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****REVISED****

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

JOINT MEETING OF THE BOARD OF DIRECTORS

for the

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

April 23, 2009

▶▶ 9:00 a.m. ◀◀

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

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FINANCE WORKSHOP - 9:00 a.m.

ACTION RECOMMENDED

1. Roll Call
2. MTS: Fiscal Year 2010 Budget Development Receive
Action would receive a report on the FY 2010 operating budget development.
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.
4. Adjournment

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.

BOARD MEETING - Meeting will begin when the Finance Workshop ends.

5. a. Roll Call
- b. Approval of Minutes - April 9, 2009 Approve
- c. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please furnish a copy to the Clerk of the Board.
- **d.** Transit Security Administration Presentation Regarding Smart Bus Technology Receive
Action would receive a report from the TSA regarding the findings of the testing of the Smart Bus Project with MTS.

CONSENT ITEMS

6. MTS: Mincom Annual Support Renewal - Contract Amendment Approve
That the Board of Directors: (1) ratify MTS Doc. No. G0740.8-02 with Mincom, Inc. for continued software support maintenance; and (2) authorize the CEO to execute MTS Doc. No. G0740.9-02 with Mincom Inc. for annual software support maintenance for the Ellipse financial system and ERP package.
7. MTS: MTS Access/ADA Suburban Paratransit Option Year Approve
Action would authorize the CEO to execute one option year for each of the following contracts with First Transit, Inc.; (1) MTS Doc. No. B0338.5-03 for Americans with Disabilities Act (ADA) Suburban paratransit services; and (2) MTS Doc. No. B0368.5-03 for MTS Access services.
8. MTS: FY 2009/10 Community-Based Transportation Planning Grant Approve
Action would approve Resolution No. 09-16 authorizing the CEO enter into a contract with the California Department of Transportation (Caltrans) for the use of a community-based transportation planning grant (if awarded).

CLOSED SESSION

24. a. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL Possible Action
EXISTING LITIGATION Pursuant to California Government Code
section 54956.9(a): California Air Resources Board v. MTS

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. None.

REPORT ITEMS

- | | | |
|-----|---|-------------|
| 45. | <u>MTS: San Diego International Airport Master Planning Update</u>
Action would receive a report on the status of the San Diego International Airport's (SDIA's) planning efforts. | Receive |
| 46. | <u>MTS: Operations Budget Status Report for February 2009</u>
Action would receive the Metropolitan Transit System (MTS) operations budget status report for February 2009. | Receive |
| 60. | <u>Chairman's Report</u> | Information |
| 61. | <u>Audit Oversight Committee Chairman's Report</u> | Information |
| 62. | <u>Chief Executive Officer's Report</u> | Information |
| 63. | <u>Board Member Communications</u> | |
| 64. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public | |
| 65. | <u>Next Meeting Date:</u> May 14, 2009 | |
| 66. | <u>Adjournment</u> | |

METROPOLITAN TRANSIT DEVELOPMENT BOARD
FINANCE WORKSHOP

ROLL CALL

MEETING OF (DATE): 4/23/09

CALL TO ORDER (TIME): 9:03 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 9:57 a.m.

BOARD MEMBER (Alternate)			PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BOYACK	<input type="checkbox"/>	(Cunningham) <input type="checkbox"/>		<input checked="" type="checkbox"/>
EWIN	<input checked="" type="checkbox"/>	(Allan) <input type="checkbox"/>		
FAULCONER	<input type="checkbox"/>	(Emerald) <input type="checkbox"/>		<input checked="" type="checkbox"/>
GLORIA	<input checked="" type="checkbox"/>	(Emerald) <input 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"/>		
MCLEAN	<input type="checkbox"/>	(Janney) <input checked="" type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/>	(Woiwode) <input type="checkbox"/>		
RINDONE	<input checked="" type="checkbox"/>	(Castaneda) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/>	(Cox) <input type="checkbox"/>		<input checked="" type="checkbox"/>
RYAN	<input type="checkbox"/>	(B. Jones) <input checked="" type="checkbox"/>		
SELBY	<input checked="" type="checkbox"/>	(England) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/>	(Emerald) <input type="checkbox"/>		
ZARATE	<input type="checkbox"/>	(Parra) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

Gail Williams

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Ed Johnson

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

April 9, 2009

MTS
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:00 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Ewin moved to approve the minutes of the March 26, 2009, MTS Board of Directors meeting. Mr. Roberts seconded the motion, and the vote was 10 to 0 in favor with Mr. Janney abstaining.

3. Public Comments

Chuck Lungerhausen: Mr. Lungerhausen provided the Board with details on the 2009 MS Walk for Land-Lubbers on April 17, 2009, and requested donations. He also expressed his thanks for support given in previous years for this cause. He also referred to an editorial that appeared in the San Diego Union-Tribune. He stated that he was not aware of any funding being taken away from highways to be given to transit and that they were creating news items about things that were not happening.

Chairman Mathis stated that the editorial writer was misinformed.

CONSENT ITEMS:

6. SDTI: SD 100 Brake Rehabilitation – Contract Award (CIP 11254-0200)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. L0888.0-09 (in substantially the same format as Attachment A of the agenda item) with Knorr Brake Corporation as a sole-source contract for a two-year period.

7. SDTI: Audit Report – Revenue Collection (LEG 492)

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

8. MTS: Investment Report (FIN 300)

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

9. MTS: Mission Valley East Legal Services – Contract Amendment (CIP 10426.12)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. M6655.11-07 (in substantially the same form Attachment A of the agenda item) with Hecht, Solberg, Robinson, Goldberg, and Bagley, LLP for legal services on the Mission Valley East Light Rail Transit Project.

10. MTS: GIRO, Inc. Regional Scheduling System – Contract Amendment (CIP 10940)

Recommend that the Board of Directors authorize the CEO to execute MTS Doc. No. G0856-13-03 (in substantially the same format as Attachment A of the agenda item) with GIRO, Inc. to fund the HASTUS Maintenance and Service Support Agreement for the Regional Scheduling System contract.

11. MTS: Motorola Regional Transit Management System – Contract Amendment (CIP 10940)

Recommend that the Board of Directors authorize the CEO to execute (1) MTS. Doc. No. G0867.8-03 (Attachment A of the agenda item) to the Motorola Regional Transit Management System contract to fund the Service Support Agreement; and (2) MTS Doc. No. G0868.4-03 (Attachment B of the agenda item) with North County Transit District for a Fund Transfer Agreement.

12. MTS: Federal Economic Stimulus Programming Recommendation (CIPS 11420, 12100)

Recommend that the Board of Directors approve (1) the use of the American Recovery and Reinvestment Act of 2009 to fund the Overhead Contact Wire Project (Capital Improvement Program 1142000) and the Blue Line Rehabilitation Project (Capital Improvement Program 1210001); and (2) the transfer of \$6 million from the Overhead Catenary Wire Project to the South Bay Facility Land Acquisition Project.

13. MTS: FY 2009/10 Community-Based Transportation Planning Grant (AG 220.3)

Recommend that the Board of Directors approve Resolution No. 09-15 (Attachment A of the agenda item) authorizing the CEO to enter into a contract with the California Department of Transportation for the use of a community-based transportation planning grant (if awarded).

Action on Recommended Consent Items

Mr. Janney requested that Consent Agenda Item No. 12, Federal Economic Stimulus Programming Recommendation, be pulled for discussion.

Mr. Ewin pointed out that Consent Agenda Item No. 7, Audit Report – Revenue Collection, was presented to the Audit Oversight Committee.

Mr. Janney asked how MTS could purchase land for the South Bay Facility Land Acquisition Project given its current funding shortfall and asked if this funding was strictly for capital projects. Mr. Paul Jablonski, CEO, stated that the funding being used for this project is economic stimulus funding, which requires that funding be used for projects that can be started quickly. He stated that the South Bay facility is undersized, and preliminary work on renovation and construction has already been completed so the actual renovation and construction could

be started within a short period of time. Mr. Janney applauded staff's plan related to the Blue Line. He added that he would not be able to support the item on the South Bay facility.

Mr. Roberts moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, and 13. Mr. Rindone seconded the motion, and the vote was 11 to 0 in favor.

Mr. Ewin moved to approve Consent Agenda Item No. 12. Mr. Rindone seconded the motion, and the vote was 11 to 1 in favor, with Mr. Janney casting the dissenting vote.

NOTICED PUBLIC HEARINGS

There were no Noticed Public Hearings.

CLOSED SESSION:

24. Closed Session Items (ADM 122)

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

- a. MTS: CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code section 54956.9(a) Balfour Beatty/Ortiz v. Metropolitan Transit System (Superior Court Case No. GIC 868963)
- b. MTS: CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS Pursuant to California Government Code section 54957.6: Agency-Designated Representative – Jeff Stumbo. Employee Organization – International Brotherhood of Electrical Workers, Local 465

The Board reconvened to Open Session at 9:32 a.m.

Oral Report of Final Actions Taken in Closed Session

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

- a. The Board received a report
- b. The Board received a report and gave direction to the Director of Labor Relations and the Chief Executive Officer.

DISCUSSION ITEMS:

There were no Discussion Items.

REPORT ITEMS:

45. MTS Fare Policy and SANDAG Fare Study

Ms. Sharon Cooney, Interim Director of Planning and Scheduling, advised the Board that this item covers substantial changes that will be made to MTS's fare structure, including fare increases. Mr. Mark Thomsen, Senior Transportation Planner, reported on the goals for the regional fare study as well as MTS's fare-setting goals. He also reported on the dates of recent

fare changes that were made as a result of the study in order to replace lost funding. He reviewed the existing fare structure, the average fare versus subsidy, passenger revenue trends (shift from cash fares to passes), and pass usage versus average fare. He also provided information on MTS cash/pass fares and senior eligibility age compared to other California peer properties. He then reviewed the fare strategy proposed during the budget process to increase revenues by \$2.2 million in order to address the budget's \$6.9 million shortfall. He reported that the recommended change in the age for senior eligibility, which would be phased in over a five-year period to ensure that no one currently paying the senior fare would be affected by this change, would generate \$ 1.55 million annually in additional revenue when fully implemented. Mr. Thomsen then presented a timeline for the implementation of the recommended fare and fare-related changes.

Ms. Cooney provided the Board with an update on the implementation of the new Compass Card Program. She advised the Board that a Compass Card, which is good for one year, had been placed at each Board member's place and could be used for any transit service in the county including the Sprinter and Coaster. Ms. Cooney stated that, starting next week, paper passes will be replaced with Compass Cards on Premium Express routes and on the Coaster. She also reported that Compass Cards will be stocked in Ticket Vending Machines, and that staff is currently testing the use of credit cards to purchase fare media from these machines. She reported that in addition to MTS staff volunteers, the Workforce Partnership will be providing temporary employees, funded by the economic stimulus program, to serve as Ambassadors during the implementation of this program. She added that paper passes will no longer be available once full implementation of the program has been completed July 1.

Mr. Dave Schumacher, SANDAG Principal Regional Planner, reviewed the Regional Fare Structure & Revenue Sharing Study, which will be finalized later this year. He reviewed the study purpose and reported that the project is being led by SANDAG with MTS and North County Transit District participation throughout. He reviewed the study recommendations already adopted and other recommendations that have been made by the consultant conducting this study. He reviewed the recommendations regarding revenue sharing and reported that the Compass Card will enable the system to track usage, which will result in fewer revenues that are subject to revenue sharing between MTS and North County Transit. He stated that revenue sharing will be limited to trips between systems and won't apply to trips within each of the respective systems.

In response to a question from Mr. Rindone, Ms. Cooney reported that people using Compass Cards cannot accidentally tap on twice for one ride on a bus. She also reported that most people holding Compass Cards will be monthly pass holders and accidentally tapping on twice will be of no consequence. She stated that she would report back on what would happen if someone holding a card with stored value accidentally tapped on twice.

In response to a question from Mr. Cunningham, Mr. Jablonski stated that any unused stored value remaining on a Compass Card would not be refunded. He added that at least 85 to 90 percent of the Compass Cards that will be issued will not have stored value but will be for a specified time period.

Action Taken

Mr. Rindone moved to receive a report on the regional fare structure and an update on the SANDAG Fare Study. Mr. Janney seconded the motions, and the vote was 13 to 0 in favor.

46. 2008 Year-End Security Report (OPS 970.11)

Mr. Bill Burke, Director of Security, provided an overview of security activities and results for January through December 2008. He presented information on passenger inspections, passengers carried, inspections conducted and results, Part I incidents (including a comparison with other transit properties), Part II incidents and arrests, robbery comparisons, and K-9 training. He also reported on how funding from the 2006 and 2007 Transit Security Grant Programs has been used. He also briefly discussed emergency preparedness and bus communications and control as well as information on a recent pilot program conducted at the request of the Transit Security Administration. He then reviewed community outreach events and provided information on Compass Card enforcement plans.

Mr. Burke pointed out that some of the Part I incidents reported involve the theft of copper wire and actions taken against MTS's enforcement officers. He stated that, in many cases of robbery of MTS customers, riders have neglected to watch their own property. He also advised the Board that enhanced security at four different transit stations has helped identify problem areas and persons and has allowed MTS to assist the San Diego Police Department in identifying perpetrators.

Mr. Burke advised the Board that enforcement officers plan to hand out cards to people who have not tapped on reminding them of the procedure. He stated that they will continue to do so until the public has been reasonably educated and will then start issuing citations. He reported that the Compass card hand-held unit will enable compliance officers to recognize a repeat offenders as Compass Cards are checked.

In response to a question from Mr. Jones, Mr. Burke reported that people are arrested for drunkenness only if they behave erratically, are bothering someone, or become aggressive

In response to a question from Mr. Cunningham, Mr. Burke stated that he felt he had a sufficient number of officers on staff, but that additional officers may be needed at some point in the future if ridership continues to increase.

Mr. Jablonski pointed that the MTS now has an Ad Hoc Public Security Committee, chaired by Mr. Young, which has held four meetings since its inception. He stated that they receive regular security reports about what is going on with the system.

Mr. Ewin stated that he would like to see a report at some time in the future about how inspections are conducted and how the statistics are gathered.

Action Taken

Mr. Cunningham moved to receive a report for information. Mr. McClellan seconded the motions, and the vote was 13 to 0 in favor.

60. Chairman's Report

Chairman Mathis referred to the editorial that appeared that morning in the San Diego Union-Tribune implying that transit is getting a disproportionate share of TransNet revenues. He stated that the author doesn't understand that if MTS were to get funding deferred from capital projects it would be from transit projects, not highway projects. He also stated that the percentage of the public who use transit that was cited in their article is a state-wide figure that

uses all of California, including areas not served by public transportation. He stated that he was disturbed to see an article authored by someone who made no effort to get accurate information before writing the article. He felt it would be appropriate to respond to the editorial. The Board agreed. He also stated that the public has brought up the question about the flexibility of funding during times of economic crisis. He stated that anyone who is interested in hearing more about this subject can attend the joint SANDAG Board and Transportation Committee meeting being held tomorrow.

Mr. Rindone stated that MTS receives 1/3 of 1 cent and added that Los Angeles gets 1½ cents. He pointed out that transit takes people off the road, reduces pollution, and make the highways better for those who are driving. He spoke in support of a dedicated tax for transit and stated that there is a legitimate demand for service. Chairman Mathis pointed out that the 1/3 of 1 cent is split 70/30 with North County Transit; therefore, MTS only receives 1/8th of a cent.

61. Audit Oversight Committee Chairman's Report

No report was given on this item.

62. Chief Executive Officer's Report

Mr. Jablonski had nothing to report.

63. Board Member Communications

There were no Board Member Communications.

64. Additional Public Comments on Items Not on the Agenda

There were no additional Public Comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, April 23, 2009.

66. Adjournment

Chairman Mathis adjourned the meeting at 10:51 a.m.



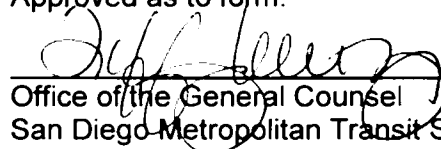
Chairperson
San Diego Metropolitan Transit System

Filed by:



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

Approved as to form:



Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

METROPOLITAN TRANSIT DEVELOPMENT BOARD
ROLL CALL

MEETING OF (DATE): 4/9/09

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:10 a.m.

RECONVENE: 9:32 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 10:51 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BOYACK	<input type="checkbox"/> (Cunningham) <input checked="" type="checkbox"/>	9:08 a.m. during the Consent	
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
FAULCONER	<input type="checkbox"/> (Emerald) <input type="checkbox"/>		<input checked="" type="checkbox"/>
GLORIA	<input checked="" type="checkbox"/> (Emerald) <input 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"/>		
MCLEAN	<input type="checkbox"/> (Janney) <input checked="" type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Woiwode) <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 checked="" type="checkbox"/>		
SELBY	<input checked="" type="checkbox"/> (England) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:10 during AI 24	
ZARATE	<input type="checkbox"/> (Parra) <input type="checkbox"/>		<input checked="" type="checkbox"/>

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL

Gail Williams
Jeff Williams



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Agenda

Item No. 2

MTS OPERATORS FINANCE WORKSHOP

FIN 310.1

April 23, 2009

SUBJECT:

MTS: FISCAL YEAR 2010 BUDGET DEVELOPMENT

RECOMMENDATION:

That the MTS Board of Directors receive a report on the FY 2010 operating budget development.

Budget Impact

None at this time.

DISCUSSION:

FY 10 Budget Recap

The following is a recap of the FY 10 budget process:

- MTS's first Budget Development Committee and Finance Workshop meetings took place in February. Within these two meetings, staff discussed and received approval of the FY 09 midyear budget adjustment and discussed preliminary revenues and assumptions for FY 10.
 - The State of California's budget had yet been approved, but the final impact to MTS's share of State Transit Assistance (STA) for the FY 09 midyear budget included MTS receiving 50% or approximately \$7 million in total STA compared to the original budget of \$14 million.
 - Regarding FY 09 midyear budget closure, lower-than-expected fuel prices and higher-than-anticipated fare revenues offset the STA reduction and brought MTS into a final positive position to balance the FY 09 budget and carry-forward approximately \$1.8 million into FY 10.

- Staff reported that FY 10 STA revenues would be completely eliminated as part of the State of California's plan of balancing its own budget. TDA and TransNet revenues were projected to range from -1% to +2.2% and would result in a net decrease. The total budget shortfall for FY 10 was projected at approximately \$14 million.
- In late February and early March, staff met with the Budget Development Committee (BDC), Executive Committee (EC), and MTS Board of Directors (Board) regarding a series of FY 10 budget-closing initiatives to balance an updated \$11 million shortfall. After discussing all initiatives with the BDC, the Committee forwarded the following recommendation to the EC and Board, which were approved. These initiatives were categorized into five categories: (1) FY 09 projected carry-forward, (2) nonfare revenue adjustments, (3) non-service cost adjustments, (4) personnel adjustments, and (5) fare/service adjustments.

1. FY 09 Projected Carry-Forward

This category includes the projected \$1.8 million revenues exceeding expenses in FY 09. These funds would be carried into the FY 10 operating budget as a buffer as there are many initiatives (particularly subsidy projections) in the following four categories that could fluctuate and have positive or negative impacts to our FY 10 operating budget.

2. Nonfare Revenue Adjustments

The scenario presented included options to expand advertising within MTS kiosks, timetables, regional transit maps as well as website and telephone advertising. It also includes exploring advertising opportunities to establish sustainable markets including pass sales to convention centers, etc. Establishing additional property development options and the El Cajon Transit Center redevelopment are included within this category.

3. Nonservice Cost Adjustments

MTS has been committed to running a lean operation, and this category focuses on the continuing of our internal "belt-tightening."

4. Personnel Adjustments

The scenario presented included options to eliminate open positions, continue to freeze other positions, make additional staff reductions, and put a cap of 2.0% on the annual merit increase.

5. Fare/Service Adjustments

A total of \$6.9 million in fares and service were targeted in order to balance the budget. The approved mix of fares and service adjustments are as follows:

- \$4 increase in Adult Monthly Pass (to \$72), which triggers adjustments in other monthly passes: Senior and Disabled (up \$1 to \$18), Youth (up \$2 to \$36). Premium Express pass was also raised \$10 per month to \$100.
- Increase the special circular route rate of \$1 one-way adult cash fare on four routes to match the \$2.25 one-way adult cash fare for the rest of the system.

- Eliminate the \$1.25 downtown trolley fare.
- Increase the senior age eligibility to 65 years over a five-year period by increasing the age one year each year. The reason for the progression of the age so that anyone who currently is included within the program would not be affected by the change.

A total of \$4.7 million in service adjustments were approved by the MTS Board of Directors on March 12, 2009. These adjustments were primarily focused on unproductive weekend routes as only 1 weekday route was proposed to be eliminated (Route 89) due to the Super Loop service beginning in the coming months. Most of the weekend service changes pertained to frequency reductions with only four routes being eliminated. MTS staff projects approximately 3.7 million trips impacted (3.7% of the total) and only 644,000 annual trips lost (0.7% of the total).

- Budget Closure – The MTS Board of Directors provided guidance to implement the proposed scenario and bridge the budget shortfall.

FY 10 Operating Budget

The implementation of the proposal presented to the MTS Board of Directors increased recurring revenue by \$5.5 million and decreased recurring expenses by \$3.7 million. Nonrecurring revenues also increased by \$1.8 million for a total impact of \$11 million.

The combination of updated staff assumptions and Board-directed adjustments brings the MTS operating budget into balance.

FY 10 Revenues

Attachment A summarizes the total operating and nonoperating revenues in a schedule format. As indicated within the schedule, FY 10 combined revenues total \$225.1 million, which is a decrease from the FY 09 amended budget of \$298,000 (-0.1 percent).

Operating revenue totals \$100.7 million, which is an increase from the FY 09 amended budget of \$5.5 million (5.8 percent), primarily due to increases in passenger revenues.

Subsidy revenue totals \$114.9 million, which is a decrease from the FY 09 amended budget of \$7.6 million (-6.2 percent) primarily due to the lost STA revenue mentioned above.

Nonrecurring revenue totaled \$1.9 million, which is an increase from the FY 09 amended budget of \$1.8 million due to the FY 2009 carry-forward mentioned above.

FY 10 Expenses

Attachment E contains the total revenues as detailed above and the total proposed expenses for the 2010 fiscal year. As indicated within the schedule, FY 10 combined expenses total \$225.1 million, which is an increase from the FY 09 amended budget of \$1.5 million (0.6 percent). Within operating expenses, personnel expenses increased from the FY 09 amended budget by \$2.2 million (2.2 percent) while energy expenses decreased by \$1.5 million (-5.4 percent).

Attachment F details the operating expense budgets for each operating division and administrative department in detail.

Attachments G, H, I, and J detail the energy-rate assumptions for the 2010 fiscal year. Staff projects rates for CNG, diesel, and gasoline at \$1.35 per therm, \$2.30 per gallon, and \$2.65 per gallon, respectively.

Five-Year Operating Forecast

Attachment K provides a look at MTS operations through FY 14. Passenger revenues are projected to increase by approximately 2.7% over the next four years. Early sales tax projections for FY 11 show a slight increase of approximately 1.0%, which impacts MTS's TDA and TransNet subsidy revenue. Expenses are projected to increase by approximately 2.8% over the following four fiscal years primarily due to expected continued operating expense increases including energy costs.



Paul C. Jablonski
Chief Executive Officer

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

APRIL23-09.2.FW.FY10 BUD DEV.MTHOMPSON.doc

- Attachments:
- A. Operating Budget Revenue Summary FY 10 – Functional Version
 - B. Operating Budget Operating Revenue Detail FY 10
 - C. Operating Budget Nonoperating Revenue Detail FY 10
 - D. Operating Budget Operating Statistics FY 10
 - E. FY 10 Operating Budget – Revenue/Expense Format
 - F. FY 10 Operating Budget – Divisional/Departmental Analysis Format
 - G. FY 10 CNG Price Per Therm Projection Graph
 - H. FY 10 Diesel Price Per Gallon Projection Graph
 - I. FY 10 Gasoline Price Per Gallon Projection Graph
 - J. FY 10 Energy Impact on Operations
 - K. Five-Year Operating Forecast

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
REVENUE SUMMARY
FISCAL YEAR 2010**

	APPROVED BUDGET FY09	AMENDED BUDGET FY09	PROPOSED BUDGET FY10	DOLLAR CHANGE PROPOSED/ AMENDED	% CHANGE PROPOSED/ AMENDED
OPERATING REVENUE					
PASSENGER REVENUE	79,696,081	87,411,480	93,680,214	6,268,734	7.2%
ADVERTISING REVENUE	3,210,000	2,411,280	2,008,232	(403,048)	-16.7%
CONTRACT SERVICE REVENUE	28,000	28,000	29,400	1,400	5.0%
OTHER INCOME	5,482,914	5,371,572	4,985,748	(385,824)	-7.2%
Total Operating Revenue	88,416,995	95,222,332	100,703,594	5,481,261	5.8%
SUBSIDY REVENUE					
FEDERAL REVENUE	25,102,497	34,935,545	34,624,174	(311,371)	-0.9%
TRANSPORTATION DEVELOPMENT ACT (TDA)	70,668,906	56,773,548	54,899,413	(1,874,135)	-3.3%
STATE TRANSIT ASSISTANCE (STA)	13,326,730	7,618,343	-	(7,618,343)	-100.0%
STATE REVENUE - OTHER	2,000,000	2,000,000	1,000,000	(1,000,000)	-50.0%
TRANSNET	21,479,466	20,229,452	22,768,984	2,539,532	12.6%
FEDERAL CMAQ FOR MISSION VALLEY EAST	-	-	-	-	-
OTHER LOCAL SUBSIDIES	928,918	976,727	1,633,578	656,851	67.3%
Total Subsidy Revenue	133,506,517	122,533,615	114,926,149	(7,607,466)	-6.2%
NON RECURRING REVENUES					
CARRYOVERS	-	-	1,749,754	1,749,754	#DIV/0!
RESERVES (CONTINGENCY/TAXICAB/SD&AE)	160,126	60,243	142,227	81,984	136.1%
Total Non Recurring Revenues	160,126	60,243	1,891,981	1,831,738	3040.6%
SUBTOTAL RECURRING/NONRECURRING OPERATIONS	222,083,638	217,816,190	217,521,724	(294,466)	-0.1%
DEBT SERVICE/LEASE LEASEBACK REVENUE	7,588,385	7,588,385	7,584,715	(3,670)	0.0%
GRAND TOTAL REVENUES	229,672,023	225,404,575	225,106,439	(298,136)	-0.1%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
OPERATING REVENUE
FISCAL YEAR 2010**

	APPROVED BUDGET FY09	AMENDED BUDGET FY09	PROPOSED BUDGET FY10	DOLLAR CHANGE PROPOSED/ AMENDED	% CHANGE PROPOSED/ AMENDED
<u>Passenger Revenue</u>					
Internal Bus Operations	24,555,295	26,587,229	27,229,225	641,996	2.4%
Rail Operations - Base	31,711,015	33,260,749	36,829,934	3,569,184	10.7%
MCS - Fixed route	18,784,300	21,641,602	23,637,303	1,995,701	9.2%
MCS - Paratransit	1,924,400	1,915,357	2,228,634	313,277	16.4%
Chula Vista Transit	2,721,071	4,006,542	3,755,118	(251,425)	-6.3%
Total Passenger Revenue	<u>79,696,081</u>	<u>87,411,480</u>	<u>93,680,214</u>	<u>6,268,734</u>	<u>7.2%</u>
<u>Advertising Revenue</u>					
Administration	3,210,000	2,411,280	2,008,232	(403,048)	-16.7%
Total Advertising Revenue	<u>3,210,000</u>	<u>2,411,280</u>	<u>2,008,232</u>	<u>(403,048)</u>	<u>-16.7%</u>
<u>Contract Service Revenue</u>					
Internal Bus Operations	28,000	28,000	29,400	1,400	5.0%
Total Contract Service Revenue	<u>28,000</u>	<u>28,000</u>	<u>29,400</u>	<u>1,400</u>	<u>5.0%</u>
<u>Other Income</u>					
Internal Bus Operations	10,000	10,000	60,000	50,000	500.0%
Rail Operations - Base	612,000	684,000	520,400	(163,600)	-23.9%
Administrative	4,003,814	3,769,172	3,540,348	(228,824)	-6.1%
Taxicab	754,400	754,400	750,000	(4,400)	-0.6%
SD&AE	102,700	154,000	115,000	(39,000)	-25.3%
Total Other Income	<u>5,482,914</u>	<u>5,371,572</u>	<u>4,985,748</u>	<u>(385,824)</u>	<u>-7.2%</u>
TOTAL OPERATING REVENUE	<u>88,416,995</u>	<u>95,222,332</u>	<u>100,703,594</u>	<u>5,481,261</u>	<u>5.8%</u>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
NON OPERATING REVENUE
FISCAL YEAR 2010**

	APPROVED BUDGET FY09	AMENDED BUDGET FY09	PROPOSED BUDGET FY10	DOLLAR CHANGE PROPOSED/ AMENDED	% CHANGE PROPOSED/ AMENDED
<u>FEDERAL</u>					
FTA 5307 - Planning	17,500	17,500	17,500	-	-
FTA 5307/5309 - Preventative Maintenance	23,200,000	33,200,000	33,200,000	-	-
JARC	1,435,690	1,196,484	1,079,005	(117,479)	-9.8%
FTA 5311 / 5311(f) - Rural	352,102	424,356	327,670	(96,686)	-22.8%
FTA 5304 - Planning	97,205	97,205	-	(97,205)	-100.0%
Total Federal Funds	25,102,497	34,935,545	34,624,174	(311,371)	-0.9%
<u>TRANSPORTATION DEVELOPMENT ACT (TDA)</u>					
TDA - Article 4.0 MTS Area	65,858,934	52,351,544	50,835,682	(1,515,862)	-2.9%
TDA - Article 4.5 (ADA)	3,965,784	3,745,346	3,696,972	(48,374)	-1.3%
TDA - Article 8.0	844,189	676,657	366,758	(309,899)	-45.8%
Total TDA Funds	70,668,906	56,773,548	54,899,413	(1,874,135)	-3.3%
<u>STATE TRANSIT ASSISTANCE (STA)</u>					
STA - Discretionary	8,894,565	-	-	-	-
STA - Formula	4,432,165	7,618,343	-	(7,618,343)	-100.0%
Total State Funds	13,326,730	7,618,343	-	(7,618,343)	-100.0%
<u>STATE REVENUE - OTHER</u>					
MediCal	2,000,000	2,000,000	1,000,000	(1,000,000)	-50.0%
Total State Funds	2,000,000	2,000,000	1,000,000	(1,000,000)	-50.0%
<u>TRANSNET</u>					
TransNet - 40% Operating Support	20,782,322	19,564,608	20,020,739	456,131	2.3%
TransNet - Access ADA	697,144	664,844	676,943	12,099	1.8%
TransNet - Superloop	-	-	2,071,302	2,071,302	-
Total TransNet Funds	21,479,466	20,229,452	22,768,984	2,539,532	12.6%
<u>OTHER LOCAL</u>					
City of San Diego	428,918	428,918	824,016	395,098	92.1%
SANDAG - Inland Breeze	500,000	500,000	500,000	-	-
SANDAG - 4S Ranch	-	-	180,120	180,120	-
Other	-	47,809	129,442	81,633	170.7%
Other Local Funds	928,918	976,727	1,633,578	656,851	67.3%
<u>LEASE-LEASEBACK / RESERVES</u>					
Lease-Leaseback	7,588,385	7,588,385	7,584,715	(3,670)	0.0%
Reserve Utilization	160,126	60,243	1,891,981	1,831,738	3040.6%
Total Lease-Leaseback / Reserves	7,748,511	7,648,628	9,476,696	1,828,068	23.9%
TOTAL NON OPERATING REVENUE	141,255,028	130,182,243	124,402,845	(5,779,398)	-4.4%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
OPERATING STATISTICS
FISCAL YEAR 2010

REVISED
Finance Workshop
AI 2, 4/23/09, Att. D

	APPROVED BUDGET FY09	AMENDED BUDGET FY09	PROPOSED BUDGET FY10	DOLLAR CHANGE PROPOSED/ AMENDED	% CHANGE PROPOSED/ AMENDED
<u>Total Passenger Levels</u>					
Internal Bus Operations	28,351,676	29,708,784	28,003,992	(1,704,792)	-5.7%
Rail Operations - Base	39,967,569	36,830,658	37,195,944	365,286	1.0%
MCS - Fixed Route	21,545,328	21,391,389	22,753,541	1,362,152	6.4%
MCS - Paratransit	631,376	564,384	564,384	0	0.0%
Chula Vista Transit	3,600,755	3,773,018	3,703,126	(69,893)	-1.9%
Total	94,096,704	92,268,233	92,220,986	(47,246)	-0.1%
<u>Total Average Fare</u>					
Internal Bus Operations	0.866	0.895	0.939	0.044	4.9%
Rail Operations - Base	0.793	0.903	0.856	(0.047)	-5.3%
MCS - Fixed Route	0.872	1.012	1.067	0.055	5.4%
MCS - Paratransit	3.048	3.136	3.163	0.027	0.9%
Chula Vista Transit	0.756	1.062	1.000	(0.062)	-5.8%
Total	0.847	0.946	0.953	0.007	0.8%
<u>Revenue Miles</u>					
Internal Bus Operations	9,234,689	9,244,668	8,797,321	(447,347)	-4.8%
Rail Operations - Base	8,038,944	8,092,000	8,172,920	80,920	1.0%
MCS - Fixed Route	8,764,861	8,856,658	8,672,530	(184,128)	-2.1%
MCS - Paratransit	3,281,059	3,483,850	3,636,328	152,478	4.4%
Chula Vista Transit	1,248,224	1,242,309	1,182,194	(60,116)	-4.8%
Total	30,567,777	30,919,486	30,461,293	(458,193)	-1.5%
<u>Total Miles</u>					
Internal Bus Operations	10,719,599	10,723,815	10,204,892	(518,923)	-4.8%
Rail Operations - Base	8,164,726	8,195,664	8,277,621	81,957	1.0%
MCS - Fixed Route	10,503,032	10,748,105	10,549,429	(198,676)	-1.8%
MCS - Paratransit	4,213,384	4,595,328	4,845,399	250,070	5.4%
Chula Vista Transit	1,447,940	1,441,079	1,371,345	(69,734)	-4.8%
Total	35,048,681	35,703,991	35,248,685	(455,306)	-1.3%
<u>Revenue Hours</u>					
Internal Bus Operations	856,656	845,355	805,781	(39,574)	-4.7%
Rail Operations - Base	472,835	436,777	441,145	4,368	1.0%
MCS - Fixed Route	784,897	795,484	790,963	(4,520)	-0.6%
MCS - Paratransit	193,889	203,631	215,160	11,529	5.7%
Chula Vista Transit	117,209	117,880	113,681	(4,199)	-3.6%
Total	2,425,486	2,399,126	2,366,730	(32,397)	-1.4%
<u>Total Hours</u>					
Internal Bus Operations	908,086	896,076	854,128	(41,949)	-4.7%
Rail Operations - Base	482,268	443,266	447,698	4,432	1.0%
MCS - Fixed Route	839,361	860,523	857,007	(3,516)	-0.4%
MCS - Paratransit	249,152	262,863	277,698	14,835	5.6%
Chula Vista Transit	124,241	124,953	120,502	(4,451)	-3.6%
Total	2,603,108	2,587,681	2,557,033	(30,648)	-1.2%

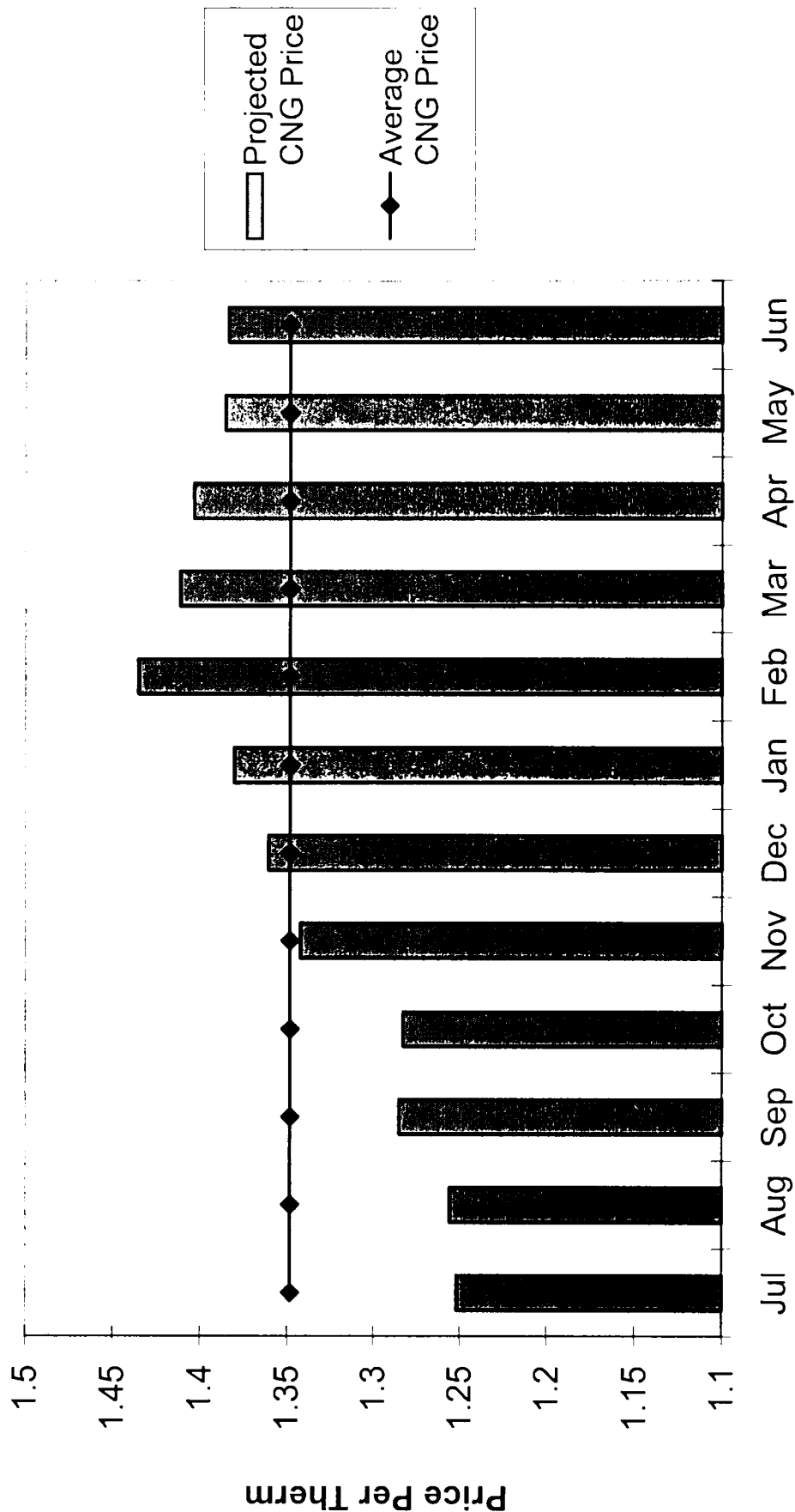
SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET - CONSOLIDATED
FISCAL YEAR 2010
in (\$000s)

	APPROVED BUDGET FY09	AMENDED BUDGET FY09	PROPOSED BUDGET FY10	DOLLAR CHANGE PROPOSED/ AMENDED	% CHANGE PROPOSED/ AMENDED
PASSENGER REVENUE	79,696	87,411	93,680	6,269	7.2%
OTHER REVENUE	8,721	7,811	7,023	(787)	-10.1%
TOTAL OPERATING REVENUES	88,417	95,222	100,704	5,481	5.8%
TOTAL NON-OPERATING REVENUE	141,255	130,182	124,403	(5,779)	-4.4%
TOTAL REVENUES	229,672	225,405	225,106	(298)	-0.1%
PERSONNEL EXPENSES	101,827	99,107	101,263	2,157	2.2%
OUTSIDE SERVICES	16,869	15,521	15,777	256	1.6%
PURCHASED TRANSPORTATION	55,813	55,462	56,076	614	1.1%
MATERIALS AND SUPPLIES	7,513	7,454	6,990	(463)	-6.2%
ENERGY	30,466	28,520	26,971	(1,549)	-5.4%
RISK MANAGEMENT	3,619	3,981	4,033	52	1.3%
GENERAL AND ADMINISTRATIVE	1,007	975	1,241	265	27.2%
VEHICLE / FACILITY LEASE	569	460	624	164	35.5%
DEBT SERVICE	11,989	12,173	12,131	(43)	-0.4%
TOTAL OPERATING EXPENSES	229,672	223,655	225,106	1,452	0.6%
OVERHEAD ALLOCATION	-	-	-	-	-
TOTAL REVENUES LESS TOTAL EXPENSE	0	1,750	0	(1,750)	100.0%
NET OPERATING SUBSIDY	(141,255)	(128,432)	(124,403)	4,030	3.1%

**San Diego Metropolitan Transit System
Total Operating Budget
Fiscal Year 2010
(in \$000's)**

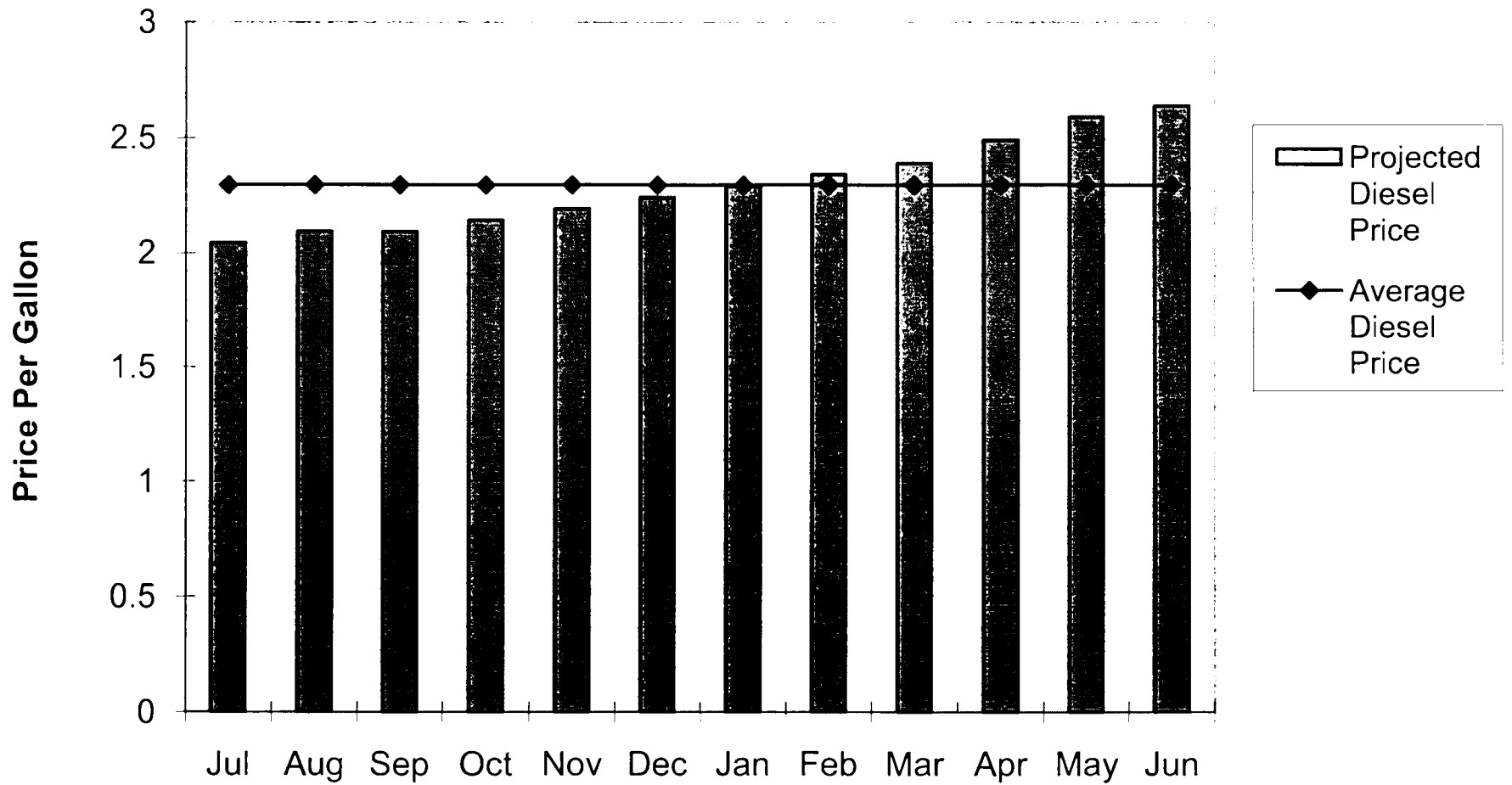
	Approved Expense Budget FY09	Allocation Differences FY09	Adjusted Expense Budget FY09	Proposed Expense Budget FY10	Difference	Percent Variance
Operations						
Internal Bus Operations	76,579	-	76,579	74,654	(1,925)	-2.5%
Rail Operations	53,764	(7,445)	46,320	47,644	1,325	2.9%
Contract Services - Fixed Route	48,691	-	48,691	47,683	(1,008)	-2.1%
Contract Services - Paratransit	12,798	-	12,798	13,764	966	7.5%
Chula Vista Transit	7,298	-	7,298	7,208	(90)	-1.2%
Coronado Ferry	148	-	148	152	4	3.0%
Administrative Pass Through	344	-	344	344	-	0.0%
Combined Operations	199,623	(7,445)	192,178	191,450	(728)	-0.4%
Other Operations						
Taxicab Administration	748	-	748	804	56	7.5%
San Diego & Arizona Eastern	175	-	175	135	(40)	-22.8%
Combined Other Operations	923	-	923	939	16	1.7%
Administrative						
Board of Directors	97	-	97	118	21	21.1%
BOD Admin	198	-	198	194	(4)	-2.0%
Bus Bench / Bus Shelter	281	-	281	266	(15)	-5.3%
Executive	500	-	500	506	6	1.2%
Finance	1,337	-	1,337	1,367	30	2.3%
Fringes	3,373	463	3,836	4,403	567	14.8%
General	9,190	-	9,190	9,360	170	1.8%
Human Resources	1,406	-	1,406	1,456	50	3.5%
Information Technology	1,608	-	1,608	1,922	314	19.6%
Land Management	366	-	366	403	37	10.0%
Legal	262	-	262	269	6	2.4%
Marketing	1,266	-	1,266	1,385	119	9.4%
Multimodal Operations	156	-	156	149	(7)	-4.5%
Operations Planning	687	-	687	667	(20)	-3.0%
Procurement	649	-	649	756	107	16.4%
Revenue	-	-	-	-	-	0.0%
Risk	720	-	720	706	(14)	-1.9%
Security	-	6,982	6,982	7,794	812	11.6%
Telephone Information Services	715	-	715	679	(36)	-5.1%
Transit Store	297	-	297	319	22	7.4%
Combined Administrative	23,109	7,445	30,554	32,717	2,164	7.1%
Combined Grand Total	223,655	-	223,655	225,106	1,452	0.6%

FY10 CNG Projection



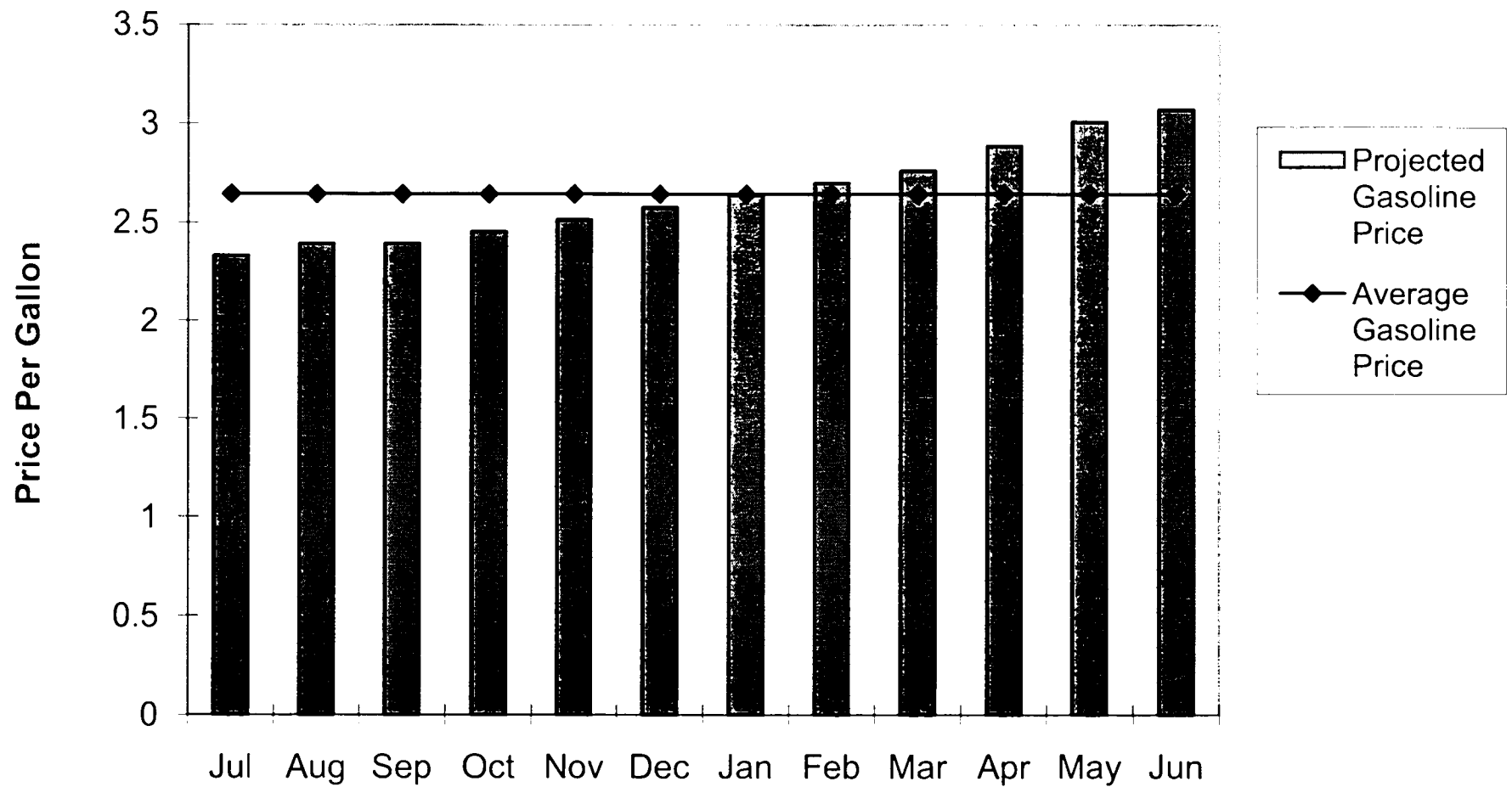
FY10 Projected Average CNG Price = \$1.35

FY10 Diesel Projection



FY10 Projected Average Diesel Price = \$2.30

FY10 Gasoline Projection



FY10 Projected Average Gasoline Price = \$2.65

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
Fiscal Year 2010
Energy Impact on Operations

Average annual cost per \$0.01 increase in price

	CNG		Diesel		Gasoline	
Annual budgetary impact at annual average prices	83,752		13,234		12,484	
	CNG		Diesel		Gasoline	
	Average	Annual	Average	Annual	Average	Annual
	Annual Price	Budgetary Impact	Annual Price	Budgetary Impact	Annual Price	Budgetary Impact
Budget Rate	1.290	(502,511)	2.100	(264,684)	2.450	(249,681)
	1.320	(251,255)	2.200	(132,342)	2.550	(124,840)
	1.350	-	2.300	-	2.650	-
	1.380	251,255	2.400	132,342	2.750	124,840
	1.410	502,511	2.500	264,684	2.850	249,681
	1.440	753,766	2.600	397,025	2.950	374,521

* CNG usage represents 96% of San Diego Transit operations

MTS FY10 Budgeted Cost Per Mile

CNG	Diesel
\$ 0.640	\$ 0.894

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FIVE YEAR FINANCIAL PROJECTIONS
FISCAL YEAR 2010**

	APPROVED BUDGET FY09	AMENDED BUDGET FY09	PROPOSED BUDGET FY10	PROJECTED FY11	PROJECTED FY12	PROJECTED FY13	PROJECTED FY14
TOTAL OPERATING REVENUES	88,416,995	95,222,332	100,703,594	103,004,000	105,402,000	107,881,000	110,443,000
RECURRING SUBSIDY FUNDING	133,506,516	122,533,615	114,926,149	115,711,200	117,329,200	119,737,200	123,043,200
TOTAL RECURRING REVENUES	221,923,511	217,755,947	215,629,743	218,715,200	222,731,200	227,618,200	233,486,200
BASE COMBINED OPERATOR TRANSP. SERVICES	204,469,691	199,623,166	191,450,178	195,279,000	201,137,000	207,171,000	213,386,000
ADMINISTRATIVE EXPENSES	16,641,404	15,520,439	25,132,618	25,635,000	26,404,000	27,196,000	28,012,000
OTHER ACTIVITIES	972,541	922,830	938,928	958,000	987,000	1,017,000	1,048,000
TOTAL RECURRING OPERATING EXPENSES	222,083,637	216,066,436	217,521,724	221,872,000	228,528,000	235,384,000	242,446,000
ANNUAL RECURRING EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	(160,125)	1,689,511	(1,891,981)	(3,156,800)	(5,796,800)	(7,765,800)	(8,959,800)
NON RECURRING REVENUES	160,126	60,243	1,891,981	160,000	160,000	160,000	160,000
NET DEBT SERVICE/LEASE REVENUE/(EXPENSE)	-	-	-	-	-	-	-
ANNUAL EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	1	1,749,754	0	(2,996,800)	(5,636,800)	(7,605,800)	(8,799,800)

Metropolitan Transit System FY 2010 Budget Development

Finance Workshop
April 23, 2009



Fiscal Year 2010 Budget Recap

- **February 2009 (1st BDC / 1st Finance Workshop)**
 - **Reviewed and Approved FY 2009 Midyear Budget**
 - \$7 million decrease in State Transit Assistance funds (50%)
 - \$5.1 million decrease in TDA / TransNet funds (5.6% drop)
 - Budget balanced
 - higher than anticipated fare revenues
 - lower than expected fuel prices
 - **Reviewed FY 2010 Preliminary Budget**
 - Complete elimination of STA funds projected (\$14 million)
 - Sales tax revenues: TDA (-1.0%) and TransNet (+2.2%)
 - Early projected budget shortfall at \$14 million.



Fiscal Year 2010 Budget Recap

- February / March 2009 (2nd BDC / EC / 2nd FW)
 - Latest FY 2010 Budget Shortfall - \$11.0 million
 - Reviewed series of strategic initiatives for budget balancing
 - Initiatives include adjustments in categories:

	FY10 Proj. Impact (in million \$)
Projected FY 2009 Carry Forward	\$1.8
Nonfare Revenue	\$0.4
Nonservice Costs	\$0.7
Personnel	\$1.4
Fares	\$2.2
Service	\$4.7
	<u>\$11.1</u>

- BDC / EC forwarded recommendation to the MTS Board
- MTS Board provided direction to close budget as presented



SAN DIEGO METROPOLITAN TRANSIT SYSTEM COMBINED MTS BUDGET FISCAL YEAR 2010

	Amended FY09	Proposed FY10	Dollar Variance	Percent Variance
Operating Revenues	95,222,332	100,703,594	5,481,261	5.8%
Non-Operating Revenues	130,122,000	122,510,865	(7,611,135)	-5.8%
Reserves	60,243	1,891,928	1,831,685	3040.5%
Total Combined Revenues	225,404,575	225,106,386	(298,189)	-0.1%
Personnel Expenses	99,106,879	101,263,492	2,156,613	2.2%
Purchased Transportation	55,462,294	56,075,841	613,547	1.1%
Outside Services	15,521,476	15,777,141	255,665	1.6%
Materials and Supplies	7,453,543	6,990,194	(463,349)	-6.2%
Energy	28,520,431	26,971,388	(1,549,043)	-5.4%
Risk Management	3,981,096	4,032,811	51,715	1.3%
General and Administrative	975,278	1,240,684	265,406	27.2%
Debt Service	12,173,358	12,130,697	(42,661)	-0.4%
Vehicle/Facility Lease	460,466	624,138	163,672	35.5%
Total Combined Expenses	223,654,821	225,106,386	1,451,565	0.6%
Total Revenues Less Expenses	1,749,754	0	(1,749,754)	

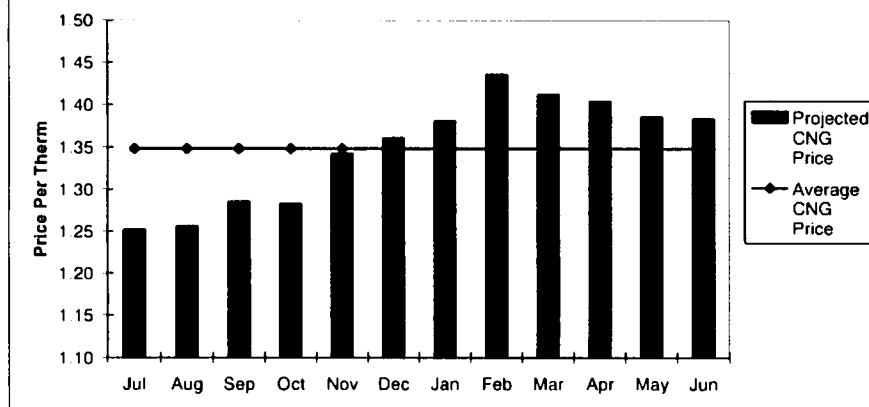


San Diego Metropolitan Transit System
Combined MTS Budget
Fiscal Year 2010
(in \$000's)

	Amended FY09	Proposed FY10	Difference	Percent Variance
Operations				
Internal Bus Operations	76,579	74,654	(1,925)	-2.5%
Rail Operations	46,320	47,644	1,325	2.9%
Contract Services - Fixed Route	48,691	47,683	(1,008)	-2.1%
Contract Services - Paratransit	12,798	13,764	966	7.5%
Chula Vista Transit	7,298	7,208	(90)	-1.2%
Coronado Ferry	148	152	4	3.0%
Administrative Pass Through	344	344	-	0.0%
Combined Operations	192,178	191,450	(728)	-0.4%
Other Operations				
Taxi cab Administration	748	804	56	7.5%
San Diego & Arizona Eastern	175	135	(40)	-22.8%
Combined Other Operations	923	939	16	1.7%
Combined Administrative	30,554	32,717	2,164	7.1%
Combined Grand Total	223,655	225,106	1,452	0.6%

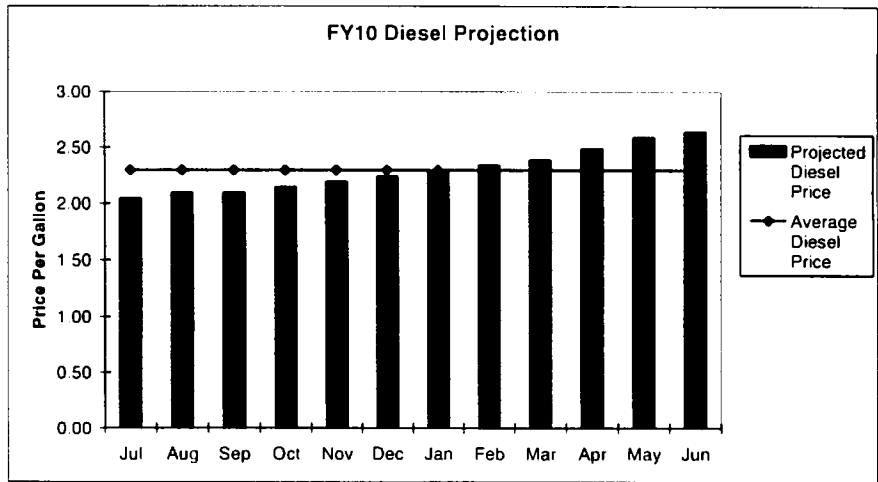


FY10 CNG Projection

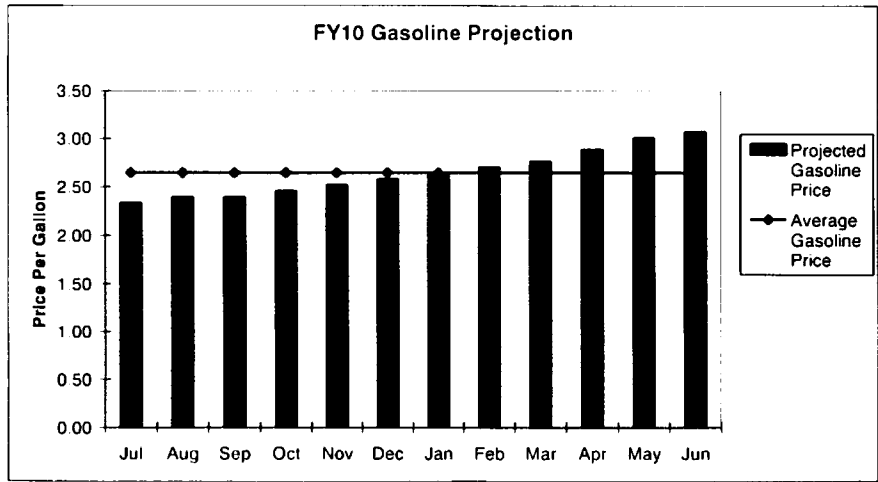


FY10 Projected Average CNG Price = \$1.35





FY10 Projected Average Diesel Price = \$2.30



FY10 Projected Average Gasoline Price = \$2.65



**San Diego Metropolitan Transit System
Fiscal Year 2010
Energy Impact on Operations**

MTS FY 2010 Cost per Penny of Fuel

CNG	\$	83,752	Gasoline	\$	12,484
Diesel	\$	13,234	Electricity	\$	523,200

MTS FY10 Budgeted Cost Per Mile

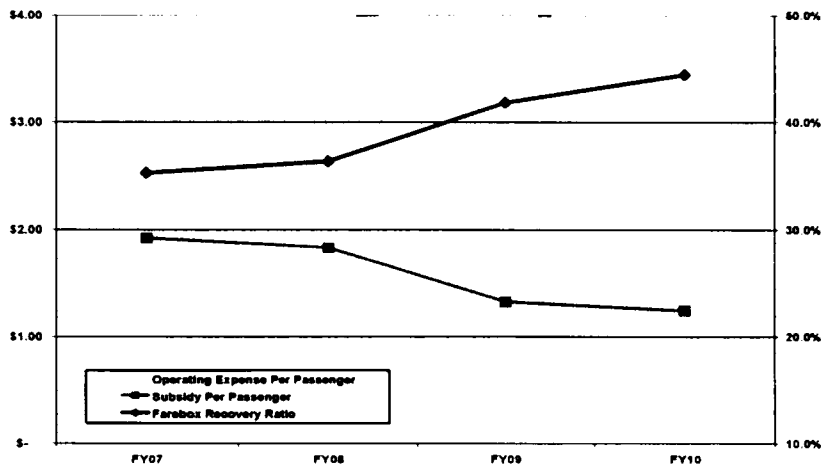
CNG	\$	0.640	Gasoline	\$	0.678
Diesel	\$	0.894	Electricity	\$	0.323

Historic Energy Rates

	FY06 Actual	FY07 Mid Year	FY08 Mid Year	FY09 Original	FY09 Mid Year	FY10 Proposed
CNG	1.31	1.22	1.29	1.47	1.47	1.35
Diesel	2.32	2.27	2.62	3.27	2.57	2.30
Gasoline		2.75	3.25	3.61	2.75	2.65
Electricity		0.1458	0.1658	0.1645	0.1645	0.1626



Operating Statistic Trends



Revenue Service Statistical Assumptions
in (000's)

	FY09 Amended	FY10 Proposed	Variance	Variance Percentage
• Revenue Miles	30,919	30,461	(458)	-1.5%
• Total Miles	35,704	35,249	(455)	-1.3%
• Revenue Hours	2,399	2,367	(32)	-1.4%
• Total Hours	2,588	2,557	(31)	-1.2%
• Passenger Boardings	92,268	92,221	(47)	-0.1%



San Diego Metropolitan Transit System
Five Year Financial Projections

	Amended FY09	Proposed FY10	Projected FY11	Projected FY12	Projected FY13	Projected FY14
TOTAL OPERATING REVENUES	95,222,332	100,703,594	103,004,000	105,402,000	107,881,000	110,443,000
RECURRING SUBSIDY FUNDING	122,533,615	114,926,149	115,711,200	117,329,200	119,737,200	123,043,200
TOTAL RECURRING REVENUES	217,755,947	215,629,743	218,715,200	222,731,200	227,618,200	233,486,200
TOTAL RECURRING EXPENSES	216,066,436	217,521,724	221,872,000	228,528,000	235,384,000	242,446,000
ANNUAL RECURRING EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	1,689,511	(1,891,981)	(3,156,800)	(5,796,800)	(7,765,800)	(8,959,800)
NON RECURRING REVENUES	60,243	1,891,981	160,000	160,000	160,000	160,000
ANNUAL EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	1,749,754	0	(2,996,800)	(5,636,800)	(7,605,800)	(8,799,800)

Ongoing Operational Concerns:

FY09 Subsidy Projections From -4% to -6%
FY10 Subsidy Projections Currently +2.2% TNET & -1.0% for TDA
Passenger Levels Holding During Economic Crisis

Fuel Prices
Ballot Initiatives Fail Could Impact Capital Funding



Next Steps...

- 5/28/2009 - MTS Public Hearing and Board Adoption
- 6/19/2009 - SANDAG Transportation Committee
Transit Operating Budget Approval




Metropolitan Transit System FY 2010 Budget Development

Finance Workshop
April 23, 2009






AGENDA ITEM NO.

5^c
 P.C.

REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED



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

1. INSTRUCTIONS

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

(PLEASE PRINT)

Date	4-23-2009			
Name	DON STILLWELL			
Address	6308 RANCHO MISSION RD #173 SD.			
Telephone	(619) 282-7760			
Organization Represented				
Subject of Your Remarks	TRANSPORTATION			
Regarding Agenda Item No.				
Your Comments Present a Position of:	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> SUPPORT	<input type="checkbox"/> OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

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

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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



AGENDA ITEM NO.

B5c

REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

2

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

1. INSTRUCTIONS

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

(PLEASE PRINT)

Date	2005-04-23		
Name	Clive Richard		
Address	5153 La Borna St, San Diego		
Telephone	615.867.7045		
Organization Represented			
Subject of Your Remarks			
Regarding Agenda Item No.			
Your Comments Present a Position of:	<input checked="checked" type="checkbox"/>	SUPPORT	<input type="checkbox"/> OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

3. DISCUSSION OF AGENDA ITEMS

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

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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



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

Agenda

Item No. 6

JOINT MEETING OF THE BOARD OF DIRECTORS for the

ADM 130

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

April 23, 2009

SUBJECT:

MTS: MINCOM ANNUAL SUPPORT RENEWAL – CONTRACT AMENDMENT

RECOMMENDATION:

That the Board of Directors:

1. Ratify MTS Doc. No. G0740.8-02 (Attachment A) with Mincom, Inc. for continued software support maintenance; and
2. authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G0740.9-02 (in substantially the same format as Attachment A) with Mincom Inc. for annual software support maintenance for the Ellipse financial system and ERP package.

Budget Impact

Funding for Amendment No. 8 was paid from MTS Project Code 50661-53910 in an amount not to exceed \$20,055.25. Funding in the amount of \$181,643 for Amendment No. 9 would be funded by Project Code 50661-53910 and would provide support coverage from January 1, 2009, to June 30, 2010.

DISCUSSION:

Background Information

MTS uses Mincom's Ellipse software application for rail and bus daily processing activities for materials, storerooms, procurements, financial accounting, and human resources. Mincom was awarded a contract in August 2002 for its Enterprise Asset

Management System (Ellipse), which was implemented in July 2003. Mincom is the sole provider of support and licensing renewal for the Ellipse application.

Amendment No. 8

In June 2008, the CEO executed a contract amendment with Mincom Inc. for an amount not to exceed \$20,055.25. This Amendment was necessary to continue to receive support services for third-party software and support service maintenance for the Ellipse software and system applications.

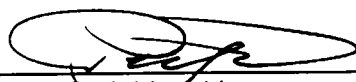
Amendment No. 9

Staff is requesting execution of contract Amendment No. 9 with Mincom Inc. for an amount not to exceed \$181,643.00. This amendment is necessary for the annual support fee and licensing renewal for the Ellipse application, which is now due for the period of January 1, 2009, through June 30, 2010. Funding would be paid from MTS Project Code 53910 for FY 2009/2010. The support renewal amendment for continuation of support services would provide MTS with:

- continued licensing and use of the Ellipse application;
- access to Mincom technical support systems through phone or e-mail; and
- compliance with software licensing terms with Mincom, Inc.

The adjusted amount of the entire contract, including these amendments, is \$3,633,245.82.

Therefore, staff recommends Board approval and ratification of the amendments as stated above.

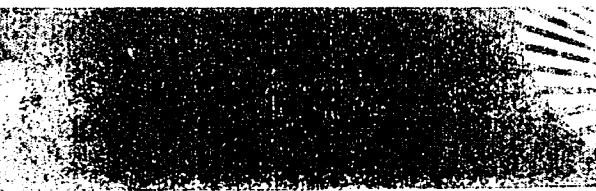


Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Dan Bossert, 619.238.0100, Ext. 6445, Daniel.Bossert@sdmts.com

APRIL23-09.6.MINCOM RENEWAL.DBOSSERT.doc

Attachments: A. Amendment No. 8 (MTS Doc. No. G0740.8-02)
B. Amendment No. 9 (MTS Doc. No. G0740.9-02)



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

ORIGINAL

June 19, 2008

MTS Doc. No. G0740.8-02
PC 50661

Mr. Rick Rogers
President
Mincom Incorporated
9635 Maroon Circle, Suite 100
Englewood, CO 80112

Dear Mr. Rogers:

Subject: AMENDMENT NO 8 TO MTS DOC. NO. G0740.0-02 – MINCOM AMENDMENT NO. 10:
CONTINUANCE OF SOFTWARE SUPPORT MAINTENANCE

This shall serve as our agreement for continuance of maintenance support services for 3rd party software removed in amendment 7, as further described below and referenced as Mincom's Amendment No. 10; Customer Amendment No 8.

SCOPE OF SERVICES

Continue to provide support services for Third Party Software and support service maintenance for the Ellipse software and system applications including CA sales tax. Mincom agrees to reinstate the support services for the third part software indentified as Microfocus Cobol, IBM CICS, BSI Tax Factory, and BSI Report Factory in accordance with the terms and conditions as stated on Mincom's Amendment No. 10 (attached).

SCHEDULE

Coverage period is January 1, 2008, through December 31, 2008. This amendment clarifies that there is continued coverage for the period of July 1, 2008 to December 31 2008.

PAYMENT

The total payment shall not exceed \$20,055.25.

All previous conditions remain in effect. If you agree with the above, please sign and return the copy marked "Original" to the Contracts Specialist at MTS. The remaining copy is for your records.

Sincerely,

Paul C. Jablonski
Chief Executive Officer

Agreed:

Rick Rogers
President

Date:

CBROWN-CL
CL-G0740.8-02.MINCOM.DBOSSERT.doc

Attachment: Mincom Amendment No. 10

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

AMENDMENT TO MTS DOCUMENT NO. G0740.0-02

Mincom Amendment No. 10; Customer Amendment No. 8 ("Amendment No. 10/8")

SERVICES

This Amendment No. 10/8 is made as of AUGUST 4TH, 2008 by and between Mincom, Inc. ("Mincom") and the "Customer" identified below.

Customer: Metropolitan Transit System	Contact: Michele Giovinazzo
Address: 1255 Imperial Ave., Suite 1000, San Diego, CA 92101-7490	Phone: 619-231-1466
State/Country of Incorporation:	Fax: 619-234-3407
	E-Mail:

Customer Contract:

By execution of this Amendment, the parties will form a Customer Contract for the provision of the Services to the Customer by Mincom incorporating the terms and conditions of Agreement No. G0740.0-02 (the "Agreement") and this Amendment. Once signed, any reproduction of this Amendment made by reliable means (for example, photocopy or facsimile) is considered an original and all Services ordered under this Amendment will be subject to it. Except for those incorporated in this Amendment for Services, any different or additional terms of a purchase order, confirmation, or other form signed by the parties after the date hereof shall have no force or effect.

Mincom shall perform the Services outlined in the Statement of Work in accordance with this Services Amendment and the Agreement.

Special Conditions:

1. **Termination of Support for Third Party Software.** Pursuant to Amendment No. 9/7, Support Services for the Third Party Software listed below will terminate on June 30, 2008. However, Customer has requested and Mincom has agreed to continue to provide Support Services for the Third Party Software listed below on the same basis as originally agreed, to renew automatically on January 1 of each year.
 - Microfocus Cobol
 - IBM CICS
 - BSI TaxFactory
 - BSI ReportFactory
2. **Support Fee.** The Fee to continue Support Services from the termination date set forth in Amendment No. 9/7 (June 30, 2008) through December 31, 2008 is US\$4,386.91* for the Third Party Software set forth in Section 1 above. Beginning on January 1, 2009, Support Services for the Third Party Software will automatically renew, subject to Section 1 above, and Customer will pay US\$20,055.25 in advance for renewal of Support Services.

*(Note: The figure set forth in Amendment No. 9/7 as the annual Support Fee for Third Party Software was incorrect. Customer has been invoiced for \$15,668.34 for Support for the Third Party Software for the period January 1, 2008 through June 30, 2008 pursuant to Amendment No. 9/7. Payment of the \$4,386.91 fee set forth herein, together with payment of \$15,668.34 previously invoiced to Customer will total Customer's annual Support Fee for the Third Party Software, which is \$20,055.25 total.



3. **Reinstatement.** Should Customer request or if it becomes necessary to reinstate Support Services for all or any portion of the number of reduced Maximum Concurrent Users Mincom Software for which Support Services are terminated in Special Condition #2 above, the following conditions will apply:
- (a) Customer must pay to Mincom a reinstatement fee, in addition to the Support Fee for Support Services set forth herein;
 - (b) The start date for the Support Services will be the anniversary of the Commencement Date set forth in Special Condition #3 above; and
 - (c) The reinstatement fee will be:
 - (i) payable in advance,
 - (ii) calculated at the then current rates applicable for the Software; and
 - (iii) equivalent to 1/12th of one full year's worth of Service Fees multiplied by the number of full or partial months between the last day of Support Services under the previous Customer Contract and the start date of the new term as defined in (b) above.
 - (d) Third Party Software providers may not permit Customer to reinstate Support Services. If Third Party Software providers do not allow reinstatement of Support Services, Customer may be required to repurchase the Third Party Software and Support at the providers' then-current pricing

METROPOLITAN TRANSIT SYSTEM

MINCOM, INC.

Signature:

Printed: PAUL C. JANKOWSKI

Title: CEO

Date: 7/24/08

Signature:

Printed: RICKY L. ROGERS

Title: PRESIDENT

Date: 8/4/2008



AMENDMENT TO MTS DOCUMENT NO. G0740.0-02

Mincom Amendment No. 11; Customer Amendment No. 9 ("Amendment No. 11/9")

SERVICES

This Services Amendment No. 11/9 is made as of _____, 2009 by and between Mincom, Inc. ("Mincom") and the "Customer" identified below.

Customer: Metropolitan Transit System	Contact: Michele Giovinazzo
Address: 1255 Imperial Ave., Suite 1000, San Diego, CA 92101-7490	Phone: 619-231-1466
State/Country of Incorporation: California	Fax: 619-234-3407
	E-Mail:

Customer Contract:

By execution of this Amendment, the parties will form a Customer Contract for the provision of the Services to the Customer by Mincom incorporating the terms and conditions of Agreement No. G0740.0-02 (the "Agreement") and this Amendment. Once signed, any reproduction of this Amendment made by reliable means (for example, photocopy or facsimile) is considered an original and all Services ordered under this Amendment will be subject to it. Except for those incorporated in this Amendment for Services, any different or additional terms of a purchase order, confirmation, or other form signed by the parties after the date hereof shall have no force or effect.

Mincom shall perform the Services outlined in the Statement of Work in accordance with this Services Amendment and the Agreement.

Special Conditions:

1. **Support Fee.** Support Services are subject to the terms and conditions set forth in the Agreement.
 - a. Customer's Support Fee for Support Services for Software for the period January 1, 2009 through July 30, 2009 is set forth below.

Software	Support Fee for the period January 1, 2009 through June 30, 2009
Mincom Software:	
Ellipse	\$47,177.50
Output Designer	
Fuel & Oil Interface	
Mincom Scheduler	
Third Party Software:	
BSI Tax Factory	\$20,055.25
BSI Report Factor	
Microfocus Cobol	
IBM CICS	
Total Support Fee:	\$67,232.75



- b. Customer's Support Fee for Support Services for the period July 1, 2009 through June 30, 2010 is set forth below.

Software	Support Fee for the period July 1, 2009 through June 30, 2010
Mincom Software:	
Ellipse	\$94,355.00
Output Designer	
Fuel & Oil Interface	
Mincom Scheduler	
Third Party Software:	
BSI Tax Factory	\$20,055.25
BSI Report Factor	
Microfocus Cobol	
IBM CICS	
Total Support Fee:	\$114,410.25

2. **Payment Terms.**

- a. The Support Fee for the period January 1, 2009 through June 30, 2009 is due upon execution.
- b. For the period July 1, 2009 through June 30, 2010, subject to the terms of this Section, Mincom shall accept the fees in two non-refundable payments for the Mincom Software only: one of \$47,177.50 due on July 1, 2009, and one of \$47,177.50 due on December 31, 2009. Pursuant to Mincom's contractual obligations with its third party software providers, the Support Fee for the Third Party Software is due in full on July 1, 2009.
- c. All Fees are payable net thirty (30) days upon receipt of invoice.
- d. In the event this Amendment is terminated by Customer for any reason other than material breach by Mincom, any unpaid fees shall immediately become due and payable by Customer.

METROPOLITAN TRANSIT SYSTEM

MINCOM, INC.

Signature _____

Signature: _____

Printed: _____

Printed: _____

Title: _____

Title: _____

Date: _____

Date: _____

DRAFT

April 23, 2009

Doc. No. G0740.9-02
PC 53910

Mr. Rick Rogers
President
Mincom Incorporated
6455 South Yosemite Street Suite 800
Greenwood Village, CO 80111

Dear Mr. Rogers:

Subject: MTS DOC. NO. G0740.9-02 – MINCOM AMENDMENT NO. 11; CUSTOMER AMENDMENT NO. 9 (AMENDMENT 11/9) SERVICES SUPPORT AGREEMENT

This shall serve as our agreement for continuance of maintenance support services for Mincom and third-party software, as further described below and referenced as Mincom's Amendment No. 11; Customer Amendment No. 9.

STATEMENT OF WORK

Mincom agrees to continue support services for Mincom and the third-party software identified as Microfocus Cobol; IBM CICS; BSI Tax Factory; BSI Report Factory and Mincom software, which includes Ellipse, Output Designer, Fuel & Oil interface, and Mincom scheduler in accordance with the terms and conditions as stated on Mincom's Amendment No. 11 dated March 19, 2009 (attached).

SCHEDULE

The support services coverage period is January 1, 2009, through June 30, 2010.

PAYMENT

The total payment shall not exceed \$181,643.00, which includes California state sales tax in the total cost of Mincom's Amendment No. 11. Payments will be made in two equal installments of \$90,821.00 on July 1, 2009, and January 1, 2010.

All previous conditions remain in effect. If you agree with the above, please sign and return the copy marked "original" to the Contracts Specialist at MTS. The remaining copy is for your records.

Sincerely,

Agreed:

Paul C. Jablonski
Chief Executive Officer

Rick Rogers
Mincom, Inc.

APRIL23-09.6.AttB.MINCOM G0740.9-09.CAQUINO.doc

Date: _____

Attachment: Mincom Amendment No. 11



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

Agenda

Item No. 7

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

OPS 980.8

April 23, 2009

SUBJECT:

MTS: MTS ACCESS/ADA SUBURBAN PARATRANSIT OPTION YEAR

RECOMMENDATION:

That the Board of Directors to authorize the Chief Executive Officer (CEO) to execute one option year for each of the following contracts with First Transit, Inc.:

1. MTS Doc. No. B0338.5-03 (in substantially the same format as Attachment A) for Americans with Disabilities Act (ADA) Suburban paratransit services; and
2. MTS Doc. No. B0368.5-03 (in substantially the same format as Attachment B) for MTS Access services.

Budget Impact

Approval of the two contract amendments would include a contractual annual rate increase of 3% for ADA paratransit services to the fixed monthly fee and hourly rates. The combined purchased transportation budget MTS Access and ADA Suburban services for FY 2010 based on estimated revenue hours would be \$10,823,435.

DISCUSSION:

MTS currently has two contracts with First Transit, Inc. to provide MTS Access and ADA Suburban paratransit services. Operating funding for these services is provided by local Transportation Development Act (TDA) and TransNet revenue sources. The base term of both five-year contracts expired on June 30, 2005, and a three-year extension was approved by the Board of Directors on February 24, 2005. Additionally, the first option year of two that are allowable under the current contract was also approved by the Board on May 8, 2008.

The MTS Access contract provides transportation services for ADA paratransit for the City of San Diego (excluding San Ysidro and some midcounty communities). Meanwhile, the ADA Suburban paratransit contract provides transportation services for ADA paratransit operations in Mid-County (Poway, Rancho Bernardo, and Rancho Penasquitos), East County (Lemon Grove, La Mesa, El Cajon, Santee, and some unincorporated communities), and the South Bay communities.

First Transit has continued to ensure that MTS's ADA paratransit operations experience record productivity levels and high levels of service. In fiscal year 2008, high levels in both productivity and on-time performance were achieved. The former is measured via passengers carried per hour, which averaged 2.07. Reciprocally, on-time performance moved over 95% in fiscal year 08 with one of the tightest margin-of-error windows in the nation for an operation of this size. MTS has a ten-minute on-time pickup window while most agencies a 30- to 40-minute window to be considered "on time."

MTS staff has continued to make a sustained, concerted effort to outreach to the community via open discussion forums, committee announcements; e.g. Accessible Services Advisory Committee meetings (ASAC), and the dissemination of new public information specifically describing operating parameters. MTS staff informed ASAC of its decision to exercise an option period on March 26, 2009. MTS and First Transit staffs will continue working closely with the disabled community to ensure service parameter awareness and improve in every possible way.

Cost Analysis

The current FY 09 purchased transportation budget after the midyear adjustments made for MTS Access and ADA Suburban paratransit is \$9,591,472. The proposed extension unit price reflects an increase of 3% and is favorable to MTS; staff has determined that the cost to exercise this option is fair and reasonable.

Current and Proposed Rates

Contract	FY 09	FY 10
ADA Suburban/Flex Suburban Fixed Monthly Rate	\$150,967	\$155,496
ADA Suburban Variable Hourly Rate Minibus	25.88	26.65
MTS Access Variable Hourly Rate	51.36	52.90

Over the next several months, staff will be working with the Procurement Department to rebid the contract (staff anticipates that it will take approximately 6 to 10 months). Staff will also include a piggyback provision in the procurement in the event that other transit agencies wish to participate.


Paul G. Jablonski
Chief Executive Officer

Key Staff Contact: Scott Transue, 619.235.2648, scott.transue@sdmts.com

APRIL23-09.7.ACCESS SUBURB PARATRANSIT.STRANSUE.doc

Attachments: A. Draft MTS Doc. No. B0338.5-03
B. Draft MTS Doc. No. B0368.5-03

April 23, 2009

DRAFT

MTS Doc. No. B0338.5-03
OPS 980.8

Mr. Nick Promponas
Senior Vice President
First Transit, Inc.
7581 Willow Drive, Suite 103
Tempe, AZ 85283

Dear Mr. Promponas:

Subject: AMENDMENT NO. 5 TO MTS DOC. NO. B0338.0-03 FOR ADA SUBURBAN
PARATRANSIT SERVICES

This letter shall serve as our agreement for professional services as further described below.

SCOPE OF SERVICES

Continue to provide Americans with Disabilities Act (ADA) paratransit services pursuant to the original terms and conditions of the contract during the option year.

SCHEDULE

Work shall begin on July 1, 2009, and continue through June 30, 2010.

PAYMENT

Payment shall be based upon the original contract rates under the option years of the price proposal of the original contract. The total cost for the option year of service is expected to be approximately \$4,234,950.

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

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Nick Promponas
First Transit, Inc.

APRIL23-09.AtlA.B0338.5-03.
ACCESS ADA SUBURB.STRANSUE.doc

Date: _____

April 23, 2009

DRAFT

MTS Doc. No. B0368.5-03
OPS 980.8

Mr. Nick Promponas
Senior Vice President
First Transit, Inc.
7581 Willow Drive, Suite 103
Tempe, AZ 85283

Dear Mr. Promponas:

Subject: AMENDMENT NO. 5 TO MTS DOC. NO. B0368.0-03 FOR MTS ACCESS SERVICES

This letter shall serve as our agreement for professional services as further described below.

SCOPE OF SERVICES

Continue to provide Americans with Disabilities Act (ADA) paratransit services pursuant to the original terms and conditions of the contract during the option year.

SCHEDULE

Work shall begin on July 1, 2009, and continue through June 30, 2010.

PAYMENT

Payment shall be based upon the original contract rates under the option years of the price proposal of the original contract. The total cost for the option year of service is expected to be approximately \$6,588,485.

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

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Nick Promponas
First Transit, Inc.

APRIL23.09.7.AttB.B0368.5-03.ACCESS.STRANSUE.doc

Date: _____



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

Agenda

Item No. 8

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

AG 220.3

April 23, 2009

SUBJECT:

MTS: FY 2009/10 COMMUNITY-BASED TRANSPORTATION PLANNING
GRANT

RECOMMENDATION:

That the Board of Directors approve Resolution No. 09-16 (Attachment A) authorizing the Chief Executive Officer (CEO) to enter into a contract with the California Department of Transportation (Caltrans) for the use of a community-based transportation planning grant (if awarded).

Budget Impact

None at this time. MTS staff has applied for a grant totaling \$94,000 with a cash and in-kind match requirement of \$18,000, which would be shared with the San Diego Vintage Trolley and industry sponsors.

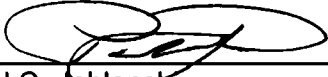
DISCUSSION:

Each year, Caltrans administers a federal transportation planning grant program that provides grants to transit agencies, regional planning agencies, and other community and governmental entities.

MTS staff has filed an application for a community-based transportation planning grant under this program for a planning study entitled, "Feasibility Study of a Streetcar Link to Balboa Park." The study would assess feasibility of streetcar alignments on the corridor between the City College Trolley Station and Balboa Park via Park Boulevard and possibly streets or other rights-of-way that would allow access into the Balboa Park's major visitor destinations like the San Diego

Zoo, engineering feasibility, capital costs for construction and vehicle purchase, vehicle options, ridership estimates, operating plan, and operating and maintenance cost estimates.

The grant application requires that a resolution authorizing the CEO to enter into a contract with Caltrans be adopted by the Board of Directors.



Paul C. Jablonski
Chief Executive Officer

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

APRIL23-09.8.FY 09-10 TRANSP PLANNG GRANT.JLEITNER.doc

Attachment: A. Resolution No. 09-16

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 09-16

Resolution Authorizing MTS to Enter into an Agreement
with the California Department of Transportation for the
Use of Community-Based FY 09-10 Planning Grant Funding

WHEREAS, the U.S. Department of Transportation is authorized to make grants to states through the Federal Transit Administration (FTA) to support transit planning projects; and

WHEREAS, the California Department of Transportation has been designated by the Governor of the State of California to administer the federal transit planning grants; and

WHEREAS, MTS desires to apply for said financial assistance for a feasibility study streetcar alignments between downtown San Diego and Balboa Park; NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that MTS does hereby authorize the Chief Executive Officer, or designated representative, to file and execute any actions necessary on behalf of MTS to contract with the California Department of Transportation in order to use any federal planning grants awarded.

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 federal transit planning grants.

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



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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.

SRTP 840.9.1

April 23, 2009

SUBJECT:

MTS: SAN DIEGO INTERNATIONAL AIRPORT MASTER PLANNING UPDATE

RECOMMENDATION:

That the Board of Directors receive a report on the status of the San Diego International Airport's (SDIA's) planning efforts.

Budget Impact

None at this time.


DISCUSSION:

SDIA has developed plans for the expansion of terminal, parking, roadway, and airfield facilities at Lindbergh Field to provide the additional capacity that will be needed through 2015 and beyond. The plans include an update to the Airport Master Plan, the related Environmental Impact Report (EIR), an Airport Transit Plan, and the just-completed Airport Vision Plan named Destination Lindbergh.

Destination Lindbergh resulted from the Memorandum of Agreement (MOA) entered into by the San Diego County Regional Airport Authority Board (SDCRAA), the City of San Diego, and the San Diego Association of Governments (SANDAG) in early 2008 to undertake a joint-planning effort designed to (1) determine the ultimate build-out configuration of SDIA, (2) evaluate and plan to minimize airport-related traffic impacts to adjacent communities, and (3) improve intermodal access to the airport while considering the airport as a potential location for a regional transportation hub. The effort was led by the Ad Hoc Airport Regional Policy Committee chaired by Mayor Sanders.

On March 23, 2009, the SDCRAA Board accepted the Destination Lindbergh draft concept for public distribution and directed that an invitation be sent to all stakeholders for future planning.

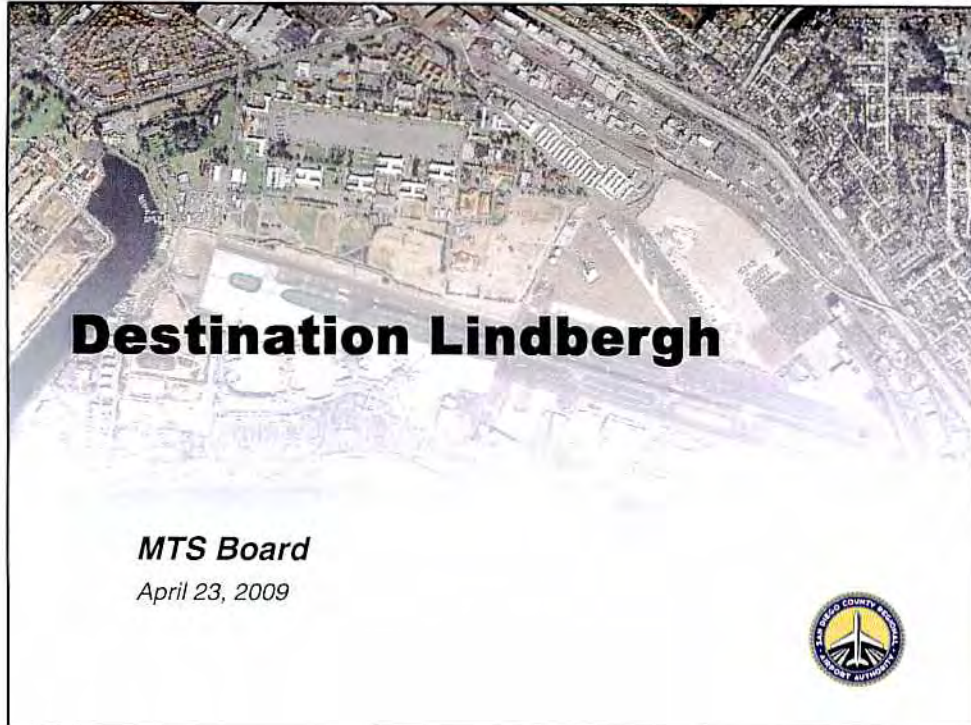
Airport staff will be present at the meeting to provide an update on the status of implementing Destination Lindbergh.



Paul C. Jablonski
Chief Executive Officer

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

APRIL23-09.45.AIRPORT PLAN.MTHOMSEN.doc



What is Destination Lindbergh?

■ Cooperative planning effort led by:

- San Diego County Regional Airport Authority
- City of San Diego
- San Diego Association of Governments (SANDAG)

■ Designed to answer:

- What is the ultimate build-out of the airport?
- What is the best option for integration of a ground access Intermodal Transportation Center?
- How can traffic on local streets be minimized?



Decision-Making Process

■ Ad Hoc Airport Regional Policy Committee

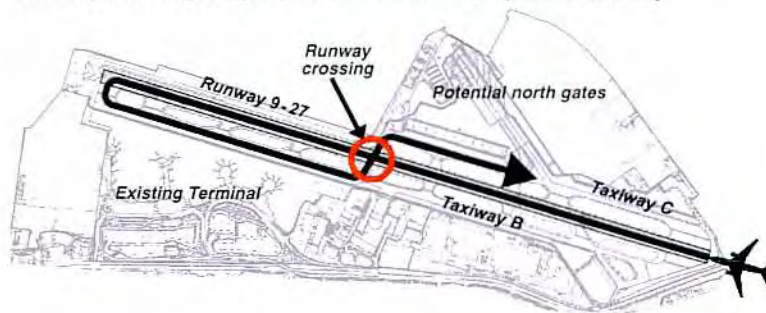
- City of San Diego (Chaired by Mayor Sanders)
- San Diego County Regional Airport Authority
- San Diego Association of Governments
- Metropolitan Transit System
- North County Transit District
- County of San Diego
- San Diego Unified Port District
- U.S. Department of Defense



Assumptions and Considerations – Airside

- If gates are located in the north, a full-length parallel taxiway to the north of the Runway will be needed to meet safety and capacity requirements

Runway crossings required without a north full parallel taxiway



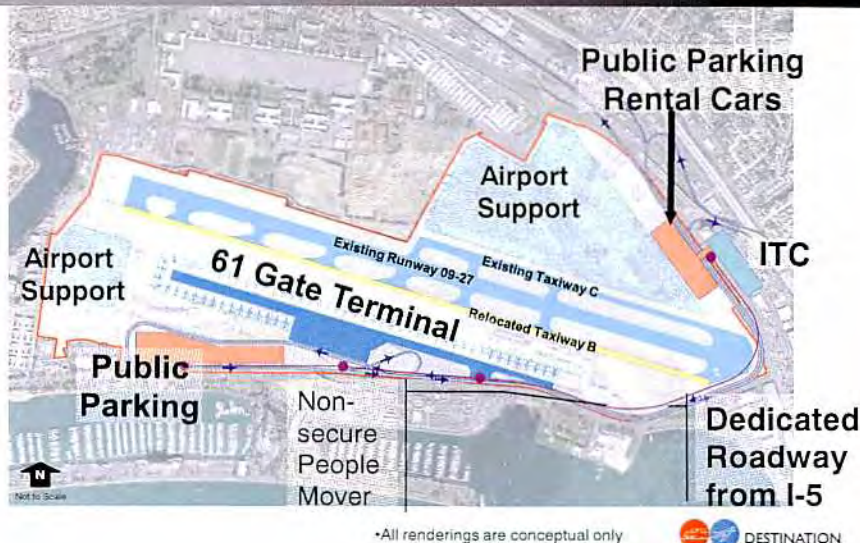
Alt. B1 (North Check-in / North Gates) - **TABLED**



Note: Airfield B is presented for informational purposes only. The US Marine Corps letter of April 18, 2008 stated that MCRD property is a national defense resource and is not available to resolve airport land use issues.



Alt. A8 (On-Airport Access Road to South Check-in / South Gates) - **ELIMINATED**



All renderings are conceptual only



Alt. A2 (North Check-in / South Gates)



•All renderings are conceptual only



Alt. A3 (Dual Check-in / South Gates)



•All renderings are conceptual only



ITC Passenger Use by Alternative (per SANDAG)

Optimizing Transit (15.5% - 21.0%)

A2



B1



- Maximizes non-auto modes of travel to the airport
- Competitive transit times through centralized airport passenger processing



ITC Passenger Use by Alternative (per SANDAG)

Reduced Transit (9% - 11%)

A3



A8



- Does not maximize advantage of non-auto mode travel to the airport
- Non-competitive transit times through dispersed airport passenger processing



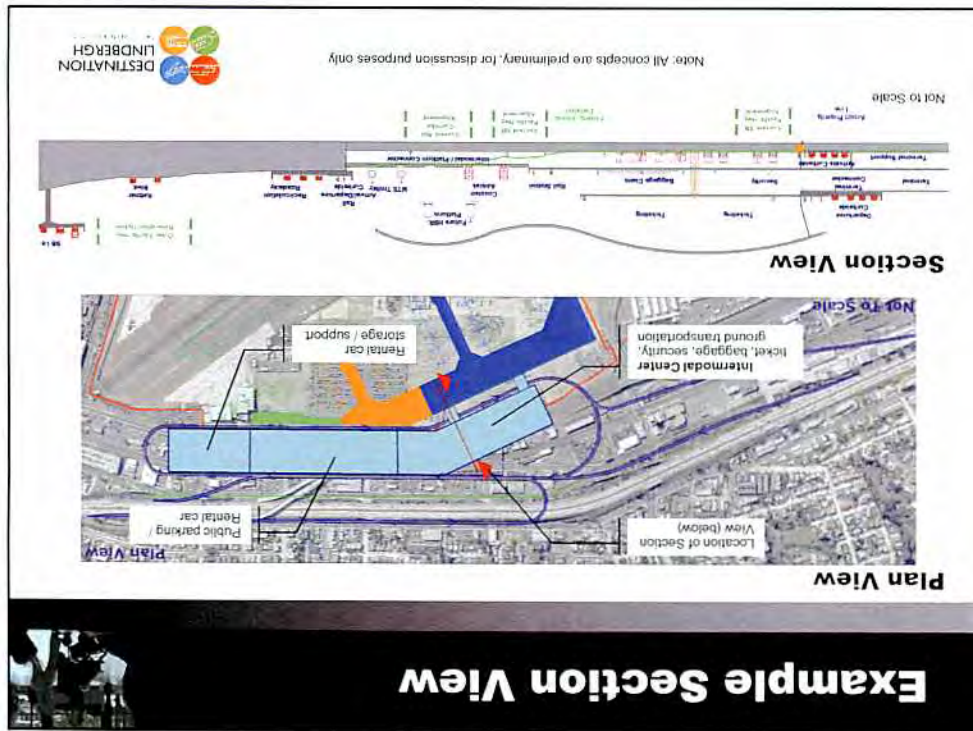
Recommended Development Plan

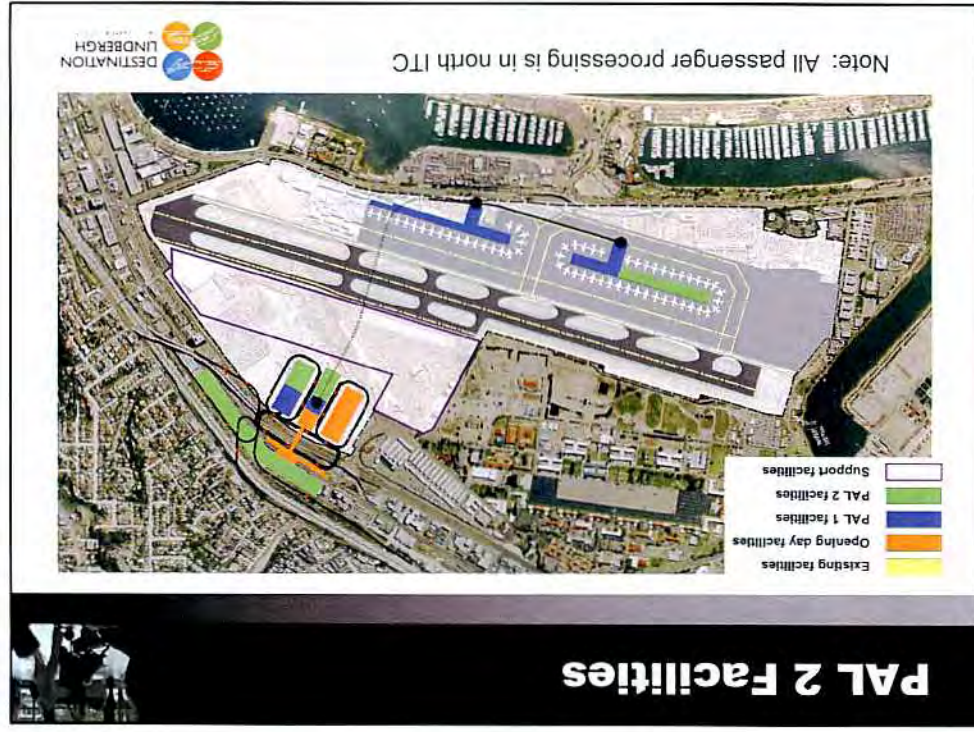


Recommended Development Plan



Note: Some projects (such as the CONRAC) may be able to be accelerated due to the availability of previous planning.





Model Animation



Parking Locations

Location/Size of Parking Facilities	Close-in parking	Remote parking	Location
Today and Opening Day (through 2020)	South	North	
PAL 1 (2020-2030)	North & South	North & South	
PAL 2 (2030 and beyond)	North	South	

Note: Additional parking analysis to be conducted during the detailed planning phase.



Full Program Costs

- All Opening Day costs are projects related to the Northside: CONRAC, transit/rail station, and associated roadways

INTERMEDIATE COST ESTIMATES (Escalated \$ millions)	Opening Day	PAL 1	PAL 2	Total
"Traditional" Airport projects	\$ --	\$2,046	\$1,927	\$3,362
Rental Car/CONRAC	300	24	101	425
Parking	85	225	894	1,204
Transit/rail	65	13	--	78
Roads	50	311	145	505
Tunnel/Walkway/Land and ROW Acq.	35	13	33	81
I-5 Ramps	--	43	--	654
Total	\$535	\$2,676	\$3,099	\$6,310

Note: Excludes off-airport mitigation costs. All costs expressed in escalated dollars. Numbers may not add due to rounding.



19

Potential Funding Sources

PRELIMINARY FINANCIAL ANALYSIS

- Funding can potentially come from a variety of sources

Traditional Airport	Non-Traditional Airport
Federal Airport Improvement Program (AIP) grants	Special facility bonds (rental car)
Passenger Facility Charges (PFCs)	Third party funding (rental car customer facility charges)
Airport revenue bonds	Transportation Infrastructure Finance and Innovation Act (TIFIA) loan proceeds
Internally generated airport capital	
Non-Airport	
State and local funding	State Transit Assistance funds
Tax increment financing	Proposition 1B infrastructure bonds
Public-private partnerships	High-speed rail funds
Transportation Development Act (TDA) sales tax funds	Surface Transportation (STP) funds
Local street and road funds	Congestion Mitigation and Air Quality (CMAQ) funds
State Transportation Improvement Program (STIP) funds	Carbon Emissions Reduction funds
TransNet sales tax funds	FTA Discretionary and Formula (Section 5309) funds



Possible Funding Sources--Opening Day

- One possible funding scenario--based on intermediate cost estimate--for the Opening Day phase is:

Capital costs (Escalated \$ millions)		Potential Funding Sources (Escalated \$ millions)	
Rental car/CONRAC	\$300	TIFIA loan proceeds (a)	\$178
Parking	85	CFCs & rental car cos. (a)	240
Rail	65	Airport revenue bond proceeds (a)	93
Roads	50	Federal Airport Grants	10
Other (a)	35	Other (non-Airport sources)	14
Total	\$535	Total	\$535

(a) TIFIA loan, CFC-backed bonds, and Airport Revenue Bonds would need to be repaid from various revenue sources.

NOTE: Amounts shown exclude off-Airport mitigation costs.



For More Information

Airport Authority Website:

www.san.org

Destination Lindbergh Web Site:

www.destinationlindbergh.com





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Agenda

Item No. 46

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

FIN 310.1 (PC 50601)

April 23, 2009

SUBJECT:

MTS: OPERATIONS BUDGET STATUS REPORT FOR FEBRUARY 2009

RECOMMENDATION:

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

Budget Impact

None at this time.

DISCUSSION:

This report summarizes MTS's operating results for February 2009 compared to the amended midyear budget. Attachment A-1 combines the operations, administration, and other activities results for February 2009. Attachment A-2 details the February 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 February 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 February 2009 MTS net-operating subsidy favorable variance totaled \$782,000 (1.0%). Operations produced an \$841,000 (1.1%) favorable variance, and the administrative/other activities areas were unfavorable by \$59,000.

MTS COMBINED RESULTS

Revenues

Year-to-date combined revenues through February 2009 were \$63,603,000 compared to the year-to-date budget of \$62,906,000, representing a \$697,000 (1.1%) positive variance.

Expenses

Year-to-date combined expenses through February 2009 were \$141,453,000 compared to the year-to-date budget of \$141,538,000, which resulted in an \$85,000 (0.1%) favorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$66,357,000 compared to a year-to-date budgetary figure of \$66,208,000 producing an unfavorable variance of \$149,000 (-0.2%). This is primarily due to unfavorable variances within operator wages within transit services.

Outside Services and Purchased Transportation. Total outside services for the first eight months of the fiscal year totaled \$47,417,000 compared to a budget of \$47,371,000, which resulted in a year-to-date unfavorable variance of \$46,000 (-0.1%).

Materials and Supplies. Total year-to-date materials and supplies expenses totaled \$5,057,000 compared to a budgetary figure of \$5,151,000, which resulted in a favorable expense variance of \$94,000 (1.8%). This is primarily due to materials and supplies costs within rail operations.

Energy. Total year-to-date energy costs were \$18,804,000 compared to the budget of \$19,109,000 resulting in a year-to-date favorable variance of \$306,000 (1.6%). Year-to-date diesel prices averaged \$2.961 per gallon compared to the midyear adjusted budgetary rate of \$2.570 per gallon. Year-to-date compressed natural gas prices averaged \$1.415 per therm compared to the midyear adjusted budgetary rate of \$1.470 per therm. With MTS's most recent bus procurements, including the new compressed natural gas articulated buses, usage of diesel fuel in February decreased by 45% versus the usage pattern of early FY 2009, which resulted in additional savings.

Risk Management. Total year-to-date expenses for risk management were \$2,760,000 compared to the year-to-date budget \$2,712,000 resulting in an unfavorable variance totaling \$48,000 (-1.8%).

General and Administrative. Year-to-date general and administrative costs, including vehicle and facilities leases, were \$72,000 (-7.3%) unfavorable to budget, totaling \$1,058,000 through February 2009, compared to a year-to-date budget of \$986,000.

YEAR-TO-DATE SUMMARY

The February 2009 year-to-date net-operating subsidy totaled a favorable variance of 782,000 (1.0%). These factors include favorable variances in passenger revenue, other revenue, energy, and materials and supplies, partially offset by personnel costs and general and administrative expenses.



Paul C. Jablonski
Chief Executive Officer

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

APRIL23-09.46.OPS BUDGET.MTHOMPSON.doc

Attachment: A. Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**MTS
CONSOLIDATED**

Att. A, AI 46, 4/23/09

**COMPARISON TO BUDGET - FISCAL YEAR 2009
FEBRUARY 28, 2009
(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 58,227	\$ 57,673	\$ 554	1.0%
Other Revenue	5,376	5,233	143	2.7%
Total Operating Revenue	\$ 63,603	\$ 62,906	\$ 697	1.1%
Personnel costs	\$ 66,357	\$ 66,208	\$ (149)	-0.2%
Outside services	47,417	47,371	(46)	-0.1%
Transit operations funding	-	-	-	-
Materials and supplies	5,057	5,151	94	1.8%
Energy	18,804	19,109	306	1.6%
Risk management	2,760	2,712	(48)	-1.8%
General & administrative	777	656	(121)	-18.4%
Vehicle/facility leases	280	330	49	14.9%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(0)	(0)	0	-122.9%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 141,453	\$ 141,538	\$ 85	0.1%
Operating income (loss)	\$ (77,850)	\$ (78,633)	\$ 782	1.0%
Total public support and nonoperating revenues	(8,127)	(7,692)	(435)	5.7%
Income (loss) before capital contributions	\$ (85,977)	\$ (86,324)	\$ 347	-0.4%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 46, 4/23/09

CONSOLIDATED OPERATIONS

COMPARISON TO BUDGET - FISCAL YEAR 2009

FEBRUARY 28, 2009

(in \$000's)

	YEAR-TO-DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 58,227	\$ 57,673	\$ 554	1.0%
Other Revenue	571	439	133	30.3%
Total Operating Revenue	\$ 58,799	\$ 58,111	\$ 687	1.2%
Personnel costs	\$ 59,315	\$ 59,243	\$ (73)	-0.1%
Outside services	45,063	44,962	(101)	-0.2%
Transit operations funding	-	-	-	-
Materials and supplies	5,050	5,142	93	1.8%
Energy	18,576	18,876	300	1.6%
Risk management	2,460	2,422	(38)	-1.6%
General & administrative	327	249	(77)	-31.0%
Vehicle/facility leases	278	327	49	15.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	6,120	6,120	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 137,187	\$ 137,341	\$ 154	0.1%
Operating income (loss)	\$ (78,388)	\$ (79,229)	\$ 841	1.1%
Total public support and nonoperating revenues	407	843	(435)	-51.7%
Income (loss) before capital contributions	\$ (77,981)	\$ (78,387)	\$ 406	-0.5%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)
COMPARISON TO BUDGET - FISCAL YEAR 2009
FEBRUARY 28, 2009
(in \$000's)

Att. A, AI 46, 4/23/09

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VARIANCE %
Passenger Revenue	\$ 17,940	\$ 17,520	\$ 420	2.4%
Other Revenue	156	7	149	2242.5%
Total Operating Revenue	\$ 18,097	\$ 17,527	\$ 569	3.2%
Personnel costs	\$ 37,458	\$ 37,341	\$ (117)	-0.3%
Outside services	1,243	1,258	16	1.2%
Transit operations funding	-	-	-	-
Materials and supplies	3,030	2,986	(44)	-1.5%
Energy	6,056	6,177	121	2.0%
Risk management	1,189	1,186	(3)	-0.2%
General & administrative	112	103	(9)	-8.6%
Vehicle/facility leases	83	102	19	18.6%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	3,169	3,169	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 52,342	\$ 52,325	\$ (16)	0.0%
Operating income (loss)	\$ (34,245)	\$ (34,798)	\$ 553	1.6%
Total public support and nonoperating revenues	(3,169)	(2,733)	(435)	15.9%
Income (loss) before capital contributions	\$ (37,414)	\$ (37,531)	\$ 117	-0.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)
COMPARISON TO BUDGET - FISCAL YEAR 2009
FEBRUARY 28, 2009
(in \$000's)

Att. A, AI 46, 4/23/09

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 22,212	\$ 22,071	\$ 141	0.6%
Other Revenue	372	432	(60)	-13.8%
Total Operating Revenue	\$ 22,584	\$ 22,503	\$ 81	0.4%
Personnel costs	\$ 21,070	\$ 21,096	\$ 26	0.1%
Outside services	6,198	5,963	(235)	-3.9%
Transit operations funding	-	-	-	-
Materials and supplies	2,012	2,144	132	6.1%
Energy	6,008	5,914	(94)	-1.6%
Risk management	1,270	1,235	(35)	-2.8%
General & administrative	184	139	(45)	-32.1%
Vehicle/facility leases	92	127	35	27.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	2,337	2,337	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 39,171	\$ 38,955	\$ (215)	-0.6%
Operating income (loss)	\$ (16,586)	\$ (16,452)	\$ (134)	-0.8%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (16,586)	\$ (16,452)	\$ (134)	0.8%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 46, 4/23/09

MULTIMODAL OPERATIONS (FIXED ROUTE)

COMPARISON TO BUDGET - FISCAL YEAR 2009

FEBRUARY 28, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 14,309	\$ 14,239	\$ 69	0.5%
Other Revenue	43	-	43	-
Total Operating Revenue	\$ 14,352	\$ 14,239	\$ 112	0.8%
Personnel costs	\$ 273	\$ 291	\$ 18	6.2%
Outside services	26,457	26,587	130	0.5%
Transit operations funding	-	-	-	-
Materials and supplies	0	7	6	93.3%
Energy	4,862	5,024	162	3.2%
Risk management	-	-	-	-
General & administrative	27	5	(22)	-423.0%
Vehicle/facility leases	102	97	(5)	-4.9%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	486	486	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 32,208	\$ 32,497	\$ 289	0.9%
Operating income (loss)	\$ (17,856)	\$ (18,258)	\$ 401	2.2%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (17,856)	\$ (18,258)	\$ 401	-2.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 46, 4/23/09

MULTIMODAL OPERATIONS (PARATRANSIT)

COMPARISON TO BUDGET - FISCAL YEAR 2009

FEBRUARY 28, 2009

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	%
Passenger Revenue	\$ 1,208	\$ 1,214	\$ (6)	-0.5%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 1,208	\$ 1,214	\$ (6)	-0.5%
Personnel costs	\$ 73	\$ 79	\$ 7	8.6%
Outside services	6,960	6,964	5	0.1%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	1,212	1,258	47	3.7%
Risk management	-	-	-	-
General & administrative	3	1	(2)	-257.6%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	20	20	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 8,267	\$ 8,322	\$ 56	0.7%
Operating income (loss)	\$ (7,058)	\$ (7,108)	\$ 50	0.7%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (7,058)	\$ (7,108)	\$ 50	-0.7%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CONSOLIDATED CHULA VISTA TRANSIT OPERATIONS
COMPARISON TO BUDGET - FISCAL YEAR 2009
FEBRUARY 28, 2009
(in \$000's)

Att. A, AI 46, 4/23/09

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 2,558	\$ 2,627	\$ (70)	-2.7%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 2,558	\$ 2,627	\$ (70)	-2.7%
Personnel costs	\$ 252	\$ 246	\$ (7)	-2.8%
Outside services	3,951	3,935	(16)	-0.4%
Transit operations funding	-	-	-	-
Materials and supplies	7	5	(1)	-21.3%
Energy	439	503	64	12.7%
Risk management	-	-	-	-
General & administrative	0	1	1	78.0%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	108	108	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 4,758	\$ 4,799	\$ 41	0.9%
Operating income (loss)	\$ (2,200)	\$ (2,171)	\$ (29)	-1.3%
Total public support and nonoperating revenues	3,454	3,454	-	0.0%
Income (loss) before capital contributions	\$ 1,254	\$ 1,283	\$ (29)	-2.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**OPERATIONS
CORONADO FERRY**

Att. A, AI 46, 4/23/09

**COMPARISON TO BUDGET - FISCAL YEAR 2009
FEBRUARY 28, 2009
(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	98	98	-	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	\$ 98	\$ 98	\$ -	0.0%
Operating income (loss)	\$ (98)	\$ (98)	\$ -	0.0%
Total public support and nonoperating revenues	122	122	-	0.0%
Income (loss) before capital contributions	\$ 24	\$ 24	\$ -	0.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**ADMINISTRATION
CONSOLIDATED**

Att. A, AI 46, 4/23/09

**COMPARISON TO BUDGET - FISCAL YEAR 2009
FEBRUARY 28, 2009
(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VARIANCE
				%
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	4,008	4,026	(18)	-0.5%
Total Operating Revenue	\$ 4,008	\$ 4,026	\$ (18)	-0.5%
Personnel costs	\$ 6,649	\$ 6,582	\$ (67)	-1.0%
Outside services	2,289	2,338	49	2.1%
Transit operations funding	-	-	-	-
Materials and supplies	6	5	(1)	-25.9%
Energy	222	226	4	1.7%
Risk management	277	268	(9)	-3.5%
General & administrative	380	337	(44)	-13.0%
Vehicle/facility leases	3	3	0	0.2%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(6,150)	(6,150)	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 3,676	\$ 3,608	\$ (69)	-1.9%
Operating income (loss)	\$ 331	\$ 418	\$ (87)	20.8%
Total public support and nonoperating revenues	(8,534)	(8,534)	-	0.0%
Income (loss) before capital contributions	\$ (8,203)	\$ (8,116)	\$ (87)	1.1%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OTHER ACTIVITIES CONSOLIDATED

Att. A, AI 46, 4/23/09

COMPARISON TO BUDGET - FISCAL YEAR 2009 FEBRUARY 28, 2009 (in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	797	768	29	3.7%
Total Operating Revenue	\$ 797	\$ 768	\$ 29	3.7%
Personnel costs	\$ 392	\$ 384	\$ (9)	-2.3%
Outside services	65	71	6	7.8%
Transit operations funding	-	-	-	-
Materials and supplies	2	4	2	62.1%
Energy	6	8	2	21.0%
Risk management	24	23	(1)	-6.1%
General & administrative	70	70	0	0.0%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	31	31	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 590	\$ 589	\$ (1)	-0.1%
Operating income (loss)	\$ 207	\$ 179	\$ 28	-15.7%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ 207	\$ 179	\$ 28	15.7%

Metropolitan Transit System FY 2009 - February 2009 Financial Review

MTS Board of Directors Meeting
April 23, 2009



COMBINED MTS TRANSIT OPERATORS COMPARISON TO BUDGET - FEBRUARY 28, 2009 - FY 2009 (in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VAR
Fare Revenue	\$58,227	\$57,673	\$554	1.0%
Other Revenue	571	439	133	30.3%
Total Operating Revenue	\$58,799	\$58,111	\$687	1.2%

- Fare Revenue comparison to Prior Year
 - Year to date Ridership increased by 7.7% for all Bus service, decreased by 6.5% for Trolley
 - Average Fares increased by 12.1%



**COMBINED MTS TRANSIT OPERATORS
COMPARISON TO BUDGET - FEBRUARY 28, 2009 - FY 2009
(in \$000's)**

	YEAR TO DATE			
Personnel Costs	\$59,315	\$59,243	(\$73)	-0.1%
Purchased Transportation	36,637	36,679	42	0.1%
Other Outside Services	8,426	8,284	(142)	-1.7%
Energy	18,576	18,876	300	1.6%
Other Expenses	14,233	14,260	27	0.2%
Total Expenses	\$137,187	\$137,341	\$154	0.1%

- Energy - February year to date rates:
 - CNG averaged \$1.415 per therm vs. budget of \$1.470
 - Diesel averaged \$2.961 per gallon vs. budget of \$2.570
 - Diesel usage in February was 38.4% less than the prior year
 - Current spot pricing is \$1.141 for CNG and \$1.52 for Diesel



**METROPOLITAN TRANSIT SYSTEM
COMPARISON TO BUDGET - FY 2009
TOTAL REVENUE LESS EXPENSES
(in \$000's)**

Combined Net Operating Variance		
MTS Operating Revenue	\$	687
MTS Operating Expenses		154
MTS Administration / Other Activities		(59)
Total Combined Net Operating Variance	\$	782



Metropolitan Transit System FY 2009 - February 2009 Financial Review

MTS Board of Directors Meeting
April 23, 2009





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

Item No. 62

Chief Executive Officer's Report

ADM 121.7 (PC 50101)

April 23, 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 March 31, 2009, through April 13, 2009.

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

CONTRACTS - Expense

Doc #	Organization	Subject	Amount	Day
G1249.0-09	AZTEC LANDSCAPING, INC.	RANCHO BERNARDO/DELLAGO BRT STATION MAIN	\$33,132.00	4/2/2009
S200-09-392	JACOBS CENTER FOR NEIGHBORHOOD	EASEMENT FOR UNDERPASS ACCESS @ EUCLID S	\$1.00	4/2/2009
G1240.0-09	CANON BUSINESS SOLUTIONS	PURCHASE OF 1 CANON IR7105 COPIER	\$48,573.77	4/6/2009
G1247.0-09	ADD-ONS, INC.	BLOCK HR RETAINER AGREEMENT ELLIPSE 1YR	\$30,000.00	4/13/2009

PURCHASE ORDERS

DATE	Organization	Subject	AMOUNT
4/2/2009	INC JR RESOURCES	ECO-FRIENDLY PAPER PEN 3M POST	\$6,220.83
4/2/2009	SONIC WALL NORTH AMERICA	ANNUAL SUPPORT MAINTENANCE AGREE	\$1,145.00
4/2/2009	MULTICARD SYSTEMS	COLOR RIBBON KIT BLANK WHITE CARDS	\$1,857.61
4/6/2009	RELIABLE MONITORING SVCS	CNG DETECTION SYSTEM	\$57,788.00
4/6/2009	PRIME ELECTRICAL SERVICES	PROVIDE AND INSTALL (2) 30 AMP 120V	\$1,290.00
4/6/2009	DIMENSIONAL SILKSCREEN	TROLLEY HOW TO RIDE	\$3,194.79
4/6/2009	THE ALCALA YEARBOOK	1/8 PAGE AD, COLOR	\$595.00
4/6/2009	VALEDA COMPANY DBA Q'STRAIT	WHEELCHAIR TIE DOWN WEBBING LOOPS	\$1,554.63
4/6/2009	BLEND	SUPPLEMENTAL BANNER FOR SDSU	\$1,446.70
4/6/2009	VISIBLE INK	HONORARY TROLLEY RIDE POSTERS	\$619.88
4/6/2009	EMC CORPORATION	ANNUAL SUPPORT MAINT AGREEMENT	\$3,866.40
4/6/2009	ORACLE CORPORATION	ANNUAL SUPPORT MAINT AGREEMENT	\$4,142.08
4/6/2009	HSQ TECHNOLOGY A CORP	ANNUAL SUPPORT MAINT AGREEMENT	\$7,200.00
4/13/2009	OFFICE DEPOT	STACKING CHAIR, PANASONIC RECORDER,	\$1,879.54

WORK ORDERS: None**CONTRACTS - Revenue**

Doc #	Organization	Subject	Amount	Day
L0885.0-09	JT WIMSATT CONTRACTING CO	ROE PERMIT CONCRETE SUPPLY/FINISHING	(\$1,500.00)	4/13/2009
M6675.0-09	HP COMMUNICATIONS, INC	ROE PERMIT NEXT G ALVARADO RD/KEENEY ST	(\$1,500.00)	4/13/2009
S200-09-398	LB CIVIL CONSTRUCTION	ROE PERMIT BAY MARINA DR WIDENING PROJEC	(\$2,600.00)	4/13/2009
S200-09-400	BURTECH PIPELINE	ROE PERMIT CITY SD WATER DEPT SITE 14	(\$1,500.00)	4/13/2009