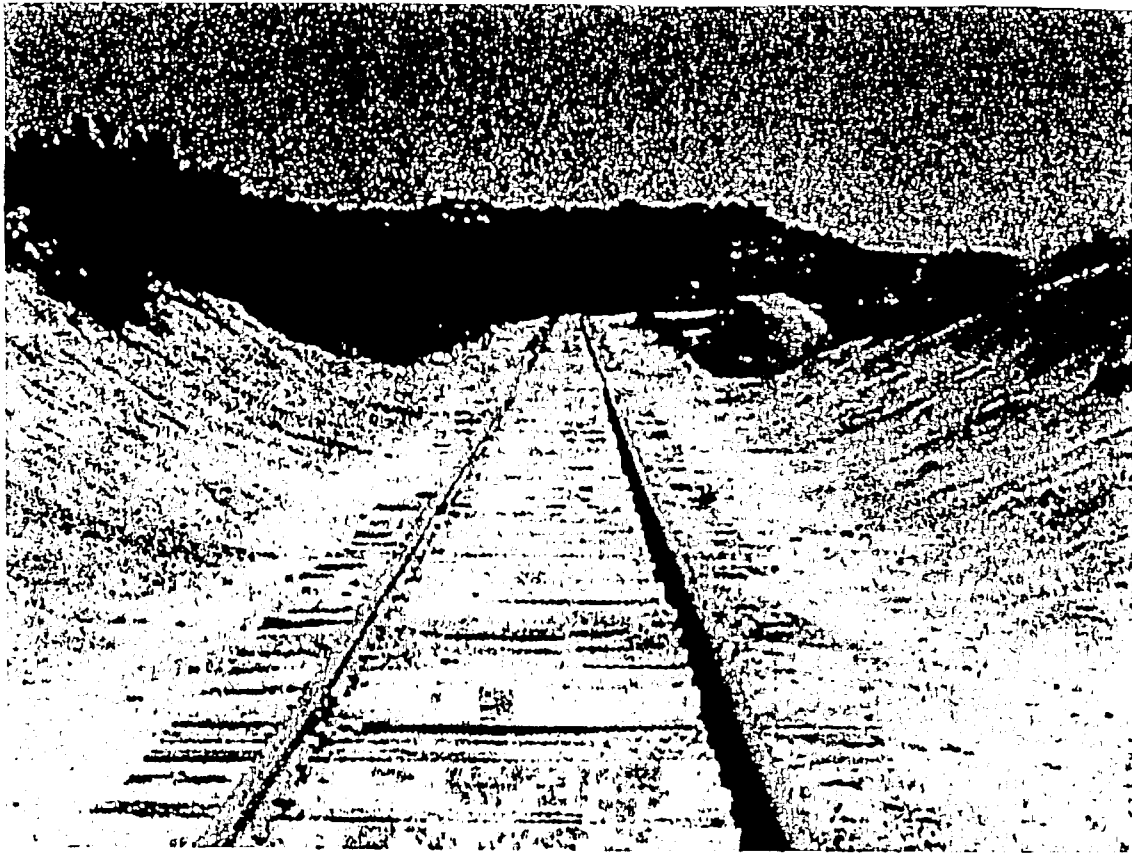
Revenue Sand from Dixie to Campo

SD&AE / MTS 1% payment	0.00
SD&IV RailAmerica payment (0 cars at \$0.00 each)	0.00

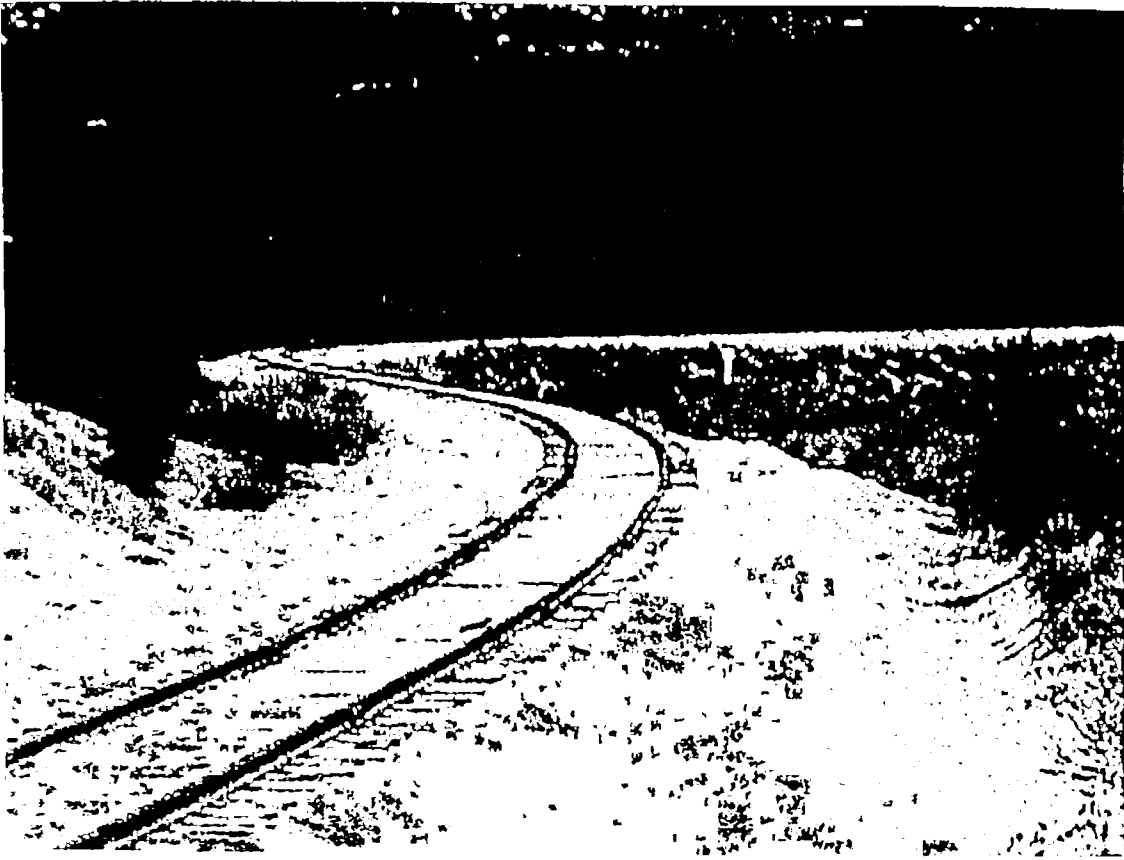
CARRIZO GORGE RAILWAY, INC.



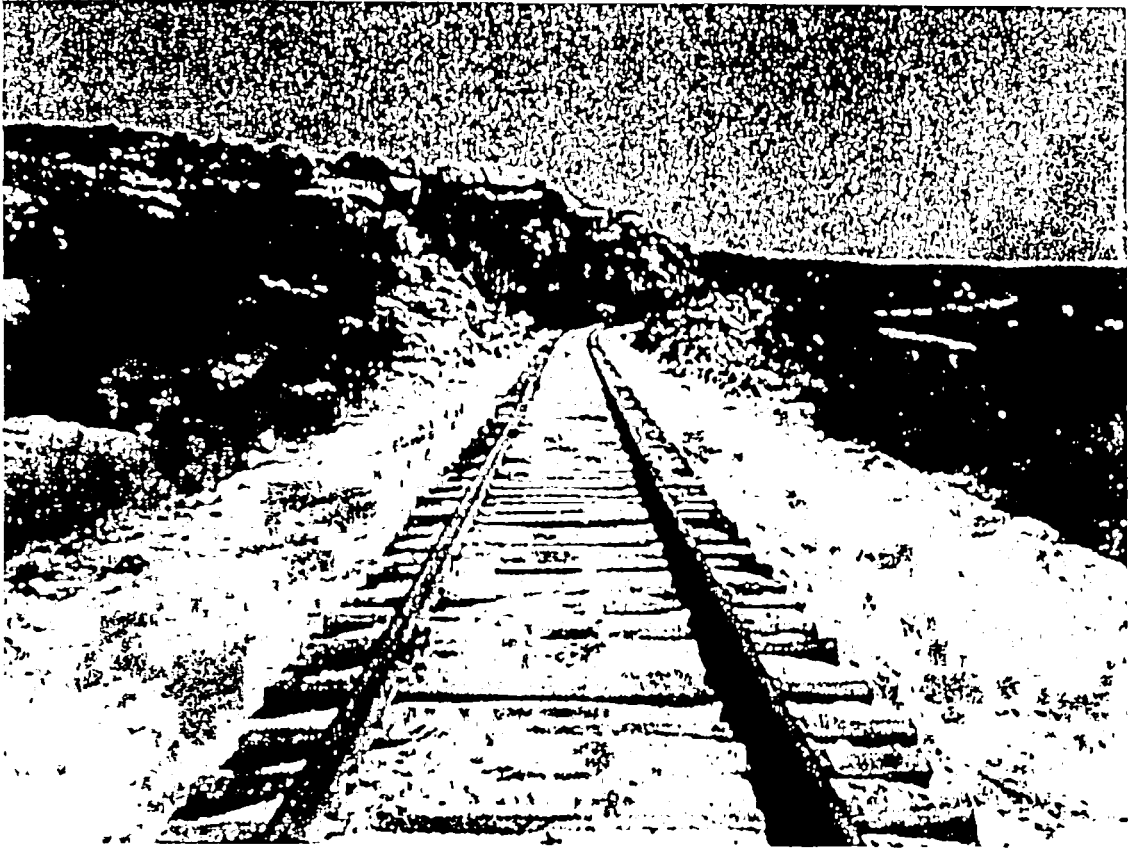
CARRIZO GORGE RAILWAY, INC.



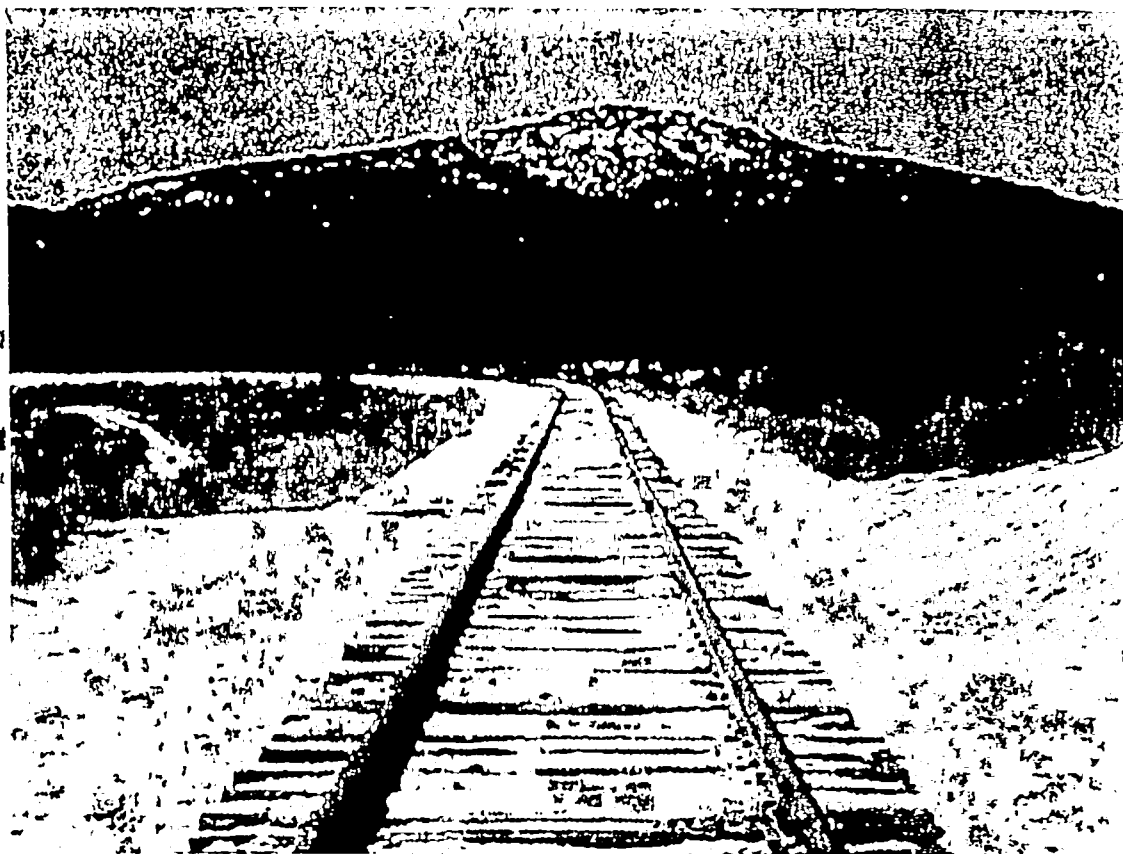
CARRIZO GORGE RAILWAY, INC.



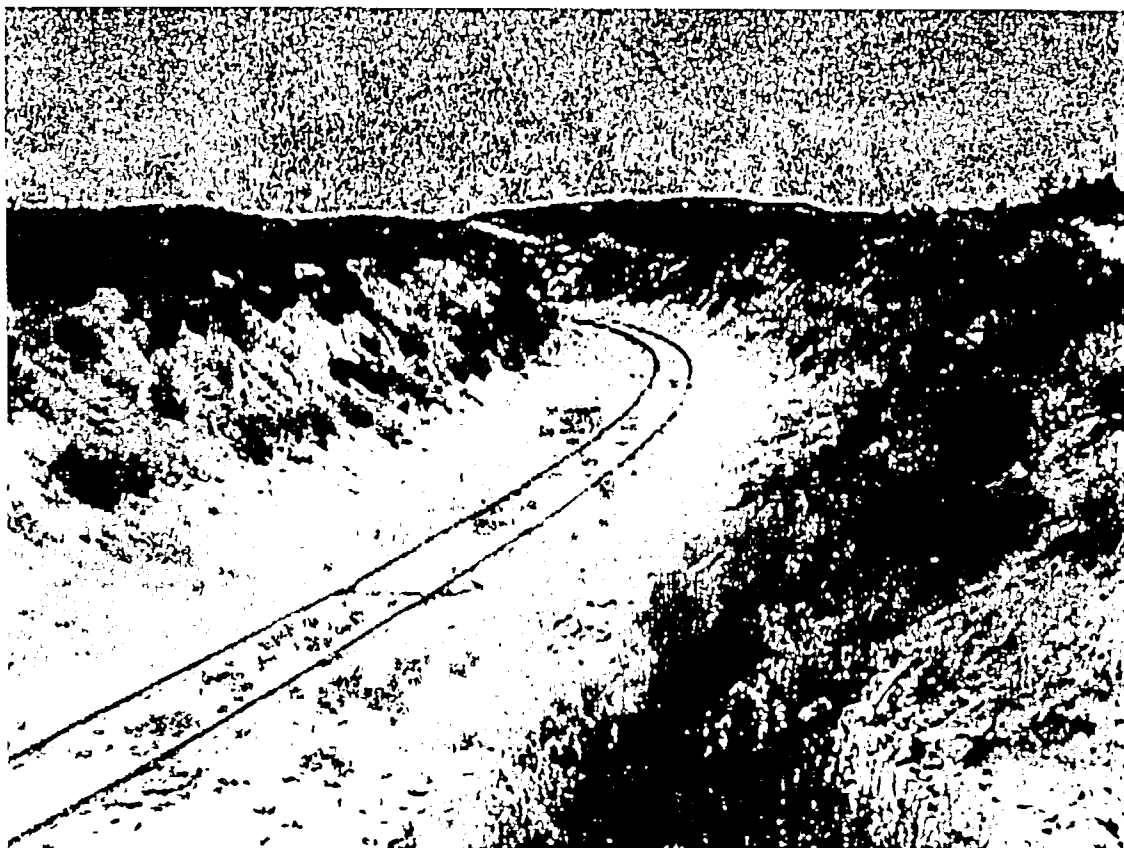
CARRIZO GORGE RAILWAY, INC.



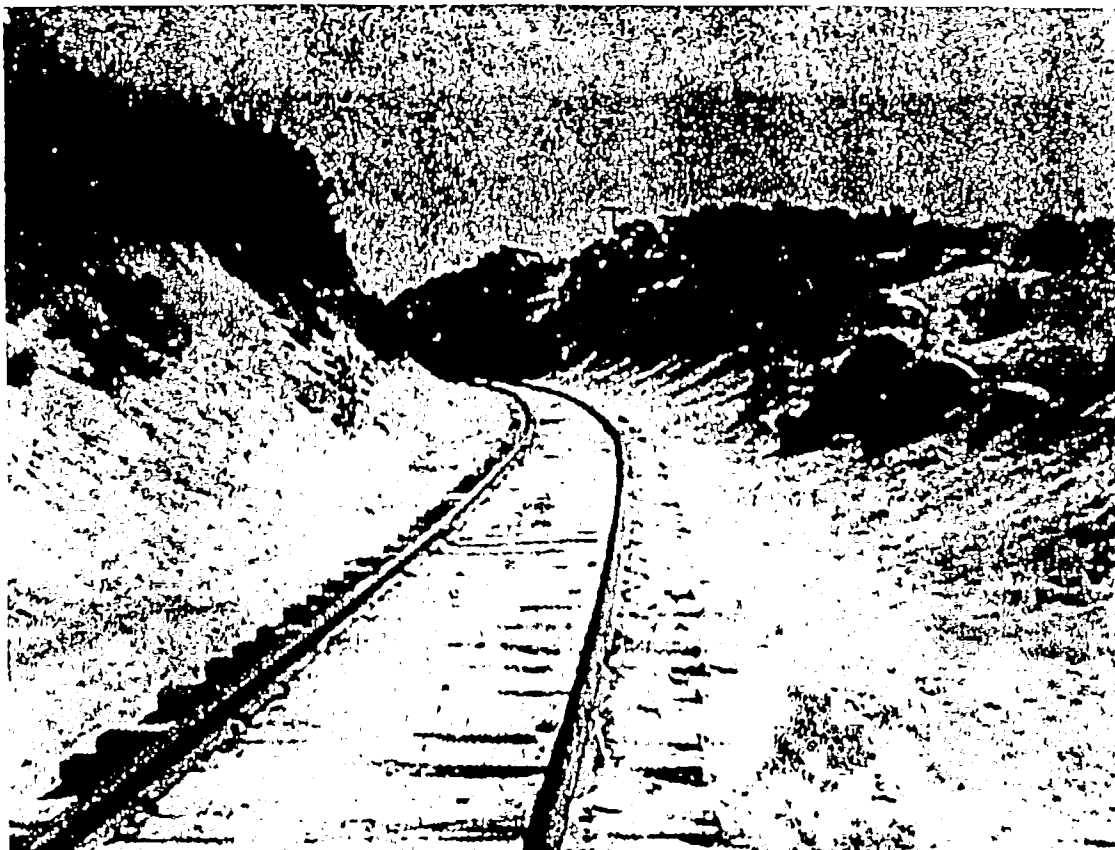
CARRIZO GORGE RAILWAY, INC.



CARRIZO GORGE RAILWAY, INC.



CARRIZO GORGE RAILWAY, INC.



CARRIZO GORGE RAILWAY, INC.



Agenda

Item No. 6a

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

SDAE 710.1 (PC 50771)

November 3, 2009

SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE JULY 28, 2009

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

Since the July 28, 2009, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-09-413: Lease to CBS Outdoor for a billboard at Harbor Drive and Civic Center Drive in the City of National City.
- S200-09-414: Lease to CBS Outdoor for a billboard at 28th Street and Harbor Drive in the City of San Diego.
- S200-09-415: Lease to CBS Outdoor for a billboard at Merlin Drive and Imperial Avenue in the City of San Diego.
- S200-09-416: Lease to CBS Outdoor for a billboard at 32nd Street and Harbor Drive in the City of San Diego.
- S200-10-417: Right of Entry Permit to TC Construction to abandon sewer lines along Lemon Grove Avenue in Lemon Grove.
- S200-09-418: Right of Entry Permit to Bike the Bay for the 2009 Annual Event.
- S200-10-419: Right of Entry Permit to Erreca's, Inc. to construct slope repair near Interstate 805 in the City of San Diego.

- S200-10-420: Deposit Agreement with Carrizo Gorge Railway, Inc. for lease negotiations.
- S200-10-421: Durable Right of Entry Permit to City of La Mesa for maintenance work within the City of La Mesa.
- S200-10-423: Right of Entry Permit to Sim J. Harris, Inc. for street paving at Iris Avenue and Dairy Mart Road in the City of San Diego.
- S200-10-427: Right of Entry Permit to Ninyo and Moore for geotechnical investigations along the Coronado Branch in the City of Chula Vista.
- S200-10-428: Right of Entry Permit to Pacific Drilling Co. for geotechnical investigations along the Coronado Branch in the City of Chula Vista.
- S200-10-430: Right of Entry Permit to SDG&E for underground electrical installation at 28th Street and Harbor Drive in the City of San Diego.

Agenda

Item No. 6b

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

SDAE 710.1 (PC 50771)

November 3, 2009

SUBJECT:

LICENSE AGREEMENT WITH COX COMMUNICATIONS, INC.

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors approve issuing a license to Cox Communications, Inc. for a proposed aerial fiber-optics crossing over SD&AE tracks located on West Palm Avenue between South Marshall Avenue and Front Street in the City of El Cajon.

Budget Impact

Yearly license fees would be credited to the SD&AE reserve, and processing fees would be reimbursed to MTS.

DISCUSSION:

Cox Communications, Inc. requests the issuance of a license for an aerial fiber-optic crossing over SD&AE tracks located on West Palm Avenue between South Marshall Avenue and Front Street in the City of El Cajon. The aerial crossing will serve as an upgrade to Cox Communications' system. Attached is an exhibit of the proposed project.

Attachment: Proposed Project Exhibit

Agenda

Item No. 6C

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

SDAE 710.1

November 3, 2009

SUBJECT:

BAYSHORE BIKEWAY PROJECT – SEGMENT NORTH OF THE SALT WORKS

RECOMMENDATION:

That the SD&AE Railway Board of Directors approve the execution of a Construction and Maintenance Agreement granting a license for Segments 7 and 8A of the Bayshore Bikeway Project.

Budget Impact

Processing fees will be reimbursed.

DISCUSSION:

The San Diego Association of Governments (SANDAG) (in coordination with the County of San Diego and the cities of Chula Vista, National City, and San Diego) is developing the project for approximately a seven-mile segment of the Bayshore Bikeway. The Bayshore Bikeway is a designated 24-mile bikeway loop route around the San Diego Bay and consists of approximately 12 miles of off-street bicycle paths (Class 1) and 12 miles of on-street sections designated as either bicycle lanes or bicycle routes (Class 2 or 3). The Bayshore Bikeway route extends from the Broadway Pier in San Diego to the Coronado Ferry Terminal in Coronado. The route traverses the cities of San Diego, National City, Chula Vista, Imperial Beach, and Coronado.

On May 1, 2009, the SANDAG Transportation Committee adopted the Mitigated Negative Declaration for Segments 4, 5, 7, and 8A of the Bayshore Bikeway and authorized final design. Segments 4, 5, 7, and 8A of the Bayshore Bikeway are located along the eastern San Diego Bay in the cities of San Diego, National City, and Chula Vista. The proposed alignment for this portion of the bikeway would extend from 32nd Street in the City of San Diego along Harbor Drive; through the City of National City along Civic Center Drive, Tidelands Avenue, and West 32nd Street; and within the City of Chula Vista from H Street to Stella Street.

Segments 7 and 8A are in the final design. The proposed alignment is shown on page 6c-3. It crosses the SD&AE Coronado Branch tracks at J Street (Marina Way); runs westerly of the right-of-way on the SDG&E easement until approximately L Street;

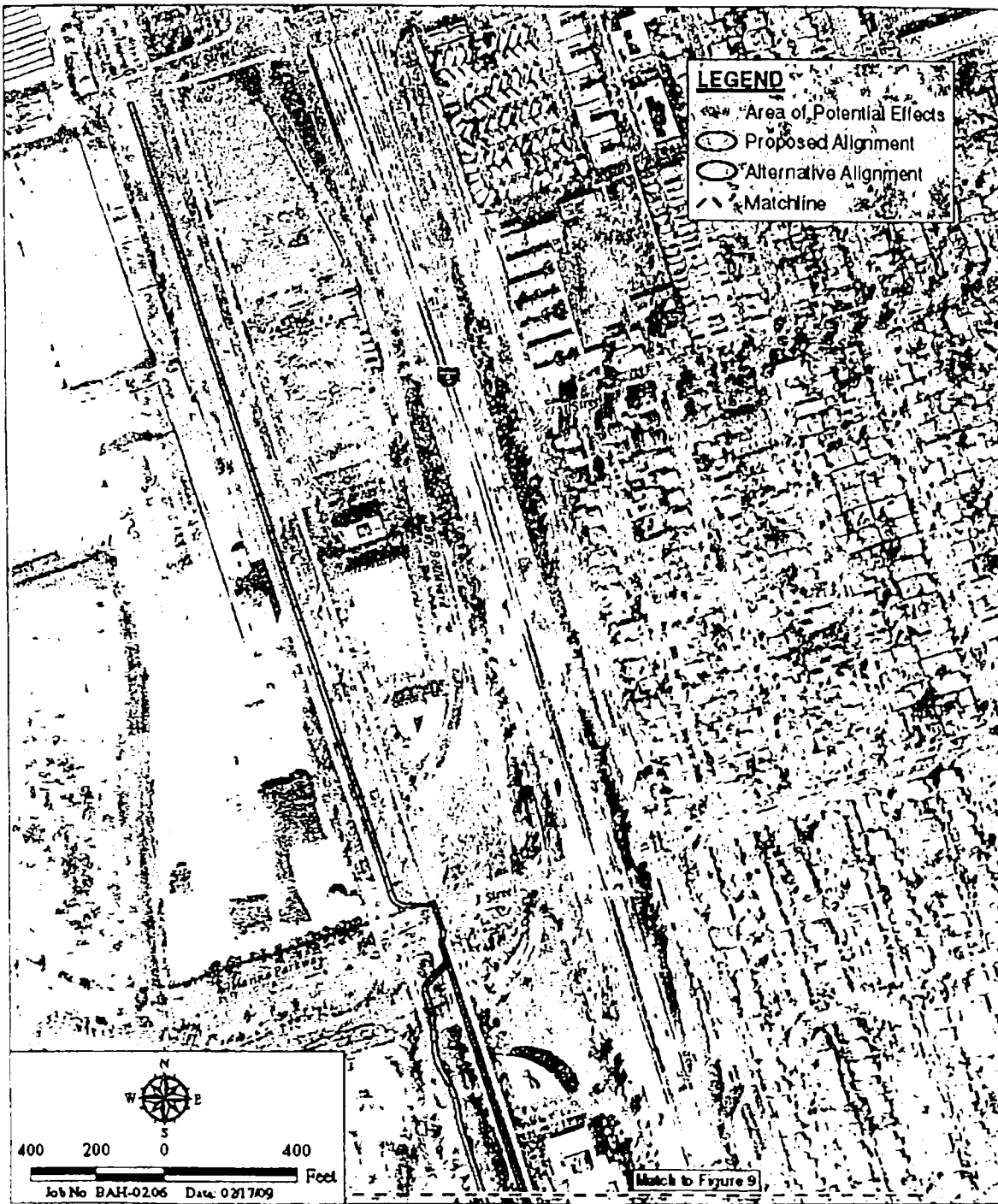
crosses the tracks again at this location; then runs within the right-of-way until it exits on to Bay Boulevard right-of-way at approximately the Interstate 5 on- and off-ramps. Page 6c-6 shows the project typical cross sections.

The SD&AE Board heard a presentation on this project during its initial development phase at its Board Meeting on October 10, 2008, as an information item. SANDAG is now asking for authority to cross the tracks and utilize the right-of-way per the current design. SANDAG would construct the project, and the City of Chula Vista would operate and maintain the bikeway in its city limits.

Board approval is requested for the execution of a Construction and Maintenance Agreement granting a license for Segments 7 and 8A of the Bayshore Bikeway Project.

NOV3-09.6c.BAYSHORE BIKEWAY.TALLISON.doc

Attachments: Proposed Alignment
Project Typical Cross Sections

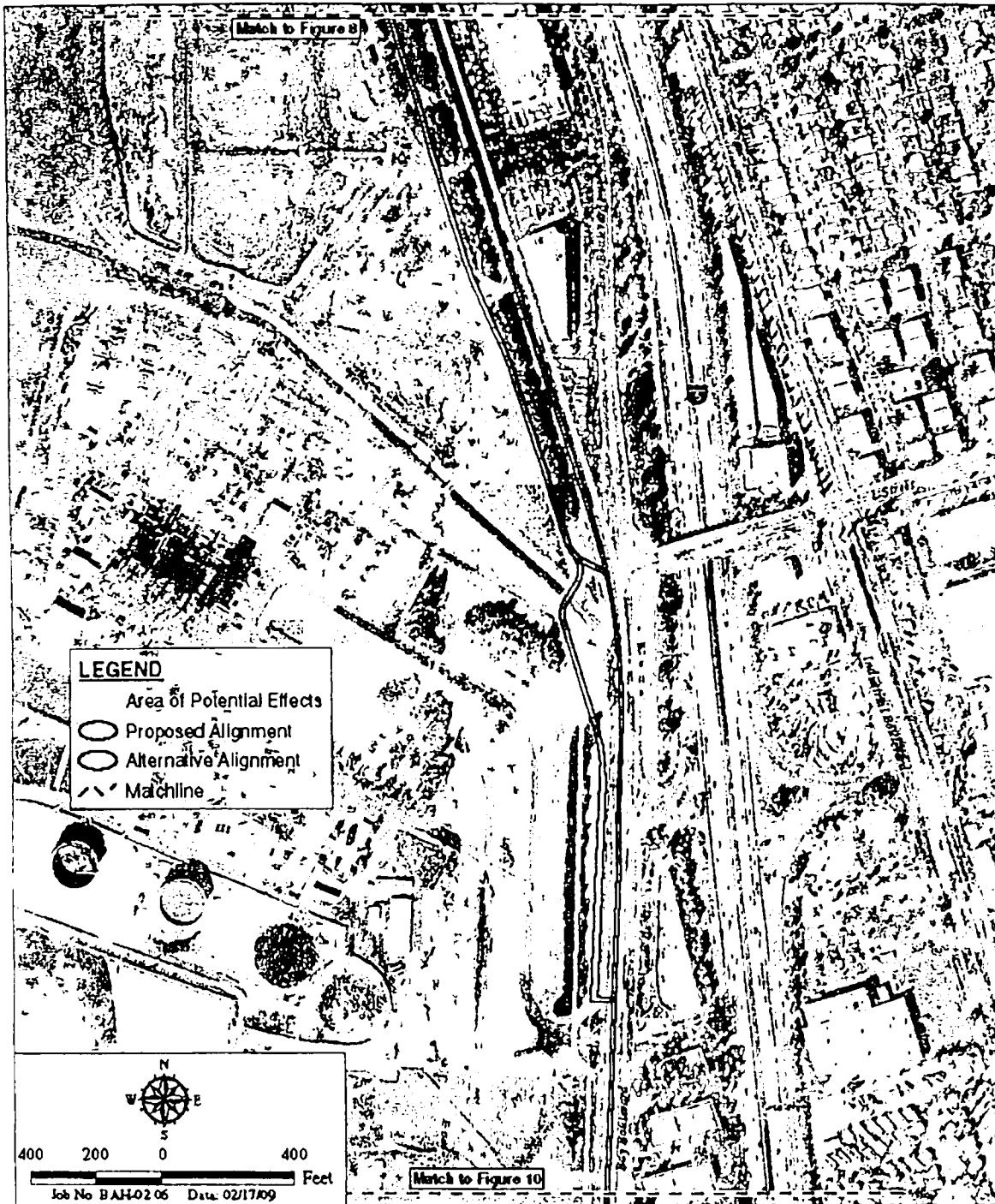


Proposed Bike Path Alignment (Segments 7 and 8A)

BAYSHORE BIKEWAY

Figure 8

HELIX

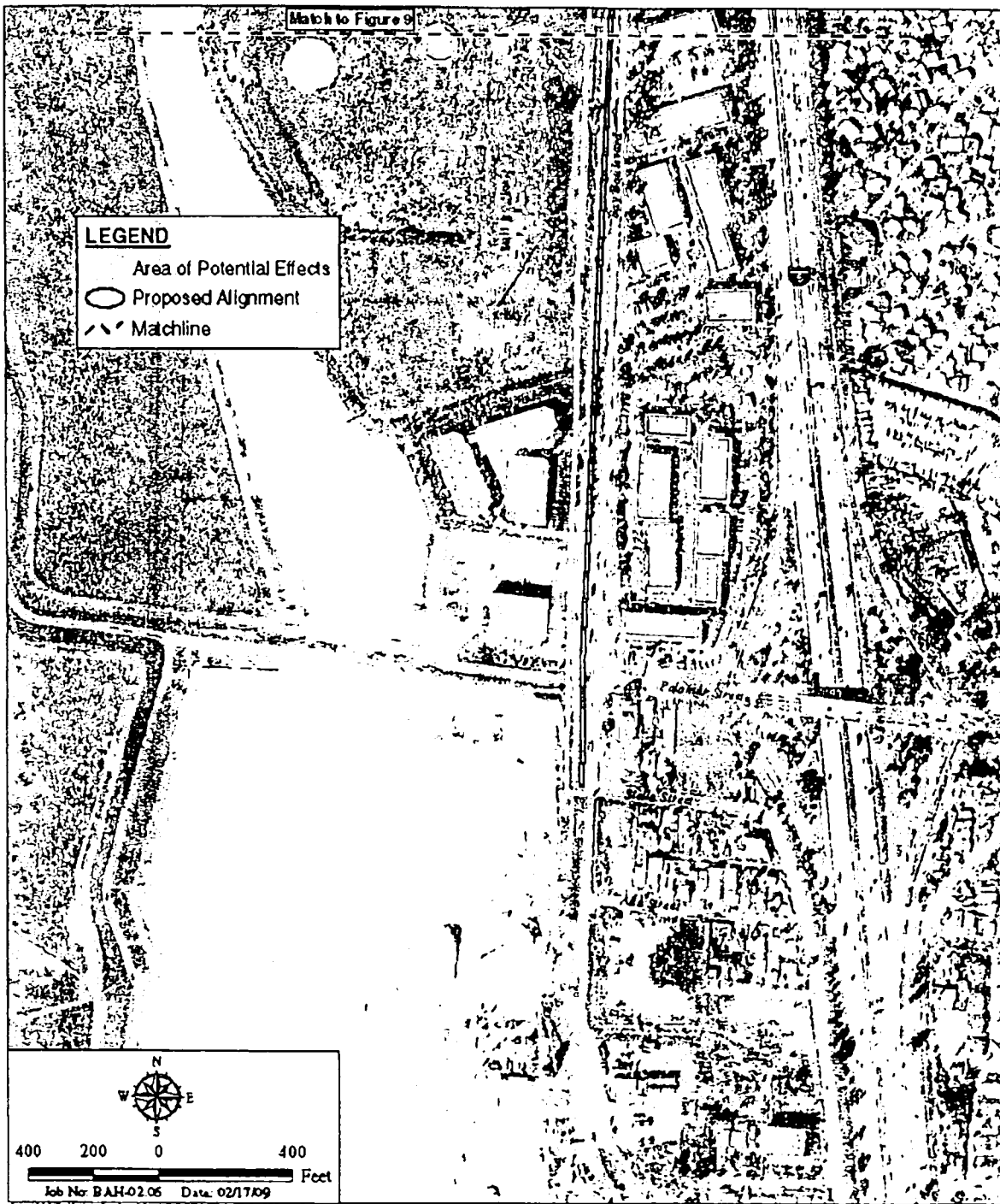


Proposed Bike Path Alignment (Segment 8A)

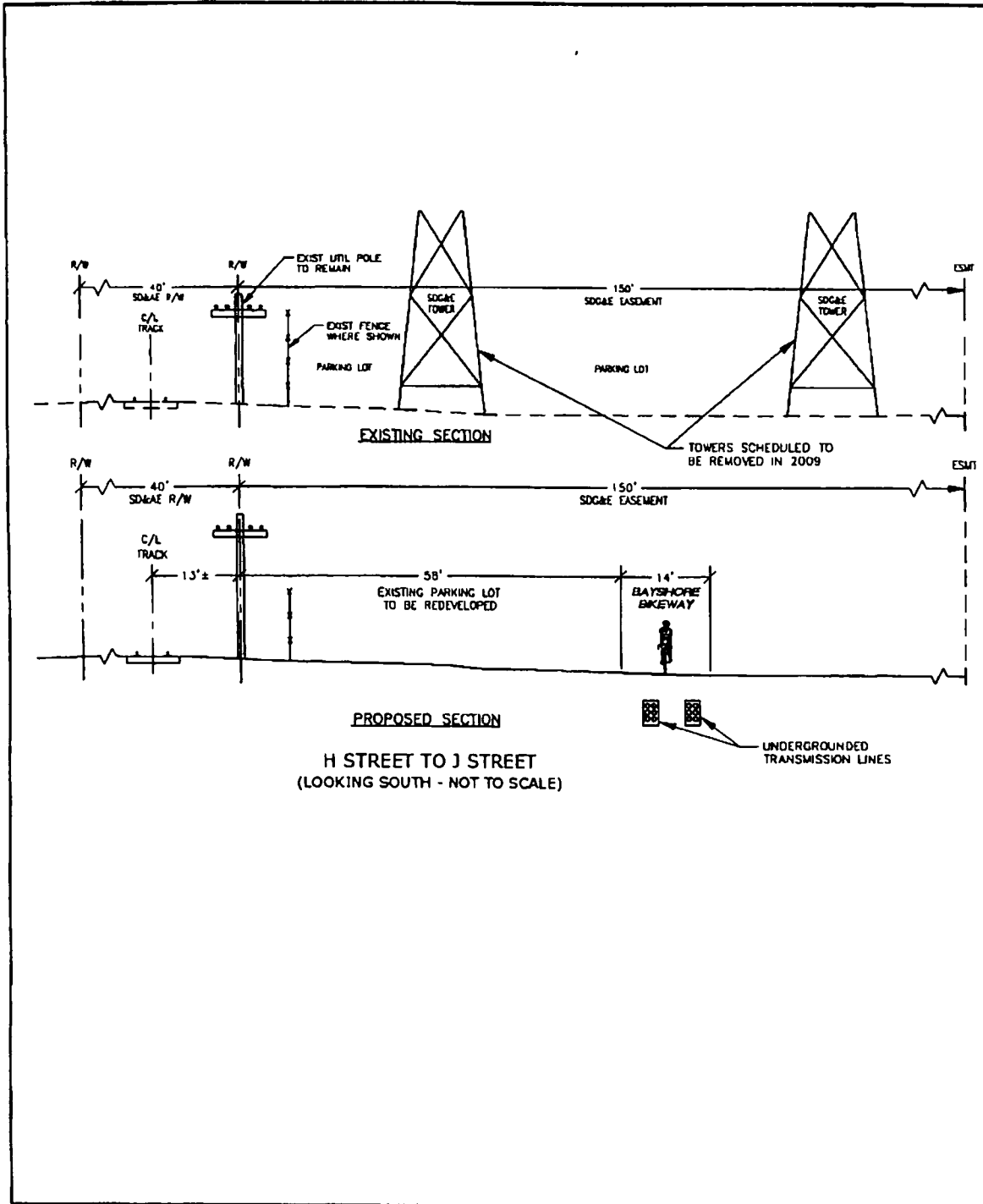
BAYSHORE BIKEWAY

Figure 9

DELIX



HELIX

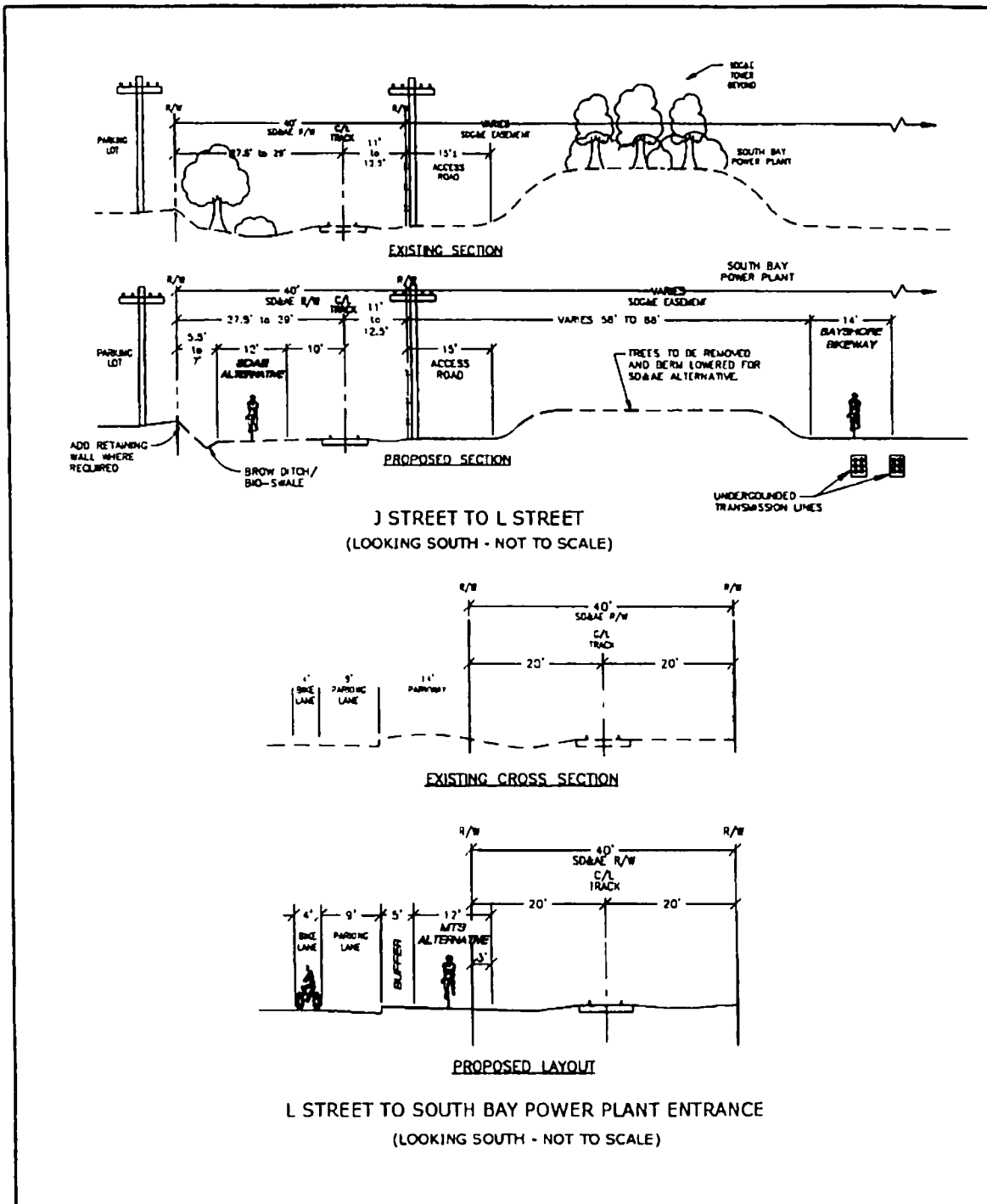


Typical Cross-sections - SDG&E Easement

BAYSHORE BIKEWAY

Figure 14

HELIX



Typical Cross-sections - SDG&E Easement and SD&AE Railroad ROW

HELIX

Figure 15

Agenda

Item No. 6d

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

SDAE 710.1 (PC 50771)

November 3, 2009

SUBJECT:

PORT OF SAN DIEGO FIBER-OPTICS CONNECTIVITY PROJECT LICENSE

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors authorize the execution of a Construction and Maintenance Agreement granting a license to the San Diego Unified Port District (the Port) for fiber-optics installations.

Budget Impact

Unknown at this time (depending upon direction from the Board).

DISCUSSION:

The Port is developing the Port-Wide Fiber-Optics Connectivity Project and would like to use SD&AE right-of-way to provide a regional network infrastructure for rapid transfer of security information and sensor data to participating regional government, state, and local public agencies that are members of the San Diego Security Network Consortium (SDSNC). The Port plan includes installing fiber-optic cables along the MTS and SD&AE rail corridor and lashing the cables to the existing catenary poles.

The Port would build a security fiber-optics network to make use of the existing infrastructure to the maximum extent possible and provide the missing pieces needed to complete a fiber-optics loop around the San Diego Bay. Ultimately, the Port would have a fiber-optics route that would extend from Old Town to 24th Street in National City (page 6d-2). The use of the SD&AE right-of-way would allow utilization of the Bayside corridor and a portion of the South Line from 12th and Imperial to 24th Street.

It would be beneficial to MTS and SD&AE to receive fiber-optic strands in this loop configuration as it would provide full continuity to all members in the SDSNC network despite a break in the cable, which could easily occur during a natural disaster or terrorist attack.

NOV3-09.6d.PORT FIBER-OPTIC PROJECT.TALLISON.doc

Attachment: Project Schematic



Agenda

Item No. 7

San Diego and Arizona Eastern (SD&AE)
Railway Company

SDAE 710.1 (PC 50771)

Board of Directors Meeting

November 3, 2009

SUBJECT:

APPROVAL OF THE 2010 SD&AE BOARD OF DIRECTORS MEETING SCHEDULE

RECOMMENDATION:

That the SD&AE Board of Directors approve the 2010 SD&AE Board of Directors meeting schedule.

Budget Impact

None.

DISCUSSION:

The SD&AE Board of Directors customarily meets once each quarter to discuss business and receive reports from its contract operators. The following meeting schedule is recommended for 2010:

Tuesday, January 19, 2010	9:00 a.m.	(Fourth Quarter 2009 Reports)
Tuesday, April 20, 2010	9:00 a.m.	(First Quarter 2010 Reports)
Tuesday, July 20, 2010	9:00 a.m.	(Second Quarter 2010 Reports)
Tuesday, October 19, 2010	9:00 a.m.	(Third Quarter 2010 Reports)

Upon approval of the above meeting dates, additional information regarding materials due dates and mail-outs are as follows:

Materials Due to Clerk

Friday, January 8, 2010
Friday, April 9, 2010
Friday, July 9, 2010
Friday, October 8, 2010

Materials Mailed

Wednesday, January 13, 2010
Wednesday, April 14, 2010
Wednesday, July 14, 2010
Wednesday, October 13, 2010



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.

LEG 491

December 10, 2009

SUBJECT:

MTS: INSURANCE BROKERAGE AND CONSULTATION SERVICES - CONTRACT
AMENDMENT

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to enter into MTS Doc. No. G1035.1-07 (Attachment A) with BB&T John Burnham Insurance Services to exercise remaining option years to provide insurance brokerage and consultation services as specified in MTS's Request for Proposals (RFP).

Budget Impact

The total amendment cost would not exceed \$203,640. The term of the contract extension would be for a period of two years. The total costs would be charged against each of the three agencies involved according to services provided. Funds have been and will be identified and allocated within each agency. The estimated annual breakdown between agencies is noted within the table below.

AGENCY	ESTIMATED ANNUAL BUDGET IMPACT				
	MTS	SDTC	SDTI	SD&AE	TOTAL
OPTION YEAR 4	\$63,198	\$17,655	\$17,355	\$2,107	\$100,315
OPTION YEAR 5	\$65,095	\$18,185	\$17,875	\$2,170	\$103,325
	63%	17.6%	17.3%	2.1%	100%

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

DISCUSSION:

At the direction of the Board, staff released an RFP on October 11, 2006. From that RFP, BB&T John Burnham Insurance Services was identified as the top contender and was contracted for three years with two 1-year options to provide the insurance services requested.

Therefore, staff recommends authorizing the CEO to execute MTS Doc. No. G1035.1-07 with BB&T John Burnham Insurance Services to exercise remaining option years to provide insurance brokerage and consultation services.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: James Dow, 619.557.4562, jim.dow@sdmts.com

DEC10-09.8.BURNHAM INS BROKERAGE CONSULT SVCS.JDOW.doc

Attachment: A. MTS Doc. No. G1035.1-07

DRAFT

December 10, 2009

MTS Doc. No. G1035.1-07
LEG 491 (PC 50633)

Ms. Iris J. Gladney
BB&T John Burnham Insurance Services
750 B Street, Suite 2400
San Diego, CA 92101-2476

Dear Ms. Gladney:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. G1035.0-07 - INSURANCE BROKERAGE AND
CONSULTATION SERVICES

This letter will serve as Amendment No. 1 to MTS Doc. No. G1035.0-07. This contract amendment authorizes additional costs not to exceed \$203,640 for professional services. The total value of this contract, including this amendment, is \$487,385. This amendment also exercises option years four and five, which extends the contract terms to cover the period to January 1, 2012. All terms, requirements, and provisions as indicated in the Standard Conditions Services contract remain in effect. 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

Iris J. Gladney
BB&T John Burnham Insurance Services

DEC10-09.8.AttA.BURNHAM
INSURANCE SVCS.JDOW.doc

Date: _____



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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.

FIN 300

December 10, 2009

SUBJECT:

MTS: INVESTMENT REPORT – OCTOBER 2009

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Attachment A is a report of MTS investments as of October 2009. The first column provides details about investments restricted for capital support and debt service; the majority are related to the 1995 lease and leaseback transactions.

The second column (unrestricted investments) reports the working capital for MTS operations employee payroll and vendors' goods and services. This column includes the investment in San Diego Transit Corporation's pension obligation bonds that were repurchased and represents an asset that is not currently available to fund operations.

Total cash and investment balances have decreased by \$7 million primarily due to liquidation of a \$3 million retention trust account and additional expenditures related to bus purchases.

Transfers from the Local Agency Investment Fund (LAIF) to the operating account totaling \$5 million were initiated in October. The current monthly yield in the LAIF investment is 0.65%, which represents a reduction from 2.779% since August 2008.

The funds restricted for debt service are structured investments with fixed returns that do not vary with market fluctuations if held to maturity. These investments are held in trust and will not be liquidated in advance of the scheduled maturities.

Other restricted funds are designated for various capital improvement projects.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Linda Musengo, 619.557.4531, linda.musengo@sdmts.com

DEC10-09.9.INVESTMENT RPT OCT.LMUSENGO.doc

Attachment: A. MTS Investment Report for October 2009

**San Diego Metropolitan Transit System
Investment Report
October 31, 2009**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	Average rate of return
Cash and Cash Equivalents				
Bank of America - concentration sweep account	<u>\$ 5,718,275</u>	<u>\$ 8,294,437</u>	<u>\$ 14,012,712</u>	0.00%
Total Cash and Cash Equivalents	<u>5,718,275</u>	<u>8,294,437</u>	<u>14,012,712</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	2,515,455		2,515,455	N/A *
Local Agency Investment Fund (LAIF) Proposition 1B TSGP grant funds	<u>2,705,336</u>		<u>2,705,336</u>	0.65%
Total Cash - Restricted for Capital Support	<u>5,220,791</u>	<u>-</u>	<u>5,220,791</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)		12,355,303	12,355,303	0.65%
Bank of New York Money Market POB interest	<u>-</u>	<u>40</u>	<u>40</u>	
Total Investments - Working Capital	<u>-</u>	<u>12,355,344</u>	<u>12,355,344</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	33,945,653	-	33,945,653	
Rabobank - Payment Undertaking Agreement	<u>84,951,545</u>	<u>-</u>	<u>84,951,545</u>	7.69%
Total Investments Restricted for Debt Service	<u>118,897,198</u>	<u>-</u>	<u>118,897,198</u>	
Investment in SDTC Pension Obligation Bonds				
Bank of America custodial account	<u>-</u>	<u>35,630,000</u>	<u>35,630,000</u>	
Total Investment in SDTC Pension Obligation Bonds	<u>-</u>	<u>35,630,000</u>	<u>35,630,000</u>	
Total cash and investments	<u>\$ 129,836,264</u>	<u>\$ 56,279,781</u>	<u>\$ 186,116,044</u>	

N/A* - Per trust agreements, interest earned on retention account is allocated to trust beneficiary (contractor)



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Agenda

Item No. 10

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

ADM 110.7 (PC 50101)

December 10, 2009

SUBJECT:

MTS: SERIES B VARIABLE PENSION OBLIGATION BONDS REFINANCING

RECOMMENDATION:

That the Board of Directors approve Resolution No. 09-25.1 (Attachment A), which would amend previously approved Resolution No. 09-25 by modifying the interest rate provision.

Budget Impact

None at this time.

DISCUSSION:

General Background

In October 2004, MTS issued \$77,490,000 of taxable pension obligation bonds for the benefit of San Diego Transit Corporation. The purpose of the bonds was to make contributions to the San Diego Transit Corporation Retirement Plan to reduce its unfunded liability. The proceeds less fees were invested into the retirement plan, and the bonds were issued in two different series.

Series A bonds in the amount of \$38,690,000 were issued as fixed-rate bonds that mature in annual installments between 2006 and 2024 and bear various interest rates ranging from 2.58% to 5.15% (increasing progressively over the maturities). Interest is due and payable semiannually on June 1 and December 1. Principal is due and payable on December 1.

Series B Bonds in the amount of \$38,800,000 were issued as variable rate bonds that mature in annual installments between 2024 and 2034. Interest is based upon a Weekly Rate determined by the remarketing agent that should approximate the London Interbank Borrowing Rate (LIBOR) and is payable on a monthly basis. In August 2005, MTS entered into a seven-year Swap Agreement with UBS Investment Bank to fix the interest rate at 4.424%.

Current Situation

At the October 22, 2009, meeting, the MTS Board of Directors authorized staff to pay off the Series B variable pension obligation bonds at a cost of \$38,800,000 and terminate its Swap Agreement with UBS Bank. MTS terminated the UBS Swap Agreement on November 3, 2009.

The sources of funds to pay off the Series B variable pension obligation bonds will be (i) the proceeds from the issuance of \$30,000,000 of pension obligation refunding bonds to be purchased by Dexia, which is anticipated to occur before the end of the year, and (ii) a payment from MTS in the amount of \$8,800,000 plus the costs of issuing the refunding bonds. The refunding bonds would bear interest at 2.85% over LIBOR, reset every month, and be due and payable in full in six years from the date of their issuance. At MTS's option, the bonds could be paid down in whole or in any combination of payment amounts after a one-year period.

In order to comply with the terms of the proposed purchase of the refunding bonds by Dexia, bond counsel for MTS is recommending that Resolution No. 09-25 be amended to state that interest would be payable at the maximum rate allowable by law. The proposed resolution is included with the agenda item as Attachment A. The change is necessary in the rare event wherein the rate on the bonds would be set higher than 12%, which was the cap placed on the interest rate in Resolution No. 09-25. Under California law, the 12% cap is not applicable to taxable bonds such as the new refunding bonds. This interest rate would in all likelihood only apply in the event that MTS defaulted on the bonds.

Based upon the above, staff recommends approval of Resolution No. 09-25.1 (Attachment A), which would amend previously approved Resolution No. 09-25 by modifying the interest rate provision.



Paul C. Jablonski
Chief Executive Officer

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

DEC10-09.10.POB REFINANCING RESO 09-25.1.TLYNCH.doc

Attachment: A. Resolution No. 09-25.1

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 09-25.1

Resolution of the Board of Directors of the San Diego Metropolitan Transit System
Providing for the Issuance and Sale of San Diego Metropolitan Transit System
Pension Obligation Refunding Bonds, Authorizing a Trust Agreement,
Bond Purchase Agreement, Termination of the Interest Rate Swap Relating
to the 2004 Series B Variable Rate Pension Obligation Bonds,
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 Amalgamated Transit Union ("ATU") Local 1309 Contract Employees, and the Retirement Plan for International Brotherhood of Electrical Workers ("IBEW") 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 Sections 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) above; and

WHEREAS, MTS desires to issue Taxable Pension Obligation Refunding Bonds, 2009 Series A (the "Bonds") for the purpose of providing amounts, along with other funds, to refund all of its Taxable Pension Obligation Bonds, 2004 Series B (Variable Rate Demand Bonds) (the "2004 Series B Bonds"), which were originally issued in order to evidence a portion of MTS's obligations to the Plan and to pay a portion of the UAAL of MTS; and

WHEREAS, MTS entered into an International Swaps and Derivative Association ("ISDA") Master Agreement dated August 15, 2005, including a Schedule, Credit Support Annex, and Confirmation (collectively, the "Interest Rate Swap Agreement") with UBS AG ("Counterparty"), pursuant to which MTS agreed to pay a fixed amount, and the Counterparty agreed to pay a floating amount relating to the 2004 Series B Bonds.

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

The Board of Directors of MTS (the "Board") hereby finds and declares that the issuance of the Bonds to refund the 2004 Series B Bonds and the other actions contemplated by this Resolution are in the best interests of MTS and will result in significant benefits to the patrons of MTS's transit services.

The Board hereby authorizes and approves the issuance of the Bonds and hereby authorizes and directs the Chief Executive Officer of MTS to execute the Bonds and to cause the Bonds to be authenticated and delivered in accordance with the October 6, 2009, Proposal for a Direct Private Placement ("Proposal"), signed by Dexia Credit Locale (the "Purchaser"), 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 Bonds; provided, however, that the aggregate principal amount of the Bonds shall not exceed \$38,800,000, the interest rate on the

Bonds bearing interest at variable rates shall not exceed the maximum rate allowable by law, and the Bonds shall mature no later than December 1, 2034, notwithstanding the provisions for redemption of the Bonds, if any. Each such determination by the Chief Executive Officer shall be conclusively evidenced by the issuance of the Bonds. The Bonds shall constitute an obligation imposed by law, pursuant to the Constitution and the laws of the State of California. The Bonds shall not, however, constitute an obligation of MTS for which MTS is obligated or permitted to levy or pledge any form of taxation or for which MTS has levied or pledged or will levy or pledge any form of taxation.

The Board hereby authorizes and approves the preparation, execution, and delivery of a trust agreement (the "Trust Agreement") setting forth the terms and provisions of the Bonds in accordance with the Proposal, 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 final Trust Agreement. MTS shall enter into the Trust Agreement with The Bank of New York Mellon Trust Company, N.A. (the "Trustee").

The Chief Executive Officer is hereby authorized and directed to execute and deliver a bond purchase agreement with the Purchaser on behalf of MTS.

If the Chief Executive Officer of MTS determines that it will be advantageous to MTS to terminate the Interest Rate Swap Agreement, the Chief Executive Officer of MTS is hereby authorized to do so on behalf of MTS and to pay any early termination payment to the Counterparty from any available source of MTS funds.

All actions heretofore taken by the officers and agents of MTS with respect to the issuance, sale, and delivery of the Bonds are hereby ratified, confirmed, and approved, including, without limitation, retaining Nossaman LLP as bond counsel and Public Financial Management, Inc., as financial advisor.

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 which they or any of them 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 by the Board of Directors this ____ day of _____ 2009, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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

Office of the General Counsel
San Diego Metropolitan Transit System

OCT22-09.32.POBS.AttA.RESO 09-25.TLYNCH.DOC



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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.

OPS 950.7 (PC 50451)

December 10, 2009

SUBJECT:

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

RECOMMENDATION:

That the Board of Directors approve Resolution No. 09-26 (Attachment A) authorizing the Chief Executive Officer (CEO) to submit applications for \$233,498 of Federal Transit Administration (FTA) Section 5311(f) funds for operating assistance in nonurbanized areas.

Budget Impact

None at this time.

DISCUSSION:

The California Department of Transportation (Caltrans) administers a statewide competitive grant program wherein transit agencies and nonprofit organizations are eligible to apply for up to \$233,489 in financial assistance for operations serving areas outside of the federally defined urban boundary. Eligible projects can include existing operations, new services, or service expansion; however, projects must be consistent with the state-adopted objectives and meet federal certifications and assurance guidelines. MTS already meets the federal guidelines as an eligible recipient of other federal funds.

Recommendation

The grant requirements include submission of a resolution by the Board of Directors authorizing its submittal and project programming. Therefore, staff recommends that the Board approve, by resolution, submission of a grant application and project programming. Caltrans requires that the San Diego Association of Governments certify that it would amend the Regional Transportation Improvement Program in the event of a grant award.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Nancy Dall, 619.557.4537, nancy.dall@sdmts.com

DEC10-09.11.BUS PROG GRANT APPLICATION.NDALL.doc

Attachment: A. Resolution No. 09-26

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 09-26

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

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

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

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

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

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

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

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

PASSED AND ADOPTED, by the Board of Directors this _____ day of ____ 2009, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

Office of the General Counsel
San Diego Metropolitan Transit System

DEC10-09.11.A11A.RESO 09-26.
INTERCITY BUS PROG GRANT.NDALL.doc



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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.

ADM 110.2

December 10, 2009

SUBJECT:

MTS: AMENDMENTS TO POLICY NO. 21 – REVENUE-GENERATING DISPLAY
ADVERTISING, CONCESSIONS, AND MERCHANDISE

RECOMMENDATION:

That the Board of Directors adopt the proposed amendments to MTS Policy No. 21 (Attachment A) regarding revenue-generating display advertising, concessions, and merchandise.

Budget Impact

None.

DISCUSSION:

In an effort to delineate clearer standards for what constitutes acceptable advertising on MTS property and to reduce ambiguities within the current policy, staff is proposing the following changes to Policy No. 21 (Revenue-Generating Display Advertising, Concessions, and Merchandise):

1. Designating MTS Advertising Spaces a Nonpublic Forum
Designating MTS advertising space as a nonpublic forum would allow MTS to place reasonable restrictions on the content of speech allowed on its displays. The changes proposed to Policy No. 21 would allow MTS to restrict advertising to commercial products and services only and would prohibit noncommercial advertising.

2. Restricting the Subject Matter of Proposed Advertising to Commercial Advertising
The current policy allows noncommercial advertisements to be displayed. Allowing noncommercial advertising can be problematic by requiring MTS to make judgment calls regarding the acceptability or offensiveness of the content of certain messages. Limiting MTS advertising space to commercial ads only would eliminate this subjective analysis.
3. Reserving the Right to Allow Exceptions to MTS Policy if MTS Determines that Application of the Policy Would Likely be Unconstitutional in Any Particular Situation
The proposed policy change would allow MTS to be flexible when making decisions without invalidating the entire policy.

All revenue from advertising would be accrued according to MTS policy and allocated during the annual budget process. Therefore, staff recommends adoption of the proposed amendments to Policy No. 21.



Paul C. Jablonski
Chief Executive Officer

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

DEC10-09.12.AMEND POLICY 21.ABOEKAMP.doc

Attachment: A. Proposed MTS Policy No. 21 (Revenue-Generating Display Advertising, Concessions, and Merchandise)



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 San Diego, CA 92101-7490
 619/231-1466
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Policies and Procedures

No. 21

SUBJECT:

Board Approval: ~~2/26/04~~ 12/10/09

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:

It is the policy of the Metropolitan Transit System (MTS) that advertising spaces on MTS property, which includes buses, light rail vehicles, and related transportation facilities, shall constitute a nonpublic forum.

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 The subject matter for all advertising materials displayed on MTS property shall be limited to speech which proposes a commercial

transaction as its primary purpose.

- a. Acceptable advertising must promote for sale, lease, or other financial benefit a product, service, event, or other property interest in primarily a commercial manner for primarily a commercial purpose.

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

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

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

21.1.34 MTS reserves the right to reject any advertisement, ~~commercial or noncommercial~~, that 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.

21.1.45 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.

21.1.56 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. directly or indirectly refers to religion;
- d. is of a political or electoral nature, as determined by MTS;
- ee. 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;
- ef. portrays acts of violence, murder, sedition, terrorism, vandalism, or other acts of violence against persons, animals, or institutions; or
- eg. 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.

- h. depicts, suggests, or refers to alcohol, tobacco, or firearms, which includes promoting or offering in commerce the sale or use of alcohol, tobacco or firearms, or firearms-related products.
- fi. might be interpreted as condoning any type of discrimination; or
- gj. might be interpreted as condoning or soliciting any unlawful act or conduct; or
- k. contains profane language and/or appearance or suggestion of profane language.

21.1.67——No advertisement will be permitted that is in conflict with any applicable federal, state, or local law, statute, or ordinance.

21.1.78——No advertisement will be permitted that contains false or grossly misleading information.

21.1.9 MTS reserves the right to allow exceptions to the policy if MTS determines that application of the policy as written would likely be unconstitutional in any particular situation. ~~No liquor, tobacco, religious, political, or firearms advertisements will be permitted.~~

21.1.910——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~~ noncompliant with this policy will be removed. No refund shall be made for the time such objectionable material was on display.

21.1.101 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.

21.1.142 Advertising industry standard sizes will be used for all advertising treatments.

21.1.123 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.~~

~~21.2.21——For light rail vehicles (LRVs) and 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.~~

~~21.2.32——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. The subject matter and proposed advertisement regarding such event must comply with the provisions set forth under section 21.1 of this policy. 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.~~

~~21.2.43——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:~~

- ~~• The subject matter and proposed advertisement of the noticed event must comply with the provisions set forth under section 21.1 of this policy.~~
- 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.

~~21.2.54——Metropolitan Transit System advertising would be excluded from the 10 percent cap on full-bus advertising formats.~~

21.2.65 ~~_____~~ 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.~~

21.5.32——Contracts for any concession format or related development will be awarded in accordance with existing MTS policies.

21.5.43——During hours of business, concessionaires will provide the public with transit information materials as directed and supplied by MTS or its designated representative.

21.5.54——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.

21.5.65——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.

21.5.76——Concessionaire contracts will include remittance to MTS ~~or its designated operating corporation. Said remittance will be made on a~~ monthly basis and shall include a flat rate, plus percentage of gross revenue, as approved by the MTS Board.

21.5.87——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 All revenue received from any form of advertising shall be accrued according to MTS policy and allocated during the annual budget process. ~~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
DEC10-09.12.AttA.POLICY 21.ABOEKAMP.doc
12/10/09

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.

Policy revised on 12/10/09.

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



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

Agenda

Item No. 25

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

SRTP 830

December 10, 2009

SUBJECT:

MTS: PUBLIC HEARING ON FY 2010 MIDYEAR SERVICE CHANGES
(SHARON COONEY)

RECOMMENDATION:

That the Board of Directors:

1. conduct a public hearing on recommended service adjustments to achieve \$7 million in subsidy savings (as described in Attachments A and B);
2. adopt Resolution No. 09-27, "Findings in Support of Exemption Under the California Environmental Quality Act (CEQA) Related to Proposed Budget-Related Service Adjustments" (Attachment C); and
3. respond to suggestions made by the public and take action (if any) on the package of service adjustments at the next regularly scheduled Board meeting on January 7, 2010.

Budget Impact

If the Board adopts the strategy for reducing FY 2010 subsidies and bridging the FY 2011 budget deficit that staff presents, implementation of the staff-recommended service changes is expected to result in an annual operating subsidy savings of \$7 million.

DISCUSSION:

Declines in Transportation Development Act and TransNet II revenues and lower-than-projected fare revenues have created an FY 2010 deficit projection of \$13 million. While the Supreme Court has ruled that the state's raid of the State Transit Assistance fund was unconstitutional, it is not anticipated that the state will have the resources to comply

with the court ruling in the short term and, therefore, any additional state revenue remains in question for FY 2010 and FY 2011. Most of the FY 2010 operating deficit can be covered by available funds, including federal stimulus funds, natural gas tax credits, and capital budget transfers. However, since the budget shortage is attributable to overall declines in ongoing sources of operating revenue, the deficit is structural and will recur in FY 2011 and future years.

To address the fiscal emergency, a meeting of the Budget Development Committee (BDC) was held on November 5, 2009. Based on BDC recommendation, at its November 12 meeting, the Board of Directors directed staff to hold a public hearing to cover the budget shortfall in part through reductions in service.

The strategy to focus on Sunday service was adopted for several reasons.

1. A previous proposal from last spring to save approximately \$5 million included the total discontinuation of almost a dozen routes, which would adversely affect revenues since passengers on those routes would be likely to stop purchasing monthly passes. Focusing on one day of the week achieves a budget savings without completely eliminating any route. All routes that operate on weekdays and Saturdays would continue to operate six days of the week.
2. Sunday was selected because it is the lowest ridership day of the week. MTS has 274,000 boardings on an average weekday and almost half that (145,000) on an average Sunday. Sunday ridership is concentrated in the midday period with far fewer trips in the morning and later evening, and reductions of span of Sunday service would affect far fewer passengers than on other days of the week.
3. Focusing service reductions on Sunday would make it easier to rebuild the system as the economy improves and revenues gradually return to precrisis levels.
4. Surveys have shown that a greater percentage of trips on Sundays are discretionary than on any other day. These would include trips that, while essential, could be made at a different time or on a different day, such as shopping, social purposes, and recreation. Work and school trips occur at a much higher percentage on weekdays, and Saturdays and are typically less flexible.
5. Sundays have a lower average farebox recovery ratio due primarily to higher discount pass use. Since there is less revenue per hour and mile of service provided, and thus a higher subsidy, it requires fewer reductions to achieve the desired subsidy savings.

The proposed Sunday network was developed using ridership data, surveys, and information collected during the recent Weekend Service Analysis project. A base service of 60-minute frequencies was overlaid on top of the heaviest corridors, determined by ridership data, adjacent land uses, transit connections, and Sunday trip purpose and patterns. The base span of the proposed Sunday service network is approximately 7 a.m. to 7 p.m. covering the period of time when most of current Sunday ridership occurs.

To maximize coverage using the minimum amount of resources possible, most overlapping or nearby services were consolidated. Segments that connect areas served in the new Sunday network but do not significantly enhance coverage were not included. These corridors were constructed into routes that mirror existing routes as much as possible to minimize passenger confusion. Some routes would have minor modifications from their existing path in order to cover the identified network. Additional frequency and span was added on corridors where warranted by demand and up to the level possible to still achieve the \$7 million in subsidy savings. Approximately 2/3 of remaining Sunday routes would operate at 30-minute or better frequency, and about 1/3 would offer later service up to or beyond 10 p.m.

In addition to the proposed revision of the Sunday service network, there are some proposals for major and minor reductions to weekday and Saturday services. Major reductions are defined by the Federal Transit Administration as those that reduce a route's miles or hours by more than 25%. Including their proposed weekday, Saturday, and Sunday changes, only one route would have major service changes:

- Route 880 (premium express service between 4S Ranch, Sorrento Valley, and University City): This service would be changed to operate between 4S Ranch and downtown San Diego discontinuing the service to Sorrento Valley and UTC. The route has been in service since March 2009 and carries fewer than six passengers per trip on average. Pre-implementation surveys showed demand to be evenly split between the current destinations and downtown. The North City areas were chosen to test the viability of a route from the I-15 corridor to these business and high-employment areas. However, there has been little appreciable growth in ridership since implementation and overall passenger levels remain unacceptably low. The route would also operate two round-trips daily instead of its current three round-trips. This change would affect more than 25% of the route's miles and hours. This route is fully subsidized by developer funds dedicated to serving 4S Ranch.

MTS Policy No. 42 also states that any service change affecting more than 25 percent of a route's weekly in-service miles or hours is considered a "major service change" and requires a properly noticed public hearing prior to Board action. Although the changes proposed for only one route meet this criterion, the network impact (particularly on Sundays) is substantial enough that staff noticed a hearing on all of the proposed changes to MTS services. A "Public Hearing Notice" flyer notifying the public of the December 10, 2009, public hearing was posted on board vehicles and on www.sdmts.com.

Details about the proposal are available at:

http://www.sdmts.com/Marketing/PublicHearingTakeOne_Dec1009.asp

A public notice was also posted in a newspaper of general circulation as required by Board policy. Interested parties are requested to contribute their comments in the public hearing process. In addition to the testimony received at the hearing itself, there is an opportunity to comment in advance via mail, e-mail, on-line survey, or telephone voice mail. Finally, 18 outreach events were held throughout the MTS jurisdiction at transit centers and facilities.

Finding of Fiscal Emergency

Pursuant to California Public Resources Code (PRC) section 21080.32, subdivisions (d)(1) and (2), MTS staff has determined that a fiscal emergency exists that is caused by the failure of MTS revenues to adequately fund agency programs and facilities within the meaning of PRC section 21080.32(d)(1). Details of the findings are related in Attachments C and D.


Title VI Analysis

Recent Federal Transit Administration guidance for Title VI of the federal Civil Rights Act and related federal regulations provides for an analysis to be done to determine if there is a discriminatory impact on people of limited means or minority racial groups prior to the implementation of major service changes. Agencies are required to perform a self-assessment. MTS staff has conducted the self-assessment using a template provided by the FTA. The report for these proposals for service adjustments is attached (Attachment E).

Based on its analysis, staff concluded that the major service changes proposed for Board approval could have a disproportionate adverse effect on minority and low-income populations. However, while there could be some impact to minority and low-income passengers, this is mitigated by the existence of another local route (Route 921) that serves the Sorrento Valley and UTC areas and follows nearly the same path between the two as Route 880.

Next Steps

MTS will respond to suggestions made by the public at this hearing at the next regularly scheduled MTS Board meeting on January 7, 2010. The Board will take action (if any) on service adjustments at that meeting.


Paul C. Jablonski
Chief Executive Officer

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

DEC10-09.25.FY 10 MIDYEAR SVC CHGS.SCOONEY.doc

Attachments: A. Proposed Budget-Related Service Adjustments for February 2010 Implementation
B. Public Hearing Notice (front page)
C. Resolution No. 09-27
D. Memo Regarding MTS Fiscal Emergency
E. Title VI Analysis (Environmental Justice and LEP)
F. Memo from Councilmember Todd Gloria dated 12/1/09 Regarding Staff Proposal
G. Transcription of Public Comments Received (**provided the day of Public Hearing**)

WEEKDAY PROPOSED CHANGES: Mostly minor reductions with low passenger impacts.

Route	Change summary	Annual Subsidy Savings
2	Reduce to 15-min. midday frequency; move Dwtm terminal to America Plaza.	\$326,777
20	Disc. midday express trips betw. dwtn & K. Mesa; and 60-min. north of Mira Mesa.	\$371,996
30	Discontinue service between Dwtm and Old Town after 7pm.	\$263,949
50	Reduce several trips at the periphery of the rush hours.	\$183,918
150	Minor scheduling efficiencies due to Route 50 reductions.	\$16,908
210	Move Dwtm terminal to America Plaza.	\$31,511
854	Every other trip runs directly between Amaya Trolley & Grossmont Coll., via SR-125.	\$58,943
860	Discontinue the last northbound trip.	\$29,979
874/875	No service to Granite Hills after 6pm.	\$12,269
880	Reroute to Dwtm instead of Sorrento Valley & UTC, with 2 roundtrips instead of 3.	\$0
906/907	New loop route (Iris Trolley-San Ysidro) replaces southern end of Routes 929, 932.	(\$1,259,445)
916/917	Discontinue half hour north side overlay except during peak hours.	\$103,480
929	Service south of Iris replaced by new Rt. 906/907. Move Dwtm terminal to City Coll.	\$737,996
932	Service south of Iris replaced by new Rt. 906/907.	\$612,549
992	Discontinue two last round trips at night.	\$19,666
Blue	Reduce span of peak to end earlier in the AM and start later in the PM.	\$321,785
Blue	End last four trips at America Plaza instead of Old Town.	
TOTAL WEEKDAY		\$1,832,280

SATURDAY PROPOSED CHANGES: Frequencies reduced on many core routes; routes shortened where possible.

Route	Change summary	Annual Subsidy Savings
2	Reduce to 20-min. frequency.	\$64,686
3	Discontinue first southbound half-trip.	\$1,585
7	Reduce to 15-min. frequency.	\$79,879
8.9	Reduce to 30-min. frequency during the non-summer months.	\$50,053
10	Reduce to 20-min. frequency and move eastern terminal to the City Hts. Transit Plaza.	\$101,103
11	Reduce to 30-min. frequency.	\$144,748
15	Reduce to 20-min. frequency.	\$102,147
20	Reduce to 60-min. frequency north of Fashion Valley.	\$76,739
27	Reduce to 90-min. frequency and move Kearny Mesa terminal to Balboa/Convoy.	\$21,894
30	Operate between Old Town and the VA Hospital only (extend to UTC after 10pm).	\$133,736
41	Move northern terminal to UTC instead of UCSD.	\$53,665
88	Reduce to 60-min. frequency.	\$32,397
105	Reduce to 60-min. frequency and move northern terminal to Clairemont Square.	\$108,634
874/875	Reduce to 60-min. frequency, and discontinue service to Granite Hills.	\$63,760
901	Reduce to 60-min. frequency between 6pm and 7pm.	\$10,856
906/907	New loop route (Iris Trolley-San Ysidro) replaces southern end of Routes 929, 932.	(\$187,978)
929	Service south of Iris Trolley is replaced by new Route 906/907.	\$92,129
932	Service south of Iris Trolley is replaced by new Route 906/907.	\$92,039
955	Discontinue two early morning half-trips.	\$2,189
967/968	Reduce to 120-min. frequency.	\$29,710
992	Reduce to 30-min. frequency and discontinue two last round trips at night.	\$46,177
Blue	End last four trips at America Plaza instead of Old Town.	\$9,224
TOTAL SATURDAY		\$1,129,372

SUNDAY PROPOSED SERVICE NETWORK: Most service is hourly, some critical corridors more frequent; some routes slightly restructured for better coverage or connections; span is generally 6am-7pm, select corridors operate later.

Route	Current Frequency	Proposed Frequency	Current Span	Proposed Span	Routing change summary
1	30	30	6am-12mid	7am-8pm	Move eastern terminal to Dwtn La Mesa (no Grossmont or Amaya).
2	20	30	430am-1am	6am-10pm	Extend east on Adams Ave. through Normal Heights.
3	30	60	530am-1130pm	6am-8pm	Move western terminal to City College (no Bankers Hill or Hillcrest).
4	30	60	6am-1130pm	7am-7pm	No routing changes proposed.
5	30	30	5am-930pm	6am-8pm	No routing changes proposed.
6	30	----	630am-1030pm	----	Route would not operate on Sundays.
7	15	20	5am-2am	6am-12mid	Operate between City College and 69th only (no Broadway or La Mesa).
8/9	20	30	530am-1230am	6am-8pm	Operate between Old Town, Sea World, and Mission Blvd only.
10	20	30	5am-1230am	6am-8pm	Move eastern terminal to the City Hts. Transit Plaza.
11	30	30	5am-12am	6am-8pm	Operate between Euclid Trolley & Dwtn (1st/Broadway) only.
13	30	60	530am-10pm	6am-8pm	Change to Plaza Blvd. & D Ave. instead of 18th St. (National City).
15	20	30	5am-1am	6am-12mid	Move Dwtn terminal to City College.
20B	30/60	60	530am-10pm	6am-8pm	Add service to Kearny Villa Rd. between Balboa and Clairemont Mesa.
27	60	----	6am-830pm	----	Route would not operate on Sundays.
28	30	60	6am-11pm	6am-8pm	No routing changes proposed.
30	30	30	5am-130am	6am-11pm	Operate between Old Town and VA Medical Center only (no Dwtn or UTC).
35	30	30	630am-11pm	7am-8pm	Shortline of current route at Newport.
41	30	30	6am-11pm	6am-8pm	Serve central Linda Vista and move northern terminal to UTC (no UCSD).
44	30	60	6am-12mid	6am-8pm	Extend to serve Health Center Dr. (Sharp Hospital).
88	60	----	630am-9pm	----	Route would not operate on Sundays.
105	60	60	630am-9pm	6am-7pm	Move northern terminal to Clairemont Square; route change in Bay Park.
115	60	----	630am-9pm	----	Route would not operate on Sundays.
120	30	30	530am-1030pm	6am-10pm	Operate only between Broadway and Fashion Valley (no Kearny Mesa).
201/202	15	15	6am-1030pm	6am-1030pm	No changes proposed.
701	60	----	630am-930pm	----	Route would not operate on Sundays.
704	60	----	7am-930pm	----	Route would not operate on Sundays.
705	60	----	730am-730pm	----	Route would not operate on Sundays.
711	30	60	630am-930pm	7am-7pm	New route combines parts of 701, 704, 709 & 712 to serve E. Chula Vista.
712	60	----	630am-9pm	----	Route would not operate on Sundays.
815	30	60	530am-830pm	7am-6pm	No routing changes proposed.
832	60	----	9am-530pm	----	Route would not operate on Sundays.
833	60	----	9am-530pm	----	Route would not operate on Sundays.
845	60	----	730am-630pm	----	Route would not operate on Sundays.
848	60	----	7am-10pm	----	Route would not operate on Sundays.
854	60	----	8am-930pm	----	Route would not operate on Sundays.
855	60	----	6am-930pm	----	Route would not operate on Sundays.
856	60	----	530am-10pm	----	Route would not operate on Sundays.
864	30	60	5am-11pm	7am-6pm	Move east terminal to East Main & Broadway (no Alpine).
872A	----	----	8am-530pm	----	Route would not operate on Sundays.
874/875	30	60	630am-10pm	7am-6pm	No service to Granite Hills.
901	30	60	5am-230pm	6am-8pm	Operate only between 12th/Imperial and Coronado City Hall.
904	60	----	10am-630pm	----	Route would not operate on Sundays.
905	60	----	530am-7pm	----	Route would not operate on Sundays.
906/907	---	60	----	6am-8pm	New loop route replaces southern end of Routes 929, 932.
916/917	60	----	6am-930pm	----	Route would not operate on Sundays.
921	60	----	7am-8pm	----	Route would not operate on Sundays.
923	60	----	6am-7pm	----	Route would not operate on Sundays.
928	60	----	630am-930pm	----	Route would not operate on Sundays.
929	20	20	5am-3am	6am-11pm	Operate only between Iris Ave. and 8th St. Trolley (National City).
932	20	60	430am-1am	6am-8pm	Operate only between Iris Ave. and E St. Trolley (Chula Vista).
933/934	30	60	530am-130am	6am-8pm	Discontinue Satellite/Iris loop south of Coronado Ave
936	30	30	530am-11pm	6am-8pm	No routing changes proposed.
955	30	30	5am-12mid	6am-8pm	No routing changes proposed.
961	60	60	7am-8pm	6am-8pm	Operate only 24th St. Trolley and Plaza Bonita.
962	60	----	7am-730pm	----	Route would not operate on Sundays.
965	45	----	7am-730pm	----	Route would not operate on Sundays.
967	120	----	7am-730pm	----	Route would not operate on Sundays.
968	120	----	8am-7pm	----	Route would not operate on Sundays.
992	15	30	5am-1230am	6am-11pm	No routing changes proposed.
Blue	15	15	430am-2am	430am-2am	End last four trips at America Plaza instead of Old Town.
Orange	15	30	530am-1230am	6am-10pm	Reduce freq to 30 min.
Green	15	30	430am-1am	6am-10pm	Reduce freq to 30 min.
TOTAL SUNDAY SUBSIDY SAVINGS				\$4,082,227	



Cambios propuestos

Puesto hasta 11 Diciembre 2009



Proposed Changes

Post until December 11, 2009

Aviso de audiencia pública

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

MTS debe reducir su presupuesto de operaciones debido a la perdida de financiamiento estatal de ayuda al tránsito e ingresos fiscales menores. Casi la mitad del presupuesto de operaciones de MTS proviene de impuestos sobre las ventas y otros subsidios gubernamentales. En los últimos tres años, estos ingresos han disminuido por más de 43 millones de dólares. Para equilibrar sus presupuestos, MTS ha aumentado sus tarifas, aumentado sus ingresos de publicidad, reducido servicio, eliminado aproximadamente el 20 por ciento de todos los puestos ejecutivos y reducido los costos internos. Desafortunadamente los impuestos sobre las ventas siguen disminuyendo y MTS debe reducir su costo de operaciones reduciendo sus servicios una vez más.

RESUMEN DE REDUCCIONES PROPUESTAS PARA EL SERVICIO

En lugar de aumentar las tarifas o precios de los pases, la junta directiva de MTS considerará una propuesta el día 10 de diciembre para reducir la totalidad de servicios de tránsito, principalmente los domingos. Esto incluirá la reducción de frecuencia en las rutas del día domingo y la eliminación de varias rutas dominicales. Un mapa al dorso de este aviso al pasajero muestra la nueva red propuesta para los servicios dominicales de MTS. La propuesta también incluirá algunas reducciones en servicio sabatino, principalmente en frecuencia y longitud, y otros ajustes al servicio de entre semana.

Las metas de la propuesta son mantener una red central de servicio entre semana y los sábados, retener servicio en las rutas principales los domingos, y afectar a la menor cantidad de pasajeros posible. La cantidad de pasajeros los domingos es aproximadamente la mitad que en los días de entre semana. **Si es aprobado por la junta directiva de MTS, estos cambios entrarían en vigor a partir 28 de febrero 2010.**

MTS BUSCA SU OPINIÓN

El público está invitado a aportar su opinión sobre cualquiera de las propuestas detalladas a continuación. La junta directiva de MTS considerará todo el aporte público antes de tomar una decisión. Hay varias maneras para aportar comentarios:

- Testimonio público en la **AUDIENCIA PÚBLICA, Jueves, 10 diciembre del 2009, 9:00 a.m.**
1255 Imperial Avenue, décimo piso (en el centro de transito 12th/Imperial), San Diego, CA 92101
- Línea directa telefónica: (619) 595-4912 (correo de voz)
- Correo electrónico: **mts.planning@sdmts.com**
- Correo postal: **MTS Public Hearing Comments**, 1255 Imperial Avenue, Suite 1000, San Diego, CA 92101

CAMBIOS PROPUESTOS A LA RED DE SERVICIOS MTS

Detalles y cualquier actualización estarán disponibles en nuestro sitio web en **www.sdmts.com**.

DÍAS DE ENTRE SEMANA	
Aquellas rutas no nombradas no tienen cambios propuestos en los días de entre semana.	
RUTA	CAMBIOS PROPUESTOS
2	La frecuencia de mediodía sería reducida de 12 a 15 minutos y la terminal del centro sería trasladada a America Plaza (igual que la terminal actual durante los fines de semana) en lugar de Ash St./Harbor Dr.
20	Los viajes directos de mediodía entre el centro y Kearny Mesa serían discontinuados. También, el servicio de mediodía al norte de Mira Mesa sería reducido a cada hora. El servicio de hora pico no se vería afectado.
30	La terminal sur sería trasladada a Old Town solamente después de las 7 p.m.
50	Varios viajes en cada dirección de la ruta 50 serían discontinuados. El servicio de mediodía se mantendría cada hora, pero algunos servicios, de la hora pico cambiaría de cada 15 minutos a cada 30 minutos.
210	La terminal del centro se trasladaría a America Plaza en lugar de Ash St./Harbor Dr.
854	La frecuencia sería reducida a cada 60 minutos.
860	Sería discontinuaría el último viaje en la dirección hacia al norte de la tarde.
874/875	El servicio al área de Granite Hills sería discontinuado después de las 6 pm.
880	La ruta cambiaría para servir al centro en lugar de Sorrento Valley y UTC.
916/917	La frecuencia sería reducida a cada 60 minutos en toda la ruta.
929	La terminal del centro se cambiaría a la estación de trolley de City College (igual que la terminal actual durante los fines de semana).
992	El servicio sería discontinuado después de las 11 pm.
Blue Line	El servicio de hora pico sería reducido por dos viajes durante las mañanas y en las tardes. También, el servicio nocturno entrando/saliendo de Old Town sería reducido (el último viaje en dirección sur saliendo de Old Town sería aproximadamente a la medianoche).

SÁBADOS	
Las reducciones sabatinas serían principalmente la frecuencia de servicio, aunque algunas rutas serían reducidas. La lista a continuación incluye los cambios propuestos para los sábados (aquellas rutas no nombradas no tienen cambios propuestos):	
RUTA	CAMBIOS PROPUESTOS
2	La frecuencia sería reducida a cada 20 minutos.
7	La frecuencia sería reducida a cada 15 minutos.
8/9	La frecuencia sería reducida a cada 30 minutos, excepto durante el verano.
10	La frecuencia sería reducida a cada 20 minutos y la terminal este sería trasladada a la terminal de tránsito de City Heights (avenida University en la autopista 15).
11	La frecuencia sería reducida a cada 30 minutos.
15	La frecuencia sería reducida a cada 20 minutos.
20B	El servicio al norte de Fashion Valley sería reducido a una frecuencia de cada hora.
27	El servicio operaría aproximadamente cada 90 minutos, entre Pacific Beach y la calle Convoy solamente.
30	La terminal sur sería trasladada a Old Town. También, la terminal norte sería trasladada al centro médico VA. El servicio de la ruta 30 continuaría a UTC después de las 10 p.m. solamente.
41	La terminal norte sería trasladada al centro de tránsito de UTC.
88	La frecuencia sería reducida a cada 60 minutos.
105	La frecuencia sería reducida a cada 60 minutos y la terminal norte sería trasladada a Clairemont Square. El servicio de la ruta 105 al norte de Clairemont Mesa Blvd. sería discontinuado en los sábados.
874/875	La frecuencia sería reducida a cada 60 minutos y el servicio al área de Granite Hills sería discontinuado.
955	Algunos viajes se reducirían, por la mañana y por las tardes.
967/968	La frecuencia sería reducida a cada dos horas.
992	La frecuencia sería reducida a cada 30 minutos y el servicio sería discontinuado después de las 11 pm.

Consulte al reverso para las propuestas del domingo ➡

Public Hearing Notice

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

MTS must reduce its operating budget due to a loss of State Transit Assistance funding and lower tax revenues. Almost half of the MTS operating budget comes from sales tax and other government subsidies. Over the past three years, this revenue has dropped by more than \$43 million. To balance its budgets, MTS has increased fares, increased advertising revenues, reduced service, eliminated about 20 percent of all management positions and reduced internal costs. Unfortunately sales tax revenues continue to drop and MTS must again reduce its operating costs by reducing its services.

SUMMARY OF PROPOSED SERVICE REDUCTIONS

Rather than raise fares or pass prices, the MTS Board of Directors will consider a proposal on December 10 to reduce the overall scope of transit services, primarily on Sunday. This will include the reduction of frequency on Sunday routes and the elimination of many Sunday routes. A map on the reverse side of this Rider Alert shows the proposed new Sunday network for MTS services. The proposal will also include some reductions in Saturday service, primarily to route frequencies and length, and some additional adjustments to weekday service.

The goals of the proposal are to maintain the core network of weekday and Saturday service, retain service on the major corridors on Sunday, and impact as few riders as possible. Ridership on Sundays is about one-half that of weekdays. **If approved by the MTS Board of Directors, these changes would take effect starting February 28, 2010.**

MTS WANTS YOUR INPUT

Members of the public are invited to provide input on any of the proposals detailed below. The MTS Board of Directors will consider all public input prior to making a decision. There are several ways to provide comments:

- Public Testimony at the **PUBLIC HEARING, Thursday, December 10, 2009, 9:00 a.m.:**
1255 Imperial Avenue, 10th Floor (@ the 12th/Imperial Transit Center), San Diego, CA 92101
- Telephone Hotline: (619)595-4912 (voice mail)
- E-mail: **mts.planning@sdmts.com**
- U.S. Mail: **MTS Public Hearing Comments**, 1255 Imperial Avenue, Suite 1000, San Diego, CA 92101

PROPOSED CHANGES TO MTS NETWORK OF SERVICES

Details and any updates will be available on our website at **www.sdmts.com**.

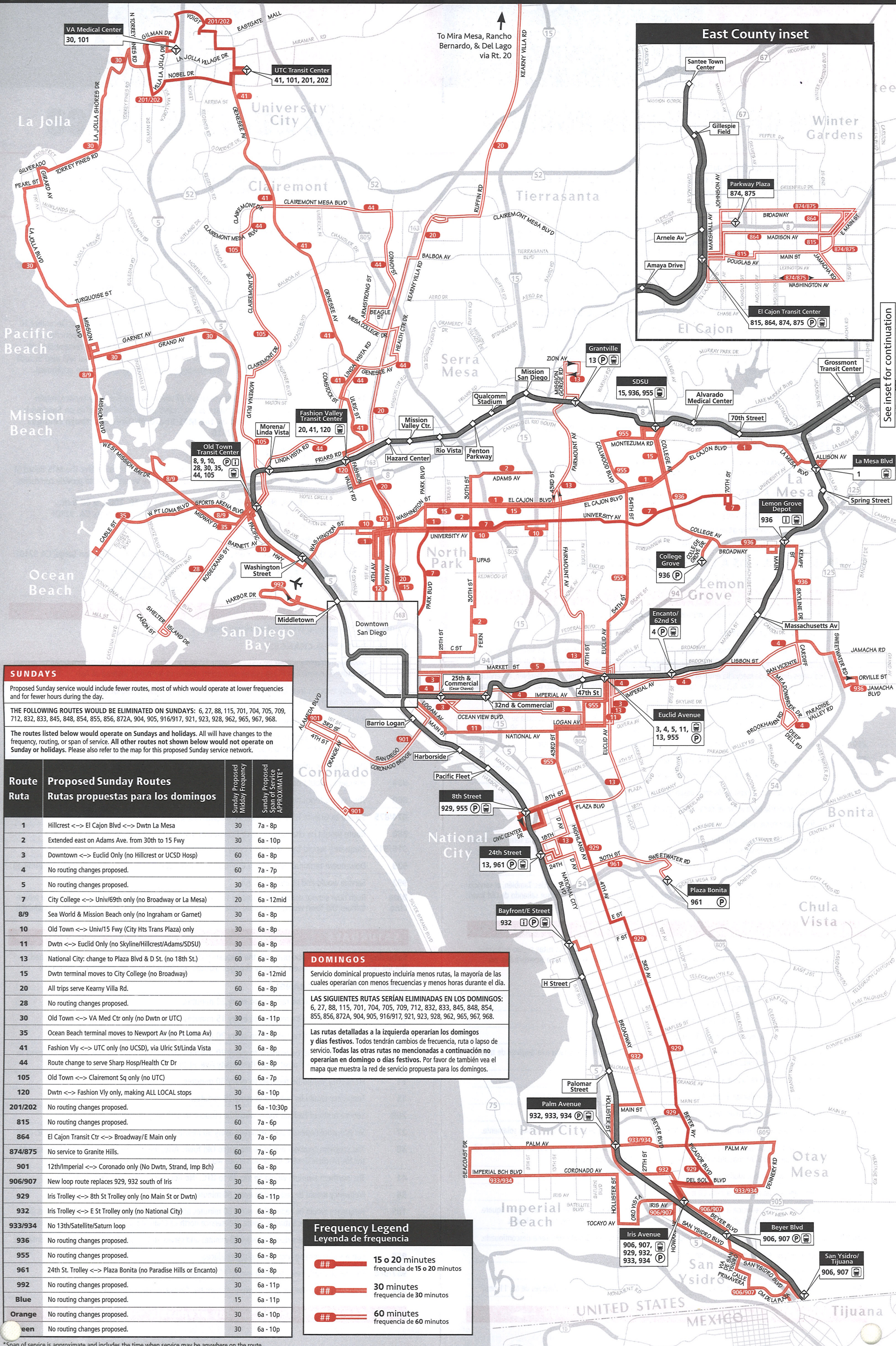
WEEKDAYS	
Routes not listed have no proposed weekday changes:	
ROUTE	PROPOSED CHANGES
2	Midday frequency would be reduced from 12 to 15 minutes, and the downtown terminal would be moved to America Plaza (same as current weekend terminal) instead of Ash St./Harbor Dr.
20	Midday express trips between Downtown and Kearny Mesa would be discontinued. Also, midday service north of Mira Mesa would be reduced to hourly. Rush hour service not affected.
30	Route would be shortened at Old Town after 7 pm (no Rt 30 to downtown at night).
50	Several trips in each direction of Route 50 would be discontinued. Midday service would still be hourly, but some rush hour service would change from 15 minute to 30 minute frequency.
210	Downtown terminal would be moved to America Plaza instead of Ash St./Harbor Dr.
854	Frequency would be reduced to every 60 minutes.
860	The last northbound trip of the evening would be discontinued.
874/875	Service to Granite Hills area would be discontinued after 6 pm.
880	Route would be changed to serve Downtown instead of Sorrento Valley and UTC.
916/917	Frequency would be reduced to every 60 minutes on the entire route.
929	Downtown terminal changed to City College Trolley Station (same as current weekend terminal).
992	Service would end at approx. 11 pm.
Blue Line	Rush hour service would be reduced by two trips each in the morning and afternoon. Also, late service to/from Old Town would be reduced (last southbound departure would be approximately 12 midnight).

SATURDAYS	
Saturday reductions would be primarily the frequency of service, but some routes would be shortened. The list below includes proposed Saturday changes (routes not listed have no proposed changes):	
ROUTE	PROPOSED CHANGES
2	Frequency would be reduced to every 20 minutes.
7	Frequency would be reduced to every 15 minutes.
8/9	Frequency would be reduced to every 30 minutes except during summer.
10	Frequency would be reduced to every 20 minutes and the eastern terminal would be moved to the City Heights Transit Plaza (University Ave. at the 15 freeway).
11	Frequency would be reduced to every 30 minutes.
15	Frequency would be reduced to every 20 minutes.
20B	Service north of Fashion Valley would be reduced to an hourly frequency.
27	Service would operate approximately every 90 minutes, between Pacific Beach and Convoy St. only.
30	The southern terminal would be moved to Old Town. Also, the northern terminal would be moved to the VA Medical Center. Route 30 service would continue to UTC only after 10pm.
41	The northern terminal would be moved to UTC. (No Route 41 Saturday service to UCSD).
88	Frequency would be reduced to every 60 minutes.
105	Frequency would be reduced to every 60 minutes and the northern terminal would be moved to Clairemont Square. Saturday Route 105 service north of Clairemont Mesa Bl. would be discontinued.
874/875	Frequency would be reduced to every 60 minutes and service to Granite Hills area would be discontinued.
955	Some early morning and evening trips reduced.
967/968	Frequency would be reduced to every 120 minutes on each route.
992	Frequency would be reduced to every 30 minutes. Service would end at approx. 11 pm.

See other side for Sunday proposals ➡

PROPOSED SUNDAY SERVICE MAP

(Routes not shown would not operate on Sundays)



SUNDAYS

Proposed Sunday service would include fewer routes, most of which would operate at lower frequencies and for fewer hours during the day.

THE FOLLOWING ROUTES WOULD BE ELIMINATED ON SUNDAYS: 6, 27, 88, 115, 701, 704, 705, 709, 712, 832, 833, 845, 848, 854, 855, 856, 872A, 904, 905, 916/917, 921, 923, 928, 962, 965, 967, 968.

The routes listed below would operate on Sundays and holidays. All will have changes to the frequency, routing, or span of service. All other routes not shown below would not operate on Sunday or holidays. Please also refer to the map for this proposed Sunday service network.

Route Ruta	Proposed Sunday Routes Rutas propuestas para los domingos	Sunday Proposed Midday Frequency	Sunday Proposed Span of Service APPROXIMATE*
1	Hillcrest <=> El Cajon Blvd <=> Dwn La Mesa	30	7a - 8p
2	Extended east on Adams Ave. from 30th to 15 Fwy	30	6a - 10p
3	Downtown <=> Euclid Only (no Hillcrest or UCSD Hosp)	60	6a - 8p
4	No routing changes proposed.	60	7a - 7p
5	No routing changes proposed.	30	6a - 8p
7	City College <=> Univ/69th only (no Broadway or La Mesa)	20	6a - 12mid
8/9	Sea World & Mission Beach only (no Ingraham or Garnet)	30	6a - 8p
10	Old Town <=> Univ/15 Fwy (City Hts Trans Plaza) only	30	6a - 8p
11	Dwtn <=> Euclid Only (no Skyline/Hillcrest/Adams/SDSU)	30	6a - 8p
13	National City: change to Plaza Blvd & D St. (no 18th St.)	60	6a - 8p
15	Dwtn terminal moves to City College (no Broadway)	30	6a - 12mid
20	All trips serve Kearny Villa Rd.	60	6a - 8p
28	No routing changes proposed.	60	6a - 8p
30	Old Town <=> VA Med Ctr only (no Dwtn or UTC)	30	6a - 11p
35	Ocean Beach terminal moves to Newport Av (no Pt Loma Av)	30	7a - 8p
41	Fashion Vly <=> UTC only (no UCSD), via Ulric St/Linda Vista	30	6a - 8p
44	Route change to serve Sharp Hosp/Health Ctr Dr	60	6a - 8p
105	Old Town <=> Clairemont Sq only (no UTC)	60	6a - 7p
120	Dwtn <=> Fashion Vly only, making ALL LOCAL stops	30	6a - 10p
201/202	No routing changes proposed.	15	6a - 10:30p
815	No routing changes proposed.	60	7a - 6p
864	El Cajon Transit Ctr <=> Broadway/E Main only	60	7a - 6p
874/875	No service to Granite Hills.	60	7a - 6p
901	12th/Imperial <=> Coronado only (No Dwtn, Strand, Imp Bch)	60	6a - 8p
906/907	New loop route replaces 929, 932 south of Iris	30	6a - 8p
929	Iris Trolley <=> 8th St Trolley only (no Main St or Dwtn)	20	6a - 11p
932	Iris Trolley <=> E St Trolley only (no National City)	30	6a - 8p
933/934	No 13th/Satellite/Saturn loop	30	6a - 8p
936	No routing changes proposed.	30	6a - 8p
955	No routing changes proposed.	30	6a - 8p
961	24th St. Trolley <=> Plaza Bonita (no Paradise Hills or Encanto)	60	6a - 8p
992	No routing changes proposed.	30	6a - 11p
Blue	No routing changes proposed.	15	6a - 11p
Orange	No routing changes proposed.	30	6a - 10p
Green	No routing changes proposed.	30	6a - 10p

DOMINGOS

Servicio dominical propuesto incluiría menos rutas, la mayoría de las cuales operarían con menos frecuencias y menos horas durante el día.

LAS SIGUIENTES RUTAS SERÍAN ELIMINADAS EN LOS DOMINGOS:
6, 27, 88, 115, 701, 704, 705, 709, 712, 832, 833, 845, 848, 854, 855, 856, 872A, 904, 905, 916/917, 921, 923, 928, 962, 965, 967, 968.

Las rutas detalladas a la izquierda operarían los domingos y días festivos. Todos tendrían cambios de frecuencia, ruta o lapso de servicio. Todas las otras rutas no mencionadas a continuación no operarían en domingo o días festivos. Por favor de también vea el mapa que muestra la red de servicio propuesta para los domingos.

Frequency Legend
Leyenda de frecuencia

15 o 20 minutos
frecuencia de 15 o 20 minutos

30 minutos
frecuencia de 30 minutos

60 minutos
frecuencia de 60 minutos

*Span of service is approximate and includes the time when service may be anywhere on the route.
Lapso de servicio que se muestra es aproximado e incluye el tiempo cuando el servicio pueda estar en cualquier parte de la ruta.

WHEREAS, it has been established and made clear in the reports and prior public hearings that MTS must take immediate action to remediate the budget shortfall and to address the lack of funding; NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that MTS makes the following findings:

1. MTS has determined that a fiscal emergency exists, which is caused by the failure of MTS revenues to adequately fund agency programs and facilities within the meaning of California Public Resources Code section 21080.32, subdivision (d)(1).
2. MTS is projected to have negative working capital within one year from the date of the instant finding of a fiscal emergency as determined by adding together all unrestricted cash, unrestricted short-term investments, and unrestricted short-term accounts receivable and then subtracting unrestricted accounts payable. Employee retirement funds, including Internal Revenue Code section 457 deferred compensation plans and Section 401(k) plans, health insurance reserves, bond-payment reserves, and workers' compensation reserves are not factored into the formula for working capital as specified in Public Resources Code section 21080.32, subdivision (d)(2).
3. The MTS Finance Department has reviewed these findings and validated that a fiscal emergency exists.
4. MTS has scheduled a public hearing to occur on ***December 10, 2009, at 9:00 a.m., at Metropolitan Transit System located at 1255 Imperial Avenue, 10th Floor, San Diego, California 92101***. MTS shall consider service adjustments as detailed in Attachment A to MTS Agenda Item No. 25 on December 10, 2009, including, but not limited to, the reduction and/or elimination of the aforementioned routes based on the existing fiscal emergency and absence of funding. The public hearing is being conducted in compliance with Public Resources Code section 21080.32, subdivision (d)(1).
4. MTS shall respond to suggestions made by the public at its next regularly scheduled public meeting as mandated in Public Resources Code section 21080.32, subdivision (d)(1).

PASSED AND ADOPTED, DETERMINED, AND ORDERED this ____ day of December 2009 by the following vote.

AYES:

NAYS:

ABSENT:

ABSTAINING:

PUBLIC HEARING
Att. C, AI 25, 12/10/09

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System
System

Office of the General Counsel
San Diego Metropolitan Transit

DEC10-09.25.AttC.RESO 09-27.SVC ADJ.SCOONEY.DOC



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

Memorandum

DATE: November 25, 2009
TO: Paul Jablonski, Chief Executive Officer
FROM: Cliff Telfer, Chief Financial Officer
SUBJECT: MTS Fiscal Emergency

As of today, November 25, 2009, MTS is qualified to issue a "fiscal emergency" based upon the California Public Resources Code (CPRC) Section 21080.32(d):

(2) For purposes of this subdivision, "fiscal emergency," when applied to a publicly owned transit agency, means that the agency is projected to have negative working capital within one year from the date that the agency makes the finding that there is a fiscal emergency pursuant to this section. Working capital shall be determined by adding together all unrestricted cash, unrestricted short-term investments, and unrestricted short-term accounts receivable and then subtracting unrestricted accounts payable. Employee retirement funds, including Internal Revenue Code Section 457 deferred compensation plans and Section 401(k) plans, health insurance reserves, bond payment reserves, workers' compensation reserves, and insurance reserves, shall not be factored into the formula for working capital.

As outlined in the above definition, the below table indicates MTS' current and forecasted working capital position over the next two months. MTS's working capital is projected to become negative in December 2009.

San Diego Metropolitan Transit System Working Capital Analysis In Millions \$	
<u>November</u>	<u>December</u>
\$6.2	(\$0.5)
* Includes all unrestricted cash, investments and accounts receivable less unrestricted accounts payables.	

Concluding, the table above indicates MTS is projected to have negative working capital by December 2009 and based upon the CPRC Section 21080.32(d), MTS qualifies to issue a "fiscal emergency."

DEC10-09.25.AtlD.FISCAL EMERG.SVC ADJ.SCOONEY.DOC

San Diego Metropolitan Transit System
Title VI, Environmental Justice, and Limited English Proficiency
Analysis of Proposed Changes to Premium Express Route 880

In March 2009 the San Diego Metropolitan Transit System (MTS) began a new Premium Express route serving the 4S Ranch, Rancho Bernardo, Mira Mesa, Sorrento Valley, and University Towne Center (UTC) areas. Funding for the route was provided by mitigation funding from the developers of 4S Ranch (4S Kelwood), and the funding is required to be spent on transit improvements for 4S Ranch residents.

At that time, using surveys and demand analysis, MTS determined the most cost-effective use of the funds, for both 4S Ranch residents and residents of the greater San Diego area, was to establish the aforementioned express route. However, use of the route has been poor (fewer than six passengers per trip) and staff proposes to alter the routing. The current Route 880 operates three AM peak trips from 4S Ranch and three PM peak trips to 4S Ranch. The adjusted route would operate two round trips daily and serve Downtown San Diego, a market that surveys indicated would be of equal interest as a destination for 4 S Ranch residents. The 4 S Ranch community currently does not have access to the Downtown San Diego area via transit. This change would affect more than 25 percent of the route's miles.

This Title VI analysis addresses the proposed new route, which will be presented to the MTS Board of Directors on December 10, 2009. The route will be considered a pilot project, and is subject to service reductions or discontinuation if it is under-utilized or over budget.

1) What service and/or fare changes does MTS propose? Please describe the nature of the change, the bases or rationale for the change, the modes of service impacted, and the communities affected by the change.

MTS proposes adjusting Route 880 to provide express service between 4S Ranch and downtown San Diego.

Nature of Change: It is proposed that Route 880 be adjusted to serve downtown San Diego. This change would discontinue this Route's service to Mira Mesa, Sorrento Valley and University Towne Center (UTC) areas. One round trip will also be discontinued.

Basis for Change: The developers of 4S Ranch provided developer mitigation funding to be used for 4S Ranch transit purposes. After surveying the community, and assessing regional travel patterns, an express route to Sorrento Valley and UTC was determined to be the best use of the funds. However, operation of this pilot has demonstrated poor demand for the current routing. Since the surveys showed equal interest in the 4S community for the downtown destination, MTS is proposing to reroute the service to try to develop greater route productivity.

Mode of Service Impacted: Motorbus

Communities Affected: 4S Ranch, Rancho Bernardo, Mira Mesa, Sorrento Valley, University Towne Center (UTC), Downtown San Diego.

2) What are the impacts of the service changes on minority and/or low income communities?

Route changes. An analysis was completed to assess the potential impacts on low-income and minority communities by comparing the percentage of census tracts considered low-

income and minority (2000 U.S. Census) through which the route will travel to the entire MTS service area average. The results are shown in the figure below. A map is included as an attachment.

Figure 1:

LOW-INCOME AND/OR MINORITY (LIM) TOTAL						
	CENSUS TRACTS SERVED			LIM POPULATION IN CENSUS TRACTS SERVED		
	LIM	TOTAL	PCT LIM	LIM	TOTAL	PCT LIM
Route 880	2	6	33%	9,646	25,568	38%
MTS SERVICE AREA	205	452	45%	1,045,459	2,017,735	52%

3) What are the transit alternatives available for riders who would be impacted by proposed service changes?

Funding for this route may only be used to fund transit services for residents of 4S Ranch pursuant to the development permit. Under the proposed change, the 4S Ranch community could use the re-designed Route 880 to access the Rancho Bernardo Transit Station, transfer to Route 20 there, and then transfer to Route 921 in Mira Mesa. The community of Mira Mesa will continue to have better service to Sorrento Valley and UTC via the existing Route 921, which operates every 30 minutes from 6:00 a.m. to 8:00 p.m.

4) What, if any measures would MTS take to avoid, minimize, or mitigate any adverse effects of the service and/or fare change on minority and low-income populations? What, if any enhancements or offsetting benefits would MTS implement in conjunction with the service and/or fare change?

The route will benefit low-income and minority populations. There should be minimal noise impacts to residential areas, as the route will operate along already well-traveled corridors. The greatest impact of the change will be felt by those 4 S Ranch residents who currently use the service to gain access to Sorrento Valley and UTC. However, 4 S Ranch is not a LIM community.

5) Would the proposed service and/or fare change have a disproportionately high and adverse effect on minority and low-income populations?

While a straight analysis of the census tracts through which Route 880 runs would show a disproportionately high impact overall, this would be misleading. The community of Mira Mesa, which does have an 880 stop and which would not be served by Route 880 if the proposed changes to the Route are implemented, is disproportionately LIM, but this community will have the alternative of Route 921 to gain access to Sorrento Valley and UTC communities served by the current Route 880 routing. In addition, Route 921 is a lower cost alternative to the current Route 880, which is a Premium Express service (with a fare more than double that of Route 921).

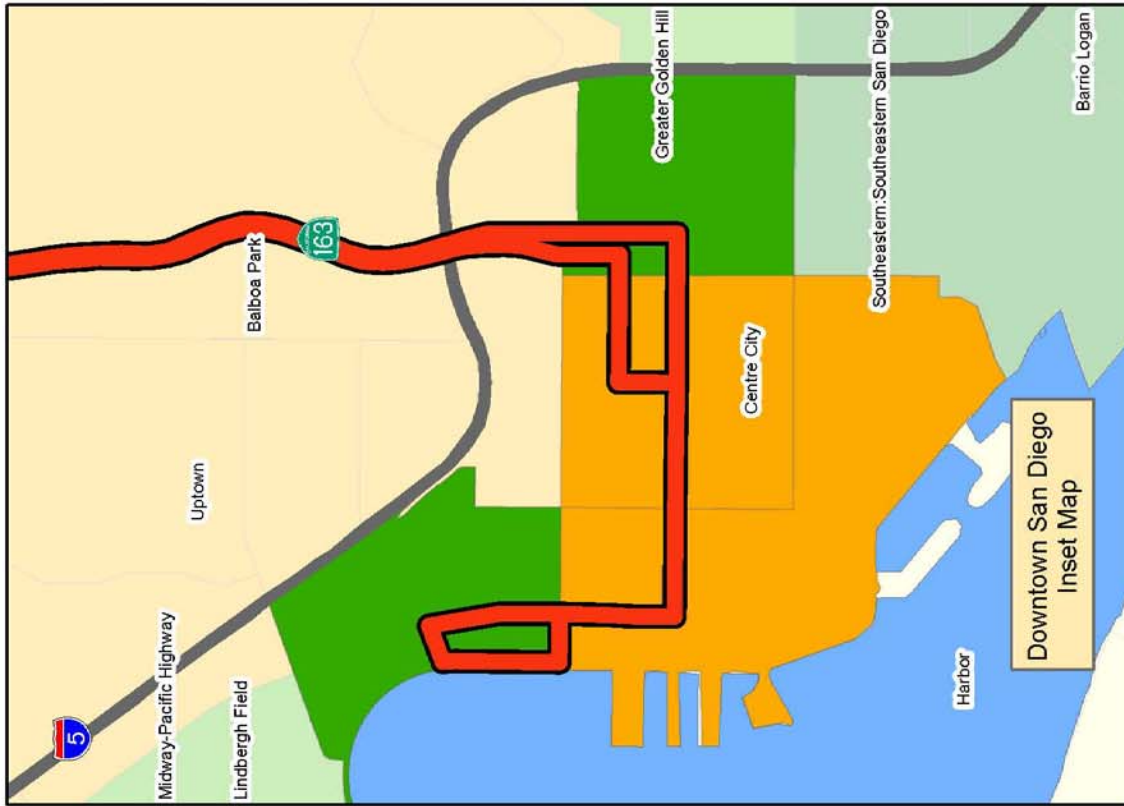
6) What steps does MTS plan to take to seek out and consider the viewpoints of minority and low-income populations in the course of conducting public outreach and involvement activities?

MTS will print and distribute "Take One" flyers that will be posted on all MTS bus and trolley vehicles. These flyers will be printed in both English and Spanish. A public hearing will be held on December 10. Eighteen outreach events, including one at the Rancho Bernardo Transit Station, which is currently served by Route 880, will be held.

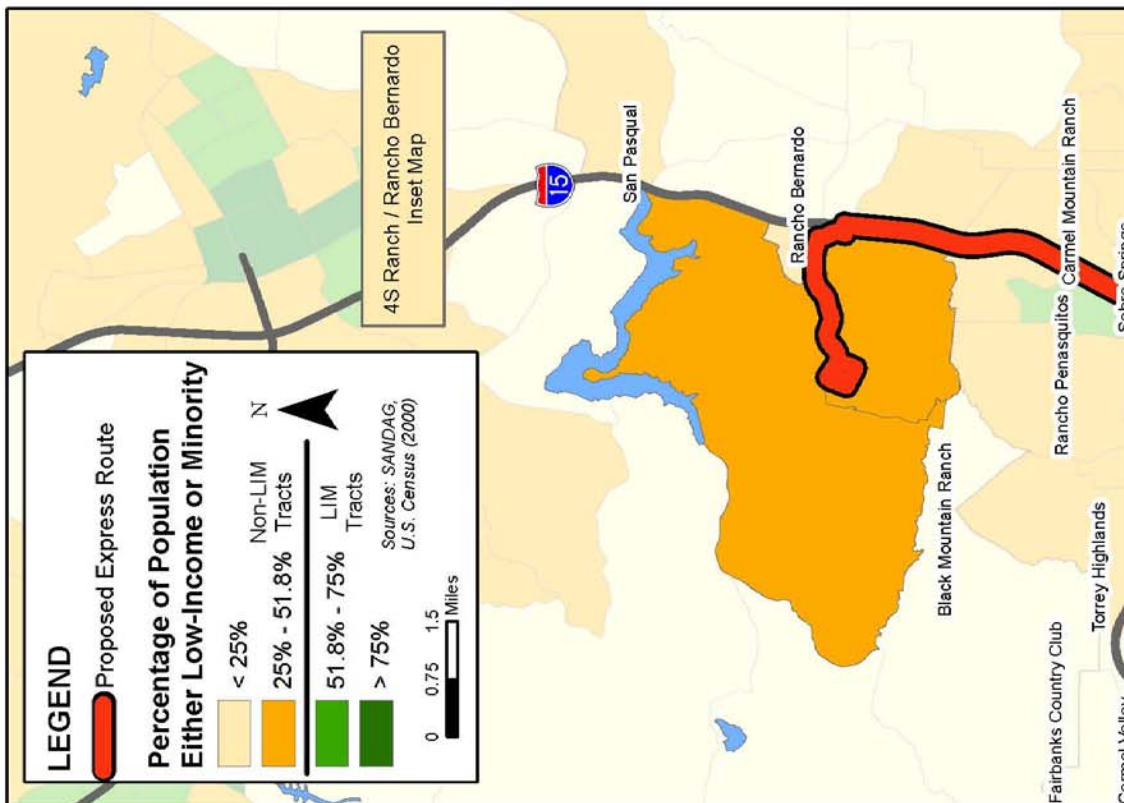
7) Does MTS believe that it is necessary to disseminate information on the service changes/fare increases that is accessible to Limited English Proficient persons? If so, what steps to provide information in languages other than English does MTS propose?

Due to the high percentage of Spanish-speaking persons that use MTS services, MTS finds it necessary to publish all public materials in English and Spanish. All public information materials related to these proposals have been published and provided in both English and Spanish (see Take One below). The information is also on the MTS website, www.sdmts.com, in English and Spanish.

Title VI Self-Analysis template from: <http://www.fta.dot.gov/documents/Newequityquestions.doc>
(Recommended Title VI, Env. Justice, and LEP Analysis of Proposed Service and Fare Changes)



CENSUS TRACTS SERVED				LIM POPULATION IN CENSUS TRACTS SERVED			
LIM	TOTAL	PCT LIM	PCT TOTAL	LIM	TOTAL	PCT LIM	PCT TOTAL
2	8	25%	25%	9,548	25,569	35%	35%
Route 805 (4S Ranch - Downtown San Diego)				MTS SERVICE AREA			
				205	492	45%	62%
				1,645,458		2,017,736	



LEGEND

Proposed Express Route

Percentage of Population Either Low-Income or Minority

	< 25%
	25% - 51.8%
	51.8% - 75%
	> 75%

Non-LIM Tracts | LIM Tracts

Sources: SANDAG, U.S. Census (2000)

0 0.75 1.5 Miles

N

TITLE VI ANALYSIS - Proposed Route
4S Ranch - Downtown San Diego





**OFFICE OF COUNCILMEMBER TODD GLORIA
CITY OF SAN DIEGO**

M E M O R A N D U M

TO: Harry Mathis, Chairman
San Diego Metropolitan Transit System

FROM: Councilmember Todd Gloria, Third Council District

DATE: December 1, 2009

SUBJECT: Proposed MTS Service Reductions

The Metropolitan Transit System (MTS) FY 2010 and 2011 forecast presented at the November 12, 2009 Board of Directors meeting presented a sobering assessment of our agency's fiscal health over the next 18 months. While I appreciate and support the staff's refusal to consider fare increases to bridge the growing budget deficit, I am deeply concerned by the suggested reductions in transit service, particularly on Sundays.

In response to the concerns I raised at the November 12 meeting, you and others called on board members to make suggestions on alternative methods for addressing the budget challenge our organization is currently facing. I would like to offer a couple of options that should be considered in advance of a final decision on the service reductions presented at the board meeting.

- **Consideration of underutilized transit service on weekdays and Saturdays.** While it is true that ridership declines on the weekend, it is also true that 145,000 customers do choose to use our system on Sundays. Before any Sunday service is eliminated, I would like to ensure weekday and Saturday routes that may have lower ridership than the proposed Sunday routes are considered for reductions. Additionally, I would request that "discretionary trips" not include rides to medical appointments and religious functions.
- **Restoration of commercial advertising on MTS buses.** This suggestion was raised by a member of the public at the November 12 meeting. I understand that this action alone would not cover the budget gap but could allow the board to avoid cutting transit service on which our customers rely.
- **Revisit SANDAG offer of the use of one-time funds.** In June, MTS chose not to request SANDAG amend the TransNet ordinance to provide approximately

\$20 million for transit operations but held open the possibility to reconsider this angle during mid-year budget discussions.

- **Implementation of transit funding options offered in SANDAG's Transit Impediments Study.** In September 2009, SANDAG finalized its Transit Impediments Study. This document includes three sections dedicated to potential existing, new and future funding options for transit. Acknowledging that MTS's five year budget outlook is not encouraging, it would be wise for the board to aggressively champion one or more of the funding mechanisms contemplated in the study.

The global economic crisis and its corresponding effects on national, state and local governments understandably require public agencies like MTS to make tough choices in order to balance their budgets. I stand ready to do my part to resolve our budget deficit but I would hope that the ramifications of our choices will not be borne solely by our customers – most of whom are the least able to sacrifice in an economy like this one. I would hope that the board, with your leadership, can entertain a broader conversation to resolve our financial challenge than just service cuts and fare increases. Indeed, if we wish to entice choice riders to select our service and meet the demands regional growth models and state environmental mandates, we must grow our operations, not shrink them.



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Agenda

Item No. 30

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

FIN 310.2

December 10, 2009

SUBJECT:

MTS: FY 2009 FINAL BUDGET COMPARISON (TOM LYNCH)

RECOMMENDATION:

That the Board of Directors approve applying \$1,853,000 to the MTS contingency reserve.

Budget Impact

None.

DISCUSSION:

With the completion of the FY 2009 Comprehensive Annual Financial Report (CAFR), the FY 2009 budget can be reviewed with audited numbers. Attachment A-1 summarizes the results with the variances to budget on a consolidated basis for the agency as a whole. Attachments A2-A7 show the results for transit operations (San Diego Transit Corporation [SDTC]), rail operations (San Diego Trolley, Inc. [SDTI]), Contract Services, General Fund, Taxicab Administration, and San Diego and Arizona Eastern (SD&AE) Railway Company, respectively.

Overall Results

On a consolidated basis, MTS had an excess of revenues of \$2,298,000 over expenses for FY 2009 for its operations inclusive of SD&AE and Taxicab Administration. The following is a comparison of the results against the amended budget.

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.

REVENUES

Fare Revenue

Passenger revenues were favorable to budget by \$1,788,000 (4.7%), which was primarily the result of receiving commission refunds from SANDAG on day passes for \$2,360,000. Without this, passenger revenue would have been unfavorable by \$572,000 due to lower-than-anticipated ridership largely correlated with the economic recession (specifically unemployment).

Other Operating Revenue

Other operating revenue was unfavorable to budget by \$541,000—the largest portion was lower advertising revenue.

EXPENSES

Overall, operating expenses were \$205,041,000 compared to an amended budget of \$207,474,000 for a favorable variance of \$2,433,000. The larger variances were in personnel, transit-funding operations, energy, and risk management.

Total personnel expenses for the fiscal year totaled \$98,502,000 compared to a budget of \$97,912,000, which resulted in an unfavorable variance of \$590,000 (.6%) primarily due to higher-than-estimated wages on the amended budget.

Transit funding operations were favorable to budget by \$942,000—primarily within Chula Vista Transit. Chula Vista Transit is managed separately but falls within MTS's umbrella—MTS pays Chula Vista Transit its funding. These numbers reflect FY 2009 estimates plus prior-year adjustments.

Total year-end energy costs were \$25,282,000 compared to the budget of \$27,161,000, which resulted in a favorable variance of \$1,879,000 (6.9%). This favorable variance is primarily due to lower compressed natural gas (CNG) costs (\$1.30 per therm vs. \$1.47 budgeted) and lower diesel costs. The lower diesel costs are primarily due to usage as MTS has a higher mix of CNG buses due to recent acquisitions of CNG buses.

Total year-end expenses for risk management were \$4,461,000 compared to the budgeted \$3,995,000, which resulted in an unfavorable variance totaling \$506,000 (-12.8%). This unfavorable variance is primarily due to increased legal costs for liability claims within rail operations.

Subsidy Revenue and Other Nonoperating Revenue and Expenses

Attachment A-8 details subsidy revenue and other nonoperating revenue and expenses. Some of the variances relate to shifting funding from one type to another. When combining the variances of federal revenue, Transportation Development Act (TDA) funds, and TransNet funds, there is a variance of \$1,092,000, which relates to TransNet sales tax revenue coming in lower than projected by SANDAG. The other variances in those funding sources are funding shifts.

State Revenue. MTS is involved in an audit with the State of California related to billings for providing transit service for Medi-Cal patients. The unfavorable variance of \$608,000 reflects the estimated amount of Medi-Cal income compared to budget that MTS could potentially not receive.

Reserves

Attachment A-9 details MTS's contingency reserve. The ending reserve balance on June 30, 2008, was \$29,919,000. In FY 2009, the Board of Directors approved the use of \$429,000 of contingency reserves to make up the shortfall for the San Ysidro Intermodal Transit Center Project.

For FY 2009, MTS (exclusive of SD&AE and Taxicab Administration) had an excess of revenues over expenses of \$2,216,000. SD&AE's and Taxicab Administration's operations are self-funded. The excess (shortfall) of revenues over expenses for SD&AE and Taxicab Administration were \$5,000 and \$104,000, respectively. There was \$264,000 in the allocation of interest to the other reserves from the contingency reserves. The total of operating changes comes to \$1,853,000.

Combining all the totals, the contingency reserve balance on June 30, 2009, was \$31,343,000. As part of the FY 2010 budget process, \$1,750,000 of contingency reserves was utilized to balance the budget. In essence, these were to be carryovers from the favorable FY 2009 operating amount discussed above.

MTS has a number of other reserves, and the balances are listed on Attachment A-10.

Staff Recommendation

It is staff's recommendation to apply \$1,853,000 to the contingency reserve. As discussed above, \$1,750,000 is currently budgeted to be utilized for FY 2010.



Paul C. Jablonski
Chief Executive Officer

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

DEC10-09.30.FY 09 FINAL BUDGET COMPARISON.TLYNCH.doc

Attachment: A. Schedules and Balance Tables

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET

FY 2009

CONSOLIDATED

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 85,193	\$ 83,405	\$ 1,788	2.1%
Other Revenue	<u>5,408</u>	<u>5,949</u>	<u>(541)</u>	<u>-9.1%</u>
Total Operating Revenue	<u>90,601</u>	<u>89,354</u>	<u>1,247</u>	<u>1.4%</u>
Personnel costs	98,502	97,912	(590)	-0.6%
Outside services	64,605	64,524	(81)	-0.1%
Transit operations funding	3,004	3,946	942	23.9%
Materials and supplies	7,134	7,441	307	4.1%
Energy	25,282	27,161	1,879	6.9%
Risk management	4,461	3,955	(506)	-12.8%
Miscellaneous operating expenses	<u>2,053</u>	<u>2,535</u>	<u>482</u>	<u>19.0%</u>
Total Operating Expenses	<u>205,041</u>	<u>207,474</u>	<u>2,433</u>	<u>1.2%</u>
Operating income (loss)	<u>(114,440)</u>	<u>(118,120)</u>	<u>3,680</u>	<u>3.1%</u>
Subsidy Revenue	120,805	122,533	(1,728)	-1.4%
Other Non-Operating Revenue	<u>(4,149)</u>	<u>(2,723)</u>	<u>(1,426)</u>	<u>52.4%</u>
Total Non-Operating Revenue	<u>116,656</u>	<u>119,810</u>	<u>(3,154)</u>	<u>-2.6%</u>
Income (loss) before Reserve Utilization	2,216	1,690	526	31.1%
Transfers	22	0	22	-
Taxicab/SD&AE Reserves	<u>60</u>	<u>60</u>	<u>0</u>	<u>0.0%</u>
Net Income (loss)	\$ <u>2,298</u>	\$ <u>1,750</u>	\$ <u>548</u>	<u>31.3%</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET
FY 2009
TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)
(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 27,882	\$ 26,587	\$ 1,295	4.9%
Other Revenue	<u>141</u>	<u>38</u>	<u>103</u>	<u>271.1%</u>
Total Operating Revenue	<u>28,023</u>	<u>26,625</u>	<u>1,398</u>	<u>5.3%</u>
Personnel costs	55,722	55,795	73	0.1%
Outside services	2,077	1,944	(133)	-6.8%
Transit operations funding	0	0	0	-
Materials and supplies	4,417	4,405	(12)	-0.3%
Energy	8,143	8,653	510	5.9%
Risk management	1,896	1,744	(152)	-8.7%
Miscellaneous operating expenses	<u>5,163</u>	<u>5,179</u>	<u>16</u>	<u>0.3%</u>
Total Operating Expenses	<u>77,418</u>	<u>77,720</u>	<u>302</u>	<u>0.4%</u>
Operating income (loss)	<u>(49,395)</u>	<u>(51,095)</u>	<u>1,700</u>	<u>3.3%</u>
Subsidy Revenue	56,089	56,458	(369)	-0.7%
Other Non-Operating Revenue and Expense	<u>(4,944)</u>	<u>(3,613)</u>	<u>(1,331)</u>	<u>36.8%</u>
Total Non-Operating Revenue	<u>51,145</u>	<u>52,845</u>	<u>(1,700)</u>	<u>-3.2%</u>
Income (loss) before Reserve Utilization	1,750	1,750	0	0.0%
Contingency Reserves		0	0	-
Taxicab/SD&AE Reserves	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Net Income (loss)	\$ <u>1,750</u>	\$ <u>1,750</u>	\$ <u>0</u>	<u>0.0%</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET
FY 2009
RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)
(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 33,454	\$ 33,261	\$ 193	0.6%
Other Revenue	<u>553</u>	<u>684</u>	<u>(131)</u>	<u>-19.2%</u>
Total Operating Revenue	<u>34,006</u>	<u>33,945</u>	<u>62</u>	<u>0.2%</u>
Personnel costs	31,505	31,368	(137)	-0.4%
Outside services	9,252	8,448	(804)	-9.5%
Transit operations funding	0	0	0	-
Materials and supplies	2,711	2,989	278	9.3%
Energy	8,819	8,663	(156)	-1.8%
Risk management	2,139	1,790	(349)	-19.5%
Miscellaneous operating expenses	<u>4,025</u>	<u>4,011</u>	<u>(14)</u>	<u>-0.3%</u>
Total Operating Expenses	<u>58,452</u>	<u>57,269</u>	<u>(1,182)</u>	<u>-2.1%</u>
Operating income (loss)	<u>(24,446)</u>	<u>(23,324)</u>	<u>(1,122)</u>	<u>-4.8%</u>
Subsidy Revenue	24,446	23,324	1,122	4.8%
Other Non-Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Total Non-Operating Revenue	<u>24,446</u>	<u>23,324</u>	<u>1,122</u>	<u>4.8%</u>
Income (loss) before Reserve Utilization	0	0	0	-
Contingency Reserves	0	0	0	-
Taxicab/SD&AE Reserves	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Net Income (loss)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	<u>-</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET

FY 2009

CONTRACT SERVICES

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 23,857	\$ 23,557	\$ 300	1.3%
Other Revenue	<u>64</u>	<u>0</u>	<u>64</u>	<u>-</u>
Total Operating Revenue	<u>23,921</u>	<u>23,557</u>	<u>364</u>	<u>1.5%</u>
Personnel costs	557	605	48	7.9%
Outside services	49,886	50,905	1,019	2.0%
Transit operations funding	0	0	0	-
Materials and supplies	1	33	32	97.0%
Energy	8,254	9,775	1,521	15.6%
Risk management	0	0	0	-
Miscellaneous operating expenses	<u>941</u>	<u>929</u>	<u>(12)</u>	<u>-1.3%</u>
Total Operating Expenses	<u>59,639</u>	<u>62,248</u>	<u>2,608</u>	<u>4.2%</u>
Operating income (loss)	<u>(35,718)</u>	<u>(38,691)</u>	<u>2,973</u>	<u>7.7%</u>
Subsidy Revenue	35,718	38,691	(2,973)	-7.7%
Other Non-Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Total Non-Operating Revenue	<u>35,718</u>	<u>38,691</u>	<u>(2,973)</u>	<u>-7.7%</u>
Income (loss) before Reserve Utilization	0	0	0	-
Contingency Reserves	0	0	0	-
Taxicab/SD&AE Reserves	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Net Income (loss)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>-</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET

FY 2009

GENERAL FUND (less Taxicab and SD&AE)

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 0	\$ 0	\$ 0	-
Other Revenue	<u>3,617</u>	<u>4,319</u>	<u>(702)</u>	<u>-16.3%</u>
Total Operating Revenue	<u>3,617</u>	<u>4,319</u>	<u>(702)</u>	<u>-16.3%</u>
Personnel costs	10,101	9,547	(554)	-5.8%
Outside services	3,267	3,071	(196)	-6.4%
Transit operations funding	3,004	3,946	942	23.9%
Materials and supplies	6	5	(1)	-20.0%
Energy	59	57	(2)	-3.5%
Risk management	391	387	(4)	-1.0%
Miscellaneous operating expenses	<u>(8,230)</u>	<u>(7,744)</u>	<u>486</u>	<u>-6.3%</u>
Total Operating Expenses	<u>8,599</u>	<u>9,269</u>	<u>671</u>	<u>7.2%</u>
Operating income (loss)	<u>(4,982)</u>	<u>(4,950)</u>	<u>(32)</u>	<u>-0.6%</u>
Subsidy Revenue	4,552	4,060	492	12.1%
Other Non-Operating Revenue	<u>795</u>	<u>890</u>	<u>(95)</u>	<u>-10.7%</u>
Total Non-Operating Revenue	<u>5,347</u>	<u>4,950</u>	<u>397</u>	<u>8.0%</u>
Income (loss) before Reserve Utilization	365	0	365	-
Contingency Reserves	0	0	0	-
Taxicab/SD&AE Reserves	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Net Income (loss)	<u>\$ 365</u>	<u>\$ 0</u>	<u>\$ 365</u>	<u>-</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET

FY 2009

TAXICAB ADMINISTRATION

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 0	\$ 0	\$ 0	-
Other Revenue	<u>863</u>	<u>754</u>	<u>109</u>	<u>14.5%</u>
Total Operating Revenue	<u>863</u>	<u>754</u>	<u>109</u>	<u>14.5%</u>
Personnel costs	535	523	(12)	-2.3%
Outside services	78	101	23	22.8%
Transit operations funding	0	0	0	-
Materials and supplies	(1)	9	10	111.1%
Energy	7	13	6	46.2%
Risk management	0	0	0	-
Miscellaneous operating expenses	<u>140</u>	<u>148</u>	<u>8</u>	<u>5.4%</u>
Total Operating Expenses	<u>759</u>	<u>793</u>	<u>35</u>	<u>4.4%</u>
Operating income (loss)	<u>104</u>	<u>(39)</u>	<u>143</u>	<u>366.7%</u>
Subsidy Revenue	0	0	0	-
Other Non-Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Total Non-Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Income (loss) before Reserve Utilization	104	(39)	143	-366.7%
Contingency Reserves	0	0	0	-
Taxicab/SD&AE Reserves	<u>39</u>	<u>39</u>	<u>0</u>	<u>0.0%</u>
Net Income (loss)	\$ <u><u>143</u></u>	\$ <u><u>0</u></u>	\$ <u><u>143</u></u>	<u><u>-</u></u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET
FY 2009
SAN DIEGO & ARIZONA EASTERN RAILWAY (SD&AE)
(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 0	\$ 0	\$ 0	-
Other Revenue	<u>170</u>	<u>154</u>	<u>16</u>	<u>10.4%</u>
Total Operating Revenue	<u>170</u>	<u>154</u>	<u>16</u>	<u>10.4%</u>
Personnel costs	82	74	(8)	-10.8%
Outside services	45	55	10	18.2%
Transit operations funding	0	0	0	-
Materials and supplies	0	0	0	-
Energy	0	0	0	-
Risk management	35	34	(1)	-2.9%
Miscellaneous operating expenses	<u>14</u>	<u>12</u>	<u>(2)</u>	<u>-16.7%</u>
Total Operating Expenses	<u>176</u>	<u>175</u>	<u>(1)</u>	<u>-0.6%</u>
Operating income (loss)	<u>(6)</u>	<u>(21)</u>	<u>15</u>	<u>71.4%</u>
Subsidy Revenue	0	0	0	-
Other Non-Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Total Non-Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Income (loss) before Reserve Utilization	(6)	(21)	15	-71.4%
Contingency Reserves	0	0		-
Taxicab/SD&AE Reserves	<u>21</u>	<u>21</u>		<u>0.0%</u>
Net Income (loss)	\$ <u><u>15</u></u>	\$ <u><u>0</u></u>	\$ <u><u>15</u></u>	<u><u>-</u></u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET

FY 2009

COMBINED SUBSIDY AND OTHER NON OPERATING REVENUE AND EXPENSES

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
<u>Subsidy Revenue</u>				
Federal Revenue	\$ 38,583	\$ 34,936	\$ 3,647	10.4%
Transportation Development Act	51,440	56,774	(5,334)	-9.4%
State Transit Assistance	7,508	7,618	(110)	-1.4%
State Revenue - Other	1,392	2,000	(608)	-30.4%
TransNet funds	20,844	20,229	615	3.0%
Other Local subsidies	1,036	977	59	6.0%
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Total Subsidy Revenue	120,803	122,533	(1,731)	-1.4%
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<u>Other Non Operating Revenue and Expense</u>				
Investment Earnings	1,821	1,805	16	0.9%
Other Non Operating Income	7,646	7,645	1	0.0%
Other Non Operating Expenses	(13,615)	(12,173)	(1,442)	11.8%
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Total Other Non Operating Revenue Revenue and Expense	(4,148)	(2,723)	(1,425)	52.3%
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Total Subsidy and Non Operating Revenue and Expense	\$ 116,655	\$ 119,810	\$ (3,156)	-2.6%
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SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Contingency Reserve

FY 2009

(in \$000's)

Balance, June 30, 2008		29,919
Prior Year Revenue Allocated to San Ysidro Transit Center		(429)
FY 2009 Operations	2,216	
FY 2009 Interest and Other Adjustments	(264)	
Addback (deduct)		
SDAE	5	
Taxi	(104)	
Operations, Net		1,853
		<hr/>
Balance, June 30, 2009		<u><u>31,343</u></u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Reserve Balances

FY 2009

(in \$000's)

Title	Amount	Explanation
Contingency	31,343	For ongoing operations, future matching of grants; minimum 4% of operating budget per Policy 36
Capital Project Reserve	871	To hold prior year's CNG rebate for an existing capital project
Taxicab capital	12	For replacement of office equipment and vehicles
Insurance	2,000	Established for potential future liability claims, minimum \$2 million per policy 46
Billboard San Diego	39	Per agreement with city, used for improvements to right of way
Billboard Chula Vista	929	Per agreement with city, used for improvements to right of way
SD&AE	892	Established from 1984 state payments for storm damage, restricted for repair/improvement of line
MTS JPA residual	528	Established from proceeds of legal settlement, restricted for repairs to MTS Tower
Land management	431	For for repair and maintenance of rental property
	<u>37,045</u>	



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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.

OPS 970.11

December 10, 2009

SUBJECT:

MTS: SEMIANNUAL SECURITY REPORT (JANUARY THROUGH JUNE 2009)
(BILL BURKE)

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Statistics related to security incidents concerning the transit system are compiled by staff based on reports generated by security personnel and Code Compliance inspectors. This information is augmented by reports from local police authorities and is then compiled, summarized, and submitted to the Board of Directors on a midyear and year-end basis. The semiannual report covers the period from January 1, 2009, through June 30, 2009.

DEPARTMENT OF HOMELAND SECURITY GRANT FUNDS

FY 2006: In November 2006, the Governor's Office of Homeland Security received approval from the U.S. Department of Homeland Security for funding under the FY 06 Infrastructure Protection Program. Consequently, MTS was awarded \$563,000 for the rail division, and \$682,500 for the bus division. For rail, the projects include enhanced

security at four stations - America Plaza, Imperial Transfer Station, Old Town Transit Center, and San Diego State University. Bus projects include additional security at two of the critical bus yards—Imperial Avenue Division and Kearny Mesa Division. MTS will contribute 25% in additional funds toward each award. Due to the magnitude of projects within this grant, an extension to December 31, 2009, was requested and granted. All projects within the scope of this grant are expected to be closed by the end of calendar year 2009.

FY 2007: In May 2007, the Governor's Office of Homeland Security received approval from the U.S. Department of Homeland Security for funding under the FY 07 Transit Security Grant Program. A total of \$55,071 was awarded to MTS with a requirement that the funds be used for security training relating to terrorist attacks against rail and bus. The time period for this grant extends to June 30, 2010.

FY 2007: Under a separate grant application, MTS requested \$1,285,000 (with matching funds from MTS of \$400,000) in order to expand and enhance an existing program of installing onboard closed-circuit televisions (CCTVs). This is a multiphase project that will ultimately allow MTS to remotely view all CCTV systems at stations and onboard light rail vehicles (LRVs) and busses from the MTS Operations Control Center (OCC). The funds will be used to retrofit 44 existing onboard CCTV busses with wireless remote viewing capability and install CCTV and wireless remote access on 60 LRVs. At the close of 2008, the bus project was completed. For the LRV project, a contract has been awarded to a consulting firm to analyze and issue a final report recommending both the latest technology for this endeavor and a company who can best meet the needs of MTS. A project management team is in place to keep the project focused, and completion is expected in June 2010.

FY 2008: In 2008, MTS applied for an additional \$1,500,000 to continue the onboard CCTV program. This project is Phase II of a multiphase program to ultimately attain the dual capability of remote surveillance of all stations and onboard vehicles from the MTS OCC and consists of installing cameras in 74 LRVs and 56 buses in concert with real-time video feeds to responding law enforcement agencies. The Grant Notification letter was received, and the time period for this grant extends to April 30, 2011.

FY 2009: In late 2008, MTS was invited to apply for additional grants within the Transportation Security Grant Program (TSGP). MTS received preliminary approval of our request but has not been informed as to the amount of the award. \$950,000 was originally requested to install CCTV at four additional transit centers and start Phase III of onboard bus CCTV for 80 additional vehicles.

California Proposition 1B FY 2007-2008: Proposition 1B funds in the amount of \$2.7 million have been awarded to MTS for the purpose of security improvements to the system. The funds are a result of bonds approved by California voters to be used for public transportation enhancements, including security. This grant expires in March 2011, and the monies will be used to equip ten trolley stations with CCTVs and complete the installation of onboard CCTVs on the bus fleet. A consulting firm has been retained to assist with the design and engineering of the ten-station CCTV project. Additionally included in this grant is a project that will enhance security in the lobby area of the Mills Building. An MTS internal project team is in place to administer this grant project.

California Proposition 1B FY 2008-2009: MTS filed an application and submitted an Investment Justification requesting \$2.7 million to complete a fiber-optic link from the Old Town Transit Center to the Fashion Valley Transit Center. This request is pending, and MTS awaits an answer from the State of California.

2009 American Recovery and Reinvestment Act: This is a new government grant and is part of the Economic Stimulus Package. MTS has applied and submitted three Investment Justifications totaling \$3,130,000 for the following projects:

- Fiber-optics link between Qualcomm Stadium and the Old Town Transit Center
- CCTV for five additional transit centers
- Construction of a dog kennel to house three Transit Security Administration explosive-detection canines

MTS is awaiting notification from the government regarding the amount of the award.

TRAINING

Training is a dynamic process in the MTS Security Department with ongoing classes, seminars, guest speakers, written directives, and other coaching media. During this reporting period, the following training presentations were completed:

- Review of court procedures and testimony
- Review of public officer authority and limitations
- Recognition of graffiti and affiliated gangs
- Compass Card enforcement and system operations
- Laws of Arrest: 832 PC class; four officers recertified

On a continuing basis, pertinent information received from law enforcement and Homeland Security agencies is circulated to all enforcement personnel to keep them informed of current or developing situations that may affect MTS operations.

Transportation Security Administration (TSA)

Operation Playbook: In late 2008, Congress enacted 49 CFR Parts 1520 and 1580, which expanded the inspection authority of the Transportation Security Administration (TSA). The regulation clarifies TSA's inspection authority in passenger rail requiring regulated entities to (at any time and in a reasonable manner without advance notice) allow TSA and other Department of Homeland Security (DHS) officials to enter and inspect rail properties and operations in order to carry out TSA's security-related statutory or regulatory duties.

Fortunately, MTS Transit Enforcement has a positive working relationship with the local TSA office, and any liaison with MTS's properties or operations will be conducted in conjunction with TSA and MTS.

One program in particular, Operation Playbook, commenced in June and will continue until further notice. The specifics of the program include the deployment of TSA Behavior Detection Officers (BDOs) to designated transit centers to look for individuals who are exhibiting abhorrent behavior consistent with terrorist activity. BDOs will generally observe a facility for only a few hours and will do so while a security officer is in attendance. If any suspicious activity is observed or further action is required, the security officer will be notified. The Transit Enforcement Department looks forward to working with the TSA as a further adjunct to the mission of providing a safe and secure transportation environment. During all TSA operations on MTS property, there will be no interruption of rail or bus service.

MTS Transit Enforcement has been asked by the regional TSA Field Security Director to assume a lead role in a newly created Surface Transportation Committee. The primary mission of the committee is to promote mutual security interests of all ground transportation organizations within the San Diego and Imperial Counties with an aim toward preparation, prevention, and recovery from man-made or natural disasters. MTS Transit Enforcement will chair the committee.

Closed-Circuit Television (CCTV)

CCTV is a proven crime deterrent as well as a positive forensic tool in solving crimes and assisting law enforcement agencies. CCTV is presently functioning at 20 stations including:

1. Old Town Transit Center (12 cameras)
2. Euclid Avenue Station (8 cameras)
3. Fashion Valley Transit Center (8 cameras)
4. Qualcomm Stadium Station (16 cameras)
5. 47th Street Station (5 cameras)
6. El Cajon Transit Center (2 cameras)
7. San Diego State University Station (27 cameras)
8. Alvarado Medical Center Station (5 cameras)
9. 5th & C Street Station (8 cameras)
10. Bayfront/E Street Station (10 cameras)
11. H Street Station (10 cameras)
12. Palomar Street Station (8 cameras)
13. San Ysidro Intermodal Station (19 cameras)
14. Spring Street Station (6 cameras)
15. Amaya Street Station (8 cameras)
16. Imperial Transit Center/parking/building (31 cameras)
17. City College/Smart Corner (6 cameras)
18. Park and Market Station (8 cameras)
19. Civic Center Station (8 cameras)
20. America Plaza Station (14 cameras)

Most stations have a combination of fixed and pan-tilt-zoom (PTZ) cameras. The PTZ cameras have the capability of rotating to capture a wide-area view and can zoom/tilt to capture view-specific views. Fixed cameras are aimed at specific targets, such as platforms and heavily populated patron areas. All cameras record to a digital video

recorder (DVR) and have the capability of retaining 15 days of recorded history. The Euclid Avenue Station has a 30-day recording capacity. All CCTV systems can be viewed on monitors in the Operations Control Center that is staffed with security personnel during hours of train operations. San Diego State University is monitored on a 24/7 basis at the on-campus security station.

The entire CCTV system is widely used by MTS Transit Enforcement Inspectors and various law enforcement agencies for evidentiary purposes. Many have resulted in court convictions and, while not quantifiable directly the system is a value-added crime deterrent security measure. During this reporting period, a total of 16 security-related events were recorded and saved for evidentiary purposes.

Special Detail

A special detail focusing on possible illegal reselling of MTS Day Passes on the Blue Line began in May. Transit Enforcement investigated and confirmed this activity and set up undercover teams to arrest and/or issue citations to the violators.

Repeat offenders were chronically collecting and reselling previously purchased/used tickets. Most of the resale and used ticket collection activity occurred during weekdays in Mexico.

MTS has made extra efforts to reprint some of the day pass tickets with more visible and secondary language indicating that the resale of tickets is illegal. As an enforcement measure, "wanted posters" containing the photographs of the chronic violators were posted at strategic locations along the Blue Line.

Other Day Pass issues relative to Ticket Vending Machine (TVM) sales and MTS bus Day Passes are also being investigated.

Bike Team Unit

The Bike Team's main focus is on quality of life violations. These violations consist of loiterers, opened alcoholic containers, vandalism, and narcotics possession. The Bike Team patrols trolley stations, transit parking lots, trolley rights-of-way, and bus stops throughout the City of San Diego. The Bike Team Unit also works with the public assisting patrons and tourists with information and directions. The Imperial Avenue Division bus yard and surrounding bus stops continue to be an area of focus due to significant transient activity.

Canine Teams

In 2006, three explosive-detection canine teams were funded through a five-year Cooperative Agreement with the Transportation Security Administration (TSA). MTS currently deploys three teams.

Explosive-Detection Units responded to approximately seven requests for searches of suspicious packages/objects during this period. One unit responded to a bomb threat on MTS property, which was received by the San Diego Police Department, with negative results.

One handler attended the annual International Association of Bomb Technicians and Investigators (IABTI) Conference in La Quinta, California in June.

Handlers continue to attend the quarterly bomb investigators meetings and regularly conduct internal training. MTS canine units partner with other agencies' canine units for joint training on an ongoing basis.

Community Outreach

Operation Lifesaver (OLS) remains very active with regular visits to schools and other organizations. Children (mainly) are taught about transit facts and safety tips and are shown the "Don't Be that Kid" video. They are also given handouts, such as schedules, pens, key chains, coloring books, and bookmarks provided by the MTS Marketing Department.

This period, Sierra Academy in Mira Mesa received the OLS presentation and, later in the week accompanied by an MTS OLS representative, 16 of the 40 special needs students and their teachers were able to put what they learned to the test by taking an outing on the trolley and bus. These kids will soon be using MTS transit as a way to get to their jobs.

Members of the Blind Community Center were also the recipients of the OLS presentation where MTS staff not only taught these members about transit safety but learned a lot about persons with vision impairments.

An MTS OLS representative attended the Carlsbad Health and Wellness Fair in June. MTS Marketing provided a gift bag for a silent auction at this event.

The Transportation Security Administration (TSA) requested Operation Lifesaver training and a safety briefing. Three separate sessions, which included a tour of the SDTI trolley and Operations Control Center, were attended by TSA representatives. These sessions were beneficial as some of the TSA employees may be working with MTS in future security details.

Staff attended the San Ysidro Centennial Celebration in May and handed out OLS and MTS memorabilia.

Outside Agency Collaborative Details

Department representatives continue to regularly attend the Border Transportation Council meetings to discuss relevant issues, such as criminal activity, illegal transportation carriers, wildcatting and other citizen concerns. Over ten agencies and organizations are represented at these meetings. Issues with stolen vehicles and drug activities were included in the topics of discussion this period. Additionally, this group is working to develop a Web site as a vehicle for information sharing between the agencies.

In May, representatives from MTS, San Diego Police, the City Attorney's office, the City Council, and Clean and Safe attended the East Village "Safety and Quality of Life Forum" at PETCO Park. This forum was arranged by residents and business owners in the East Village to discuss transient crimes and homelessness.

San Diego Trolley, Inc.

San Diego Trolley, Inc. experienced 1,258 Part II arrests and 74 reports of Part I incidents during the first half of 2009. This is a 58% reduction in Part I incidents and 6.5% reduction in Part II arrests over the same period in 2008. In the first six months of 2008, there were 1,339 Part II arrests and 117 reports of Part I Incidents.

During this reporting period, enforcement focused on vandalism. As a result, more cases of vandalism were reported and more arrests were made. The Juvenile Court has systematically addressed MTS's cases penalizing juveniles in one form or another. While fiscal collection efforts may be slow, many of those arrested are also being held responsible in the form of being placed on probation, attending graffiti classes and/or serving several hours of Public Service.

A significant arrest and conviction was made in an attempted grand theft in which a suspect (and accomplice waiting in a getaway car) attempted to break into a ticket vending machine. A Lemon Grove Sheriff's officer on patrol heard the ticket vending machine alarm and pursued, apprehended and arrested the suspect. The suspect was convicted, sentenced to prison, and ordered to pay restitution in the amount of \$66,663.

San Diego Transit Corporation

San Diego Transit Corporation experienced 106 Part II arrests and 5 reports of Part I incidents in the first six months of 2009. In the first half of 2008, there were 119 Part II arrests and 17 reports of Part I incidents.

Contract Transportation Services

MTS Contract Services experienced 43 Part II arrests and 8 reports of Part I incidents for this period in 2009. In the same period in 2008, there were 33 Part II arrests and 8 reports of Part I incidents.



Paul C. Jablonski
Chief Executive Officer

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

DEC10-09.45.SEMIANNUAL SECURITY RPT.BBURKE.doc

Attachments: A. Board FTA 405 Reports (January – June 2009 SDTI)
B. Board FTA 405 Reports (January - June 2008 SDTI)
C. Board FTA 405 Reports (January - June 2009 SDTC)
D. Board FTA 405 Reports (January - June 2008 SDTC)

<input type="checkbox"/> Form not applicable NTD ID <input type="checkbox"/> Form 005 Included	BOARD 405 REPORT <i>Based on the Uniform Crime Reporting Handbook</i>	<div style="border: 1px solid black; padding: 2px; font-size: small;"> Required from transit agencies serving UZAs of 200,000 or more population </div> <div style="text-align: right;"> Mode Type of Service </div>
Security Items	In Vehicle	In Station
Other Transit Prop.		

Location SDTI

Part I Offenses (Reports)					
Violent Crime	Inc Inv	Arrests			
Homicide	0	0			
			Patrons	0	0
			Employees	0	0
			Others	0	0
Forcible rape	0	0			
			Patrons	0	0
			Employees	0	0
			Others	0	0
Robbery	24	10			
			Patrons	9	15
			Employees	0	0
			Others	0	0
Aggravated assault	9	5			
			Patrons	1	1
			Employees	0	3
			Others	1	2
Property Crime	Inc Inv	Arrests			
Burglary	0	0			
Larceny/theft	32	2			
			Patrons	8	12
			Employees	0	0
			Others	1	2
Motor vehicle theft	9	1			
			Patrons	0	0
			Employees	0	0
			Others	0	0
Arson	0	0			
				0	0
Part II Offenses (Arrests)	Inc Inv	Arrests			
Other assaults	57	30		6	23
Vandalism	446	81		45	33
Sex offenses	15	7		7	0
Drug abuse violations	155	159		25	117
Driving under the influence	2	2		0	0
Drunkenness	138	134		30	97
Disorderly conduct	534	500		118	358
Trespassing	354	227		0	1
Fare evasion	11,088	10,451		8,813	1,638
Curfew & loitering laws	116	118		2	101

Total Transit Property Damage

\$ 16,186.82

Internal Use Only

Report Run Date

Report Run Time

Reporting Period

09/02/2009

09:40:05AM

01/01/2009 To 06/30/2009

1/1/08 – 6/30/08

BOARD 405 REPORT

☐ Form not applicableNTD ID ☐☐ Form 005 IncludedRequired from transit agencies serving UZAs
of 200,000 or more populationMode ☐Type of Service ☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
----------------	------------	------------	---------------------

Location SDTI

Part I Offenses (Reports)						
Violent Crime	Inc Inv	Arrests				
Homicide	0	0				
			Patrons	0	0	0
			Employees	0	0	0
			Others	0	0	0
Forcible rape	0	0				
			Patrons	0	0	0
			Employees	0	0	0
			Others	0	0	0
Robbery	38	18				
			Patrons	16	24	0
			Employees	0	0	0
			Others	0	0	0
Aggravated assault	6	3				
			Patrons	2	2	0
			Employees	0	0	1
			Others	1	2	0
Property Crime	Inc Inv	Arrests				
Burglary	0	0				
				0	0	0
Larceny/theft	59	6				
			Patrons	5	7	22
			Employees	0	0	1
			Others	0	14	10
Motor vehicle theft	14	0				
			Patrons	0	0	13
			Employees	0	0	0
			Others	0	0	1
Arson	0	0				
				0	0	0
Part II Offenses (Arrests)	Inc Inv	Arrests				
Other assaults	84	54		15	39	0
Vandalism	182	37		13	16	8
Sex offenses	15	6		3	3	0
Drug abuse violations	187	192		25	140	27
Driving under the influence	7	7		0	1	6
Drunkenness	149	140		27	107	6
Disorderly conduct	462	429		113	299	17
Trespassing	442	373		0	23	350
Fare evasion	10,643	9,770		7,541	2,226	3
Curfew & loitering laws	110	101		19	70	12

Total Transit Property Damage

\$ 15,476.31

Internal Use Only

Report Run Date

Report Run Time

Reporting Period

09/02/2009

09:40:32AM

01/01/2008 To 06/30/2008

☐ Form not applicable
NTD ID ☐
☐ Form 005 Included

BOARD 405 REPORT

Required from transit agencies serving UZAs
of 200 000 or more population

Mode ☐

Type of Service ☐

Based on the Uniform Crime Reporting Handbook

Security Items			In Vehicle	In Station	Other Transit Prop.
Location SDTC					
Part I Offenses (Reports)					
Violent Crime	Inc Inv	Arrests			
Homicide	1	0			
			Patrons 0	0	0
			Employees 0	0	3
			Others 0	0	0
Forcible rape	0	0			
			Patrons 0	0	0
			Employees 0	0	0
			Others 0	0	0
Robbery	0	0			
			Patrons 0	0	0
			Employees 0	0	0
			Others 0	0	0
Aggravated assault	2	0			
			Patrons 0	0	0
			Employees 1	0	0
			Others 1	0	0
Property Crime	Inc Inv	Arrests			
Burglary	0	0			
Larceny/theft	2	0			
			Patrons 0	0	0
			Employees 2	0	0
			Others 0	0	0
Motor vehicle theft	0	0			
			Patrons 0	0	0
			Employees 0	0	0
			Others 0	0	0
Arson	0	0			
			0	0	0
Part II Offenses (Arrests)					
	Inc Inv	Arrests			
Other assaults	22	3	0	3	0
Vandalism	44	3	1	2	0
Sex offenses	7	0	0	0	0
Drug abuse violations	11	11	0	8	3
Driving under the influence	0	0	0	0	0
Drunkenness	34	34	16	16	2
Disorderly conduct	156	34	7	27	0
Trespassing	3	3	0	0	3
Fare evasion	20	1	1	0	0
Curfew & loitering laws	28	18	0	4	14
Total Transit Property Damage			\$ 546.25		

Internal Use Only

Report Run Date

Report Run Time

Reporting Period

09/02/2009

09:40:05AM

01/01/2009 To 06/30/2009

1/1/08 - 6/30/08

BOARD 405 REPORT

☐ Form not applicableNTD ID ☐☐ Form 005 Included

Required from transit agencies serving UZAs of 200,000 or more population

Mode ☐Type of Service ☐

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
----------------	------------	------------	---------------------

Location SDTC

Part I Offenses (Reports)

Violent Crime	Inc Inv	Arrests			
Homicide	1	0			
			Patrons	0	1
			Employees	0	0
			Others	0	0
Forcible rape	0	0			
			Patrons	0	0
			Employees	0	0
			Others	0	0
Robbery	7	2			
			Patrons	2	4
			Employees	0	0
			Others	0	1
Aggravated assault	5	4			
			Patrons	1	1
			Employees	1	0
			Others	1	1

Property Crime	Inc Inv	Arrests			
Burglary	0	0			
Larceny/theft	4	0			
			Patrons	3	1
			Employees	0	0
			Others	0	0
Motor vehicle theft	0	0			
			Patrons	0	0
			Employees	0	0
			Others	0	0
Arson	0	0			
				0	0

Part II Offenses (Arrests)	Inc Inv	Arrests			
Other assaults	24	2		1	1
Vandalism	18	5		3	2
Sex offenses	5	0		0	0
Drug abuse violations	14	14		0	7
Driving under the influence	2	2		0	2
Drunkenness	22	22		9	12
Disorderly conduct	105	70		5	61
Trespassing	2	1		0	0
Fare evasion	33	25		2	23
Curfew & loitering laws	4	3		0	1

Total Transit Property Damage

\$ 1,548.15

Internal Use Only

Report Run Date

Report Run Time

Reporting Period

09/02/2009

09:40:32AM

01/01/2008 To 06/30/2008



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

Item No. 46

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

S RTP 825

December 10, 2009

SUBJECT:

MTS: FARE COMPONENT USAGE TRENDS (MARK THOMSEN)

RECOMMENDATION:

That the Board of Directors receive a report on fare component usage trends.

Budget Impact

None.

DISCUSSION:

MTS implemented four rounds of fare changes in 2008 and 2009. The resulting change in usage by fare component has been substantial. To provide background and context for these trends, an overview of the composition of ridership and comparisons with California peer properties will be presented during the meeting.

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

Paul C. Jablonski
Chief Executive Officer

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

DEC10-09.46.FARE USAGE TRENDS.MTHOMSEN.doc

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc., San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations), and San Diego Vintage Trolley, Inc., a 501(c)(3) nonprofit corporation, in cooperation with Chula Vista Transit. MTS is the taxicab administrator for seven cities. MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



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Agenda

Item No. 47

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

FIN 310

December 10, 2009

SUBJECT:

MTS: OPERATIONS BUDGET STATUS REPORT FOR SEPTEMBER 2009
(MIKE THOMPSON)

RECOMMENDATION:

That the Board of Directors receive the Metropolitan Transit System (MTS) operations budget status report for September 2009.

Budget Impact

None at this time.

DISCUSSION:

This report summarizes MTS's operating results for September 2009 compared to the amended midyear budget. Attachment A-1 combines the operations, administration, and other activities results for September 2009. Attachment A-2 details the September 2009 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 September 2009 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company/debt service).

MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, the year-to-date September 2009 MTS net-operating subsidy unfavorable variance totaled \$1,831,000 (-6.5%). Operations

produced a \$1,640,000 (-5.8%) unfavorable variance, and the administrative /other activities areas were unfavorable by \$192,000.

MTS COMBINED RESULTS

Revenues

Year-to-date combined revenues through September 2009 were \$23,896,000 compared to the year-to-date budget of \$25,989,000, which represents a \$2,093,000 (-8.1%) negative variance. This is primarily due to unfavorable variance within passenger revenue due to lower-than-budgeted ridership.

Expenses

Year-to-date combined expenses through September 2009 were \$53,760,000 compared to the year-to-date budget of \$54,022,000, which resulted in a \$262,000 (0.5%) favorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$25,212,000 compared to a year-to-date budgetary figure of \$25,526,000, which produced a favorable variance of \$314,000 (1.2%). This is primarily due to favorable year-to-date variances within Administration.

Outside Services and Purchased Transportation. Total outside services for the first three months of the fiscal year totaled \$17,969,000 compared to a budget of \$18,381,000, which resulted in a year-to-date favorable variance of \$413,000 (2.2%). This is primarily due to purchased transportation favorable variances within paratransit operations.

Materials and Supplies. Total year-to-date materials and supplies expenses totaled \$1,765,000 compared to a budgetary figure of \$1,762,000, which resulted in an unfavorable expense variance of \$3,000 (-0.2%).

Energy. Total year-to-date energy costs were \$6,920,000 compared to the budget of \$6,837,000, which resulted in a year-to-date unfavorable variance of \$83,000 (-1.2%). Traction power was unfavorable by \$327,000 due to critical peak-pricing events partially offset by positive variances in diesel and compressed natural gas (CNG).

Year-to-date diesel prices averaged \$2.318 per gallon compared to the budgetary rate of \$2.300 per gallon. Year-to-date CNG prices averaged \$1.164 per therm compared to the budgetary rate of \$1.350 per therm.

Risk Management. Total year-to-date expenses for risk management were \$1,327,000, compared to the year-to-date budget of \$1,004,000, which resulted in an unfavorable variance totaling \$323,000 (-32.1%). This is primarily due to higher-than-expected legal claims costs within rail operations.

General and Administrative. Year-to-date general and administrative costs, including vehicle and facilities leases, were \$56,000 (-10.9%) unfavorable to budget totaling \$568,000 through September 2009 compared to a year-to-date budget of \$512,000. This is primarily due to variances in noncapital equipment within Administration.

YEAR-TO-DATE SUMMARY

The September 2009 year-to-date net-operating subsidy totaled an unfavorable variance of \$1,831,000 (-6.5%). These factors include unfavorable variances in passenger revenue, other revenue, energy, and risk management partially offset by favorable variances in personnel costs and outside services.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Mike Thompson, 619.557.4557, mike.thompson@sdmts.com

DEC10-09.47.OPS BUDGET SEPT 09.MTHOMPSON.doc

Attachment: A. Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

MTS

Att. A, AI 47, 12/10/09

CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2010

SEPTEMBER 30, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 22,210	\$ 24,072	\$ (1,862)	-7.7%
Other Revenue	<u>1,686</u>	<u>1,917</u>	<u>(231)</u>	<u>-12.0%</u>
Total Operating Revenue	\$ 23,896	\$ 25,989	\$ (2,093)	-8.1%
Personnel costs	\$ 25,212	\$ 25,526	\$ 314	1.2%
Outside services	17,969	18,381	413	2.2%
Transit operations funding	-	-	-	-
Materials and supplies	1,765	1,762	(3)	-0.2%
Energy	6,920	6,837	(83)	-1.2%
Risk management	1,327	1,004	(323)	-32.1%
General & administrative	425	356	(69)	-19.5%
Vehicle/facility leases	142	156	14	8.7%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	0	0	-	0.0%
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	\$ 53,760	\$ 54,022	\$ 262	0.5%
Operating income (loss)	\$ (29,864)	\$ (28,033)	\$ (1,831)	-6.5%
Total public support and nonoperating revenues	(1,048)	(821)	(227)	27.6%
Income (loss) before capital contributions	<u>\$ (30,912)</u>	<u>\$ (28,854)</u>	<u>\$ (2,058)</u>	<u>7.1%</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 47, 12/10/09

CONSOLIDATED OPERATIONS

COMPARISON TO BUDGET - FISCAL YEAR 2010

SEPTEMBER 30, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 22,210	\$ 24,072	\$ (1,862)	-7.7%
Other Revenue	117	145	(28)	-19.2%
Total Operating Revenue	\$ 22,327	\$ 24,218	\$ (1,890)	-7.8%
Personnel costs	\$ 21,950	\$ 22,125	\$ 175	0.8%
Outside services	15,487	15,910	423	2.7%
Transit operations funding	-	-	-	-
Materials and supplies	1,761	1,753	(7)	-0.4%
Energy	6,758	6,690	(68)	-1.0%
Risk management	1,197	899	(298)	-33.2%
General & administrative	84	103	19	18.3%
Vehicle/facility leases	135	142	7	5.1%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	4,875	4,875	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 52,247	\$ 52,497	\$ 251	0.5%
Operating income (loss)	\$ (29,919)	\$ (28,280)	\$ (1,640)	-5.8%
Total public support and nonoperating revenues	(185)	42	(227)	-543.1%
Income (loss) before capital contributions	\$ (30,105)	\$ (28,238)	\$ (1,867)	6.6%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 47, 12/10/09

TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)

COMPARISON TO BUDGET - FISCAL YEAR 2010

SEPTEMBER 30, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 6,790	\$ 6,949	\$ (159)	-2.3%
Other Revenue	21	15	6	37.6%
Total Operating Revenue	\$ 6,811	\$ 6,964	\$ (153)	-2.2%
Personnel costs	\$ 14,211	\$ 14,208	\$ (2)	0.0%
Outside services	467	397	(70)	-17.7%
Transit operations funding	-	-	-	-
Materials and supplies	1,051	1,008	(43)	-4.3%
Energy	1,799	1,844	45	2.4%
Risk management	372	408	37	9.0%
General & administrative	35	39	4	10.8%
Vehicle/facility leases	50	48	(1)	-3.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	1,658	1,658	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 19,642	\$ 19,611	\$ (31)	-0.2%
Operating income (loss)	\$ (12,831)	\$ (12,647)	\$ (185)	-1.5%
Total public support and nonoperating revenues	(1,134)	(906)	(227)	25.1%
Income (loss) before capital contributions	\$ (13,965)	\$ (13,553)	\$ (412)	3.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)
COMPARISON TO BUDGET - FISCAL YEAR 2010
SEPTEMBER 30, 2009
(in \$000's)

Att. A, AI 47, 12/10/09

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 8,194	\$ 9,676	\$ (1,481)	-15.3%
Other Revenue	81	130	(49)	-37.9%
Total Operating Revenue	\$ 8,275	\$ 9,806	\$ (1,531)	-15.6%
Personnel costs	\$ 7,408	\$ 7,476	\$ 68	0.9%
Outside services	845	834	(11)	-1.3%
Transit operations funding	-	-	-	-
Materials and supplies	709	736	27	3.7%
Energy	2,777	2,334	(443)	-19.0%
Risk management	825	490	(335)	-68.3%
General & administrative	47	61	14	22.5%
Vehicle/facility leases	49	56	8	13.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	2,953	2,953	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 15,612	\$ 14,941	\$ (671)	-4.5%
Operating income (loss)	\$ (7,337)	\$ (5,135)	\$ (2,202)	-42.9%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (7,337)	\$ (5,135)	\$ (2,202)	42.9%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 47, 12/10/09

MULTIMODAL OPERATIONS (FIXED ROUTE)

COMPARISON TO BUDGET - FISCAL YEAR 2010

SEPTEMBER 30, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 5,760	\$ 5,928	\$ (168)	-2.8%
Other Revenue	16	-	16	-
Total Operating Revenue	\$ 5,776	\$ 5,928	\$ (152)	-2.6%
Personnel costs	\$ 57	\$ 116	\$ 59	50.7%
Outside services	10,066	10,184	118	1.2%
Transit operations funding	-	-	-	-
Materials and supplies	1	8	7	89.4%
Energy	1,648	1,723	75	4.4%
Risk management	-	-	-	-
General & administrative	-	1	1	-
Vehicle/facility leases	36	37	1	1.9%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	221	221	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 12,028	\$ 12,289	\$ 261	2.1%
Operating income (loss)	\$ (6,252)	\$ (6,361)	\$ 108	1.7%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (6,252)	\$ (6,361)	\$ 108	-1.7%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 47, 12/10/09

MULTIMODAL OPERATIONS (PARATRANSIT)

COMPARISON TO BUDGET - FISCAL YEAR 2010

SEPTEMBER 30, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 468	\$ 574	\$ (106)	-18.4%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 468	\$ 574	\$ (106)	-18.4%
Personnel costs	\$ 33	\$ 50	\$ 17	34.4%
Outside services	2,418	2,792	375	13.4%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	450	603	153	25.4%
Risk management	-	-	-	-
General & administrative	0	2	2	99.2%
Vehicle/facility leases	-	1	1	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	9	9	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 2,910	\$ 3,457	\$ 547	15.8%
Operating income (loss)	\$ (2,442)	\$ (2,883)	\$ 442	15.3%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (2,442)	\$ (2,883)	\$ 442	-15.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CONSOLIDATED CHULA VISTA TRANSIT OPERATIONS
COMPARISON TO BUDGET - FISCAL YEAR 2010
SEPTEMBER 30, 2009
(in \$000's)

Att. A, AI 47, 12/10/09

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 997	\$ 946	\$ 52	5.5%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 997	\$ 946	\$ 52	5.5%
Personnel costs	\$ 53	\$ 86	\$ 34	38.9%
Outside services	1,498	1,509	11	0.7%
Transit operations funding	-	-	-	-
Materials and supplies	0	2	1	98.0%
Energy	84	186	102	54.7%
Risk management	-	-	-	-
General & administrative	3	0	(2)	-758.0%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	34	34	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 1,672	\$ 1,818	\$ 145	8.0%
Operating income (loss)	\$ (675)	\$ (872)	\$ 197	22.6%
Total public support and nonoperating revenues	897	897	-	0.0%
Income (loss) before capital contributions	\$ 222	\$ 25	\$ 197	779.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 47, 12/10/09

CORONADO FERRY

COMPARISON TO BUDGET - FISCAL YEAR 2010

SEPTEMBER 30, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	38	38	-	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	-
Depreciation	-	-	-	-
Total Operating Expenses	\$ 38	\$ 38	\$ -	0.0%
Operating income (loss)	\$ (38)	\$ (38)	\$ -	0.0%
Total public support and nonoperating revenues	51	51	-	0.0%
Income (loss) before capital contributions	\$ 13	\$ 13	\$ -	0.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ADMINISTRATION

Att. A, AI 47, 12/10/09

CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2010

SEPTEMBER 30, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	1,448	1,693	(245)	-14.5%
Total Operating Revenue	\$ 1,448	\$ 1,693	\$ (245)	-14.5%
Personnel costs	\$ 3,107	\$ 3,236	\$ 129	4.0%
Outside services	2,431	2,439	8	0.3%
Transit operations funding	-	-	-	-
Materials and supplies	2	8	6	73.5%
Energy	158	141	(17)	-12.0%
Risk management	122	100	(22)	-22.4%
General & administrative	313	226	(87)	-38.3%
Vehicle/facility leases	8	14	6	45.2%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(4,892)	(4,892)	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 1,250	\$ 1,272	\$ 22	1.7%
Operating income (loss)	\$ 199	\$ 421	\$ (223)	52.8%
Total public support and nonoperating revenues	(862)	(863)	1	-0.1%
Income (loss) before capital contributions	\$ (664)	\$ (442)	\$ (222)	50.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OTHER ACTIVITIES

Att. A, AI 47, 12/10/09

CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2010

SEPTEMBER 30, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	121	79	42	53.1%
Total Operating Revenue	\$ 121	\$ 79	\$ 42	53.1%
Personnel costs	\$ 155	\$ 165	\$ 10	6.0%
Outside services	51	33	(18)	-53.9%
Transit operations funding	-	-	-	-
Materials and supplies	2	1	(1)	-75.6%
Energy	3	5	2	42.2%
Risk management	8	6	(2)	-41.4%
General & administrative	28	26	(2)	-6.0%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	17	17	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 264	\$ 253	\$ (11)	-4.3%
Operating income (loss)	\$ (144)	\$ (174)	\$ 31	17.7%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (144)	\$ (174)	\$ 31	-17.7%



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Agenda

Item No. 48

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

SRTP 825

December 10, 2009

SUBJECT:

MTS: REPORT ON THE CREATION OF A CENTRAL MTS DATABASE AND
REPORTING TOOL (DEVIN BRAUN)

RECOMMENDATION:

That the Board of Directors receive a report on the new central database and reporting tool.

Budget Impact

None.

Executive Committee Recommendation

At its meeting on November 5, 2009, the Executive Committee recommended forwarding this item to the Board of Directors for information.

DISCUSSION:

MTS must collect, store, and report on data that is applicable to all modes of transit services and operations. To meet these requirements, staff had developed many spreadsheets and databases over the years to use as data stores and reporting tools. With so many different operating divisions now reporting under the MTS umbrella (MTS Bus, MTS Trolley, Contracted Bus, Contracted Paratransit, Chula Vista Transit, etc.), MTS has begun to collect all data in a central database called Transit Operational Activity Data (TOAD) in order to provide an instant and central reporting tool.

The MTS IT Department has collected past data, is collecting current data, and is writing reports to analyze the data in TOAD. Such reports can automatically show current trends in many performance areas including ridership, on-time performance, accidents, claims, and road calls.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Devin Braun, 619.595.4916, Devin.Braun@sdmts.com

DEC10-09.48.MTS DATABASE & REPORTING TOOL.DBRAUN.doc



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Agenda

Item No. 62

Chief Executive Officer's Report

ADM 121.7

December 10, 2009

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 October 30, 2009 through November 30, 2009

vicki.rogers/agenda item 62

REVENUE CONTRACTS

Doc #	Organization	Subject	Amount	Day
G0878.8-03	SCRIPPS HEALTH CORP	ECO PASS 9 MONTH RENEWAL	(\$77,760.00)	11/5/2009
L6624.0-10	PAR ELECTRIC INC	ROE PERMIT SDGE TAYLOR ST POLE REPLACEME	(\$830.00)	11/9/2009
L0919.0-10	PURE FITNESS RUN FOR THE HUNGR	RUN FOR THE HUNGRY NOV 26 2009	(\$840.00)	11/12/2009
L6625.0-10	MCI METRO ACCESS TRANSMISSION	LICENSE FOR AN AERIAL CROSSING	(\$1,500.00)	11/17/2009
L6631.0-10	MCI METRO ACCESS	JROE PERMIT NCTD FIBER OPTIC CABLE	(\$1,250.00)	11/19/2009
S200-10-434	CLEAR CHANNEL OUTDOOR INC	LEASE AGREEMENT - HARBOR DR N OF SIGSBEE	(\$7,200.00)	11/19/2009
S200-10-435	CLEAR CHANNEL OUTDOOR INC	LEASE AGREEMENT - 5 FWY N OF 22ND	(\$1,800.00)	11/19/2009
S200-10-436	CLEAR CHANNEL OUTDOOR INC	LEASE AGREEMENT - 8TH ST W OF I 5 FWY	(\$1,800.00)	11/19/2009
S200-10-433	WEST-TECH CONTRACTING	ROE PERMIT OTAY VALLEY REGIONAL PARK	(\$4,150.00)	11/23/2009
L0934.0-10	HMS CONSTRUCTION	ROE PERMIT TRAFFIC SIGNALS CITY SD-PARK	(\$9,400.00)	11/30/2009

EXPENSE CONTRACTS

Doc #	Organization	Subject	Amount	Day
G1173.6-08	LAW OFFICE OF JULIE MORRIS SOD	LEGAL SERVICES - GRAL & TORT LIABILITY	\$75,000.00	11/2/2009
G1244.0-09	EARTHWORKS	2009 GO GREEN PARTNERSHIP FOR EARTHDAY	\$0.00	11/2/2009
G1296.0-10	SAN DIEGO SYMPHONY, WINTER POP	2009-2010 PARTNERSHIP AGREEMENT	\$0.00	11/2/2009
G1087.6-07	LIEBMAN, QUIGLEY, SHEPPARD & S	LEGAL SERVICES - GRAL & TORT LIABILITY	\$70,000.00	11/5/2009
G1165.2-08	OPPER & VARCO, LLP	LEGAL SERVICES ENVIRONMENTAL LAW	\$55,000.00	11/5/2009
L5708.1-09	ALADDIN DEVELOPERS INC	AMENDED 9 RESTATED NO BUILD EASMT NUTMEG	\$0.00	11/5/2009
T0476.0-10	TRUE NORTH RESEARCH, INC	TAXI-CAB ON CALL SURVEY SVCS 3YR	\$100,000.00	11/12/2009
G1194.1-08	THE BUSINESS CLEANING COMPANY	EXERCISE OPTION YEAR ONE JANITORIAL SVCS	\$12,010.56	11/17/2009
L0930.0-10	CHAM HILL INC	ROE PERMIT SANDAG ENG DESIGN STUDY ORANG	\$0.00	11/17/2009
G1300.0-10	CANON BUSINESS SOLUTIONS	PRUCHASE COPIER FOR FINANCE W/MAINTENANC	\$12,078.56	11/19/2009
G1301.0-10	HOLIDAY BOWL	HOLIDAY BOWL AND POINSETTIA BOWL ADV	\$1,175.00	11/19/2009
T0477.0-10	SANDAG	MOU FOR ASSIGNMENT OF TELEPHONE SURVEY	\$100,000.00	11/19/2009
G0867.9-03	MOTOROLA	TRANSIT SIGNAL PRIORITY AMEND 7	\$25,466.51	11/23/2009
G1086.1-07	LAW OFFICES OF HARRY E TEAR	LEGAL SERVICES WORKERS COMPENSATION	\$25,000.00	11/23/2009
G1273.1-09	DLA PIPPER, LLP	LEGAL SERVICES INT PROPERTY, PATENT, TMA	\$20,000.00	11/23/2009
L0926.0-10	COUNTY OF SAN DIEGO	CONSTRUCTION AND MAINT AGREE OTAY VALLEY	\$0.00	11/23/2009

EXPENSE CONTRACTS

Doc #	Organization	Subject	Amount	Day
L0927.0-10	CITY OF SAN DIEGO	LIC AGREE PLACE OTAY VRT ON SDAE PROPERT	\$0.00	11/23/2009
L0928.0-10	COUNTY OF SAN DIEGO	LIC AGREE PLACE OTAY VRT ON SDAE PROPERT	\$0.00	11/23/2009
B0514.1-09	EF ENTERPRISES	ADDITIONAL INSPECTION SVCS	\$2,975.00	11/30/2009
G1291.0-10	SANDAG	MOU #5001317 SD SUPERIOR COURT, NCTD	\$0.00	11/30/2009
L0903.1-10	PRIZM JANITORIAL SERVICES	ADD ADDITIONAL JANITORIAL SERVICES	\$18,180.00	11/30/2009
L0932.0-10	HERITAGE SECURITY SVCS	10 MOS SERVICES FOR MTS SOUTH BAY FACILI	\$100,000.00	11/30/2009

PURCHASE ORDERS

DATE	Organization	Subject	AMOUNT
11/5/2009	ACCESSIBLE SAN DIEGO	ACCESS GUIDE ADS QTY 2	\$6,250.00
11/5/2009	OMEGA ELEVATOR	REPAIRS FOR ESCALATOR #1 SDSU	\$18,600.00
11/5/2009	AZTEC JANITORIAL SERVICES	CLEANUP ENTIRE 1214C BLDG	\$624.00
11/5/2009	RELIABLE MONITORING SVCS	GAS DETECTION SYSTEMS REPLACEMENT	\$83,087.78
11/5/2009	ZONES CORPORATE SOLUTIONS	ANNUAL SUPPORT MAINTENANCE RENEWAL	\$21,075.62
11/5/2009	ASSOCIATED POSTERS INC	MTS HOLIDAY FOOD DRIVE	\$980.75
11/5/2009	CONVIS	FULL PAGE ADS IN THE MEETING PLANNE	\$7,440.00
11/5/2009	THE GATES GROUP	MTS COLORING BOOK - ENGLISH	\$4,290.19
11/5/2009	SID TOOL CO INC	HARDWOOD DECK PLATFORM TRUCK	\$202.85
11/5/2009	INC GCAP SERVICES	PUBLIC FORUM MODERATOR SVCS	\$900.00
11/5/2009	RICHARDS WILCOX INC	7-TIER LETTER SIZE ADDER UNIT	\$2,158.68
11/9/2009	MADDEN CONSTRUCTION	CONCRETE SLAB LA MESA TROLLEY STATI	\$941.64
11/17/2009	OTAY VALLEY ROCK LLC	W-706 2" RR BALLAST 432 TON FOR TRA	\$13,987.20
11/17/2009	VISIBLE INK	POSTERS 30 X 40 INJET PRINT/UV INK.	\$3,601.80
11/17/2009	NETWORK LIQUIDATORS	NORTEL BAYSTACK 5510-24T	\$1,514.88
11/17/2009	NETWORK LIQUIDATORS	NORTEL BAYSTACK 470-48T	\$2,144.75
11/23/2009	PRESSNET EXPRESS	SPRING 2010 11 X 17 COLLEGE POSTERS	\$629.66
11/23/2009	PRESSNET EXPRESS	2009 HOLIDAY BOWL DAY PASS	\$1,033.11
11/23/2009	ETHERWAN SYSTEMS INC	ETHERNET MEDIA CONVERTER	\$2,199.00
11/23/2009	FUSION STORM	MAC PRO TWO QUAD CORE INTEL XEON	\$14,881.35
11/30/2009	PERVO TRAFFIC CENTER	NO TRESPASSING ENG/SPAN	\$726.23

PURCHASE ORDERS

DATE	Organization	Subject	AMOUNT
11/30/2009	US POSTAL SERVICE	POSTAGE FOR METER HASLER WJ-135	\$6,000.00

WORK ORDERS

Doc #	Subject	Amount	Day
G1246.0-09.05.01	WO AMEND 1 REV SCOPE CCTV DESIGN	\$6,553.47	11/2/2009
G1127.0-08.20.01	NO COST WO FOR TIME EXTENSION	\$0.00	11/30/2009