

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

## Agenda

### JOINT MEETING OF THE BOARD OF DIRECTORS

for the

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

October 14, 2010

9:00 a.m.

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

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

#### ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - September 23, 2010 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Please turn off cell phones  
during the meeting



## CONSENT ITEMS

- |     |   |         |
|-----|---|---------|
| 6.  | <u>MTS: Investment Report - August 2010</u><br>Action would receive a report for information.   | Receive |
| 7.  | <u>MTS: Uniform Service - Contract Award</u><br>Action would authorize the CEO to execute MTS Doc. No. G1322.0-10 for a five-year contract with Cintas Corporation for uniform services.  | Approve |
| 8.  | <u>MTS: Southland Transit, Inc. - Contract Carryover Term</u><br>Action would authorize the CEO to execute MTS Doc. No. B0449.3-06 for: (1) one 5-month and 11-day carryover term for central minibuses fixed-route services with Southland Transit, Inc. (Southland); and (2) one 5-month and 11-day carryover term for Sorrento Valley Coaster Connection (SVCC) services | Approve |
| 9.  | <u>MTS: Liability Claims Analysis Report</u><br>Action would receive the Liability Claims Analysis Report for MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI).  | Receive |
| 10. | <u>MTS: High-Voltage Breaker Replacement Project - Fund Transfer</u><br>Action would forward a request to the San Diego Association of Governments (SANDAG) Board of Directors to transfer funds from the Substation Standardization Project (CIP 1142100) to the High-Voltage Breaker Replacement Project (CIP 1128000) as shown in the Fund Transfer Summary.             | Approve |

## CLOSED SESSION

- |     |    |   |                 |
|-----|----|---|-----------------|
| 24. | a. | MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(a) <u>Metropolitan Transit System v. San Diego State University</u> (Case No. 37-2007-00083692-CU-WM-CTL)  | Possible Action |
|     | b. | MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8; <u>Properties</u> : 7490 and 7550 Copley Park Place, San Diego, California (Assessor Parcel Nos. 356-410-08 and 356-410-09); <u>Agency Negotiators</u> : Tiffany Lorenzen, General Counsel; and Tim Allison, Manager of Real Estate Assets; <u>Negotiating Parties</u> : RV Investment CA, LLC, RV Investment CA, LLC II; <u>Under Negotiation</u> : Price and Terms of Payment | Possible Action |
|     | c. | SDTC: CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS Pursuant to California Government Code Section 54957.6; <u>Agency-Designated Representative</u> : Jeff Stumbo; <u>Employee Organization</u> : International Brotherhood of Electrical Workers, Local Union No. 465   | Possible Action |

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

## NOTICED PUBLIC HEARINGS

25. None.

## DISCUSSION ITEMS

30. SDTC: Retirement Plan Actuarial Review and Analysis (Cliff Telfer) Approve  
Action would adopt an actuarial contribution rate of 22.708% for San Diego Transit Corporation's (SDTC's) retirement plan for fiscal year 2011.

## REPORT ITEMS

45. SDTC: Pension Investment Status (Cliff Telfer) Receive  
Action would receive a report for information.
46. MTS: Annual Service Performance Monitoring Report (Devin Braun) Receive  
Action would receive a report for information.
47. MTS: Operations Budget Status Report for August 2010 (Mike Thompson) Receive  
Action would receive the MTS operations budget status report for August 2010.
60. Chairman's Report Information
61. Audit Oversight Committee Chairman's Report Information
62. Chief Executive Officer's Report Information
63. Board Member Communications
64. Additional Public Comments Not on the Agenda  
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public
65. Next Meeting Date: October 28, 2010
66. Adjournment

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

September 23, 2010

MTS  
1255 Imperial Avenue, Suite 1000, San Diego

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:03 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 August 19, 2010, MTS Board of Directors meeting. Mr. Ovrom seconded the motion, and the vote was 8 to 0 in favor.

3. Public Comments

*John Woods* – Mr. John Woods lives in Lemon Grove, and he would like to know when something will be done about the Lemon Grove Depot trolley station. He mentioned that when the trolley comes to the intersection of Lemon Grove Avenue and Broadway, the trolley boarding area stops two feet short causing a traffic delay for automobiles. He also commented that many times the next-station announcements do not play on trolleys and buses, so for those patrons not familiar with the area, it is difficult to know where to get off. He feels that it should be a standard operating procedure for the drivers to announce the stops.

Mr. Jablonski commented to Mr. Woods that the current public announcement system is being worked on and, in the near future, all busses and trolleys will announce the stops. He mentioned that Mr. Wayne Terry, Chief Operating Officer of Rail, will explain the changes to Mr. Woods personally.

*Clive Richard* – Mr. Richard commented that he lives in the seventh council district, and he is eager to have more service and more frequent service even though times are tough. He is glad that he can walk half a mile to catch a bus and walk 1 mile to a major transit center, and he does not believe that service could be better if the great recession did not occur.

CONSENT ITEMS:

6. MTS: Increased Authorization for Legal Services - McDougal Love Eckis Smith Boehmer & Foley, APC

Action would authorize the Chief Executive Officer (CEO) to enter into MTS Doc. No. G1067.11-07 with McDougal Love Eckis Smith Boehmer & Foley, APC for legal services and ratify prior amendments entered into under the CEO's authority.

7. MTS: Service Trucks - Contract Award

Action would authorize the CEO to execute MTS Doc. No. G1330.0-10 with Fairview Ford Sales, Inc. for the purchase of three service trucks.

8. MTS: Adoption of Amended 2010 Conflict of Interest Code

Action would: (1) adopt Resolution No. 10-22 amending the MTS Conflict of Interest Code pursuant to Political Reform Act (PRA) of 1974; (2) adopt the amended 2010 MTS Conflict of Interest Code; and (3) forward the amended 2010 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).

9. MTS: Investment Report for July 2010

Action would receive a report for information.

10. MTS: Revenue-Collection Procedures Audit Report

Action would receive an internal audit report on San Diego Trolley, Inc.'s (SDTI's) revenue-collection procedures.

11. MTS: Class B Paratransit Buses - Contract Award

Action would authorize the CEO to execute MTS Doc. No. B0539.0-11 with Creative Bus Sales to purchase 15 Class B Cutaway Buses manufactured by Starcraft Bus with an option to purchase up to 5 additional buses for paratransit services.

12. MTS: Rebuilt Allison Transmission and Cummins Natural Gas Engine In-Frame Overhauls - Option Years

Action would authorize the CEO to execute: (1) MTS Doc. No. B0490.1-08 for two 1-year options with Cummins Cal Pacific, LLC for Cummins natural gas engine in-frame overhauls; and (2) MTS Doc. No. B0491.1-08 for two 1-year options with United Transmission Exchange, Inc. for rebuilt Allison transmissions.

Action on Recommended Consent Items

Mr. Van Deventer moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, and 12. Mr. Selby seconded the motion, and the vote was 9 to 0 in favor.

**CLOSED SESSION:**

24. Closed Session Items

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

- a. MTS: CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant To California Government Code Section 54956.8;  
Properties: 7490 and 7550 Copley Park Place, San Diego, California (Assessor Parcel Nos. 356-410-08 and 356-410-09);

Agency Negotiators: Tiffany Lorenzen, General Counsel; and Tim Allison, Manager of Real Estate Assets;

Negotiating Parties: RV Investment CA, LLC, RV Investment CA, LLC II;

Under Negotiation: Price and Terms of Payment

**The Board reconvened to open session at 9:51 a.m.**

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported the following:

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

**NOTICED PUBLIC HEARINGS:**

25. None

**DISCUSSION ITEMS:**

30. None

**REPORT ITEMS:**

45. MTS: Design of Siemens Low-Floor Vehicle Ramp

George Long, Head of Engineering for Siemens Transportation Systems (STS), gave an overview of the design features of SD-8 low-floor vehicle ramps. He explained that the SD-8 ramp design has been optimized for the vehicle platform interface configuration consisting of an 8-inch platform and 13-inch vehicle threshold height per the Americans with Disabilities Act (ADA) required AW2 50% passenger load condition. He further explained that the empty vehicle condition of AW0 and the subsequent door threshold height of 14 inches have also been considered. Mr. Long stated that STS determined that the ramp transitions required optimization thus the ramp has been optimized to create a more accommodating transition into the vehicle from the ramp to the door threshold in accordance with the ADA accessibility specifications for transportation vehicles. He then went on to explain that STS achieved optimization by creating a hinged breakaway entry so when the ramp deploys, the hinged threshold gradually transitions to a resting position on the ramp footboard creating close to a continuous angle from the platform into the vehicle. He explained further that the theoretical length of the ramp thus increases from 21.6 inches to 28.6 inches, which is an improvement of 7 inches.

Mr. Long addressed and answered three different questions that the Board raised during the August 19, 2010, meeting:

Question 1: Why the ultrashort low-floor S70US ramp cannot be longer such that the slope or rate of rise is substantially decreased?

- There are critical load-bearing longitudinal beams that go down the length of the underframe positioned to the inside of each ramp device.

- These beams cannot be moved closer to the vehicle centerline without major impacts to the car shell design.
- Significant static and dynamic analysis and testing have been done based on this configuration.
- These beams are required in this position in order to meet the 2G CPUC static end load as well as all the other load cases with the worst being diagonal jacking of the vehicle.
- In order to extend the ramp length, the dimension between the two longitudinal beams and, in essence, the ramps of 31.4 inches would have to be reduced, which is structurally not possible.
- With the limitation of the position of the longitudinal underframe beams and the space required for ramp components, the effective length of the ramp cannot be increased.
- Furthermore, there is no room in the current design of the ramp to allow a longer ramp stroke as 21.6 inches is the maximum length of the footboard when deployed.

Question 2: Why the bump at the ramp deployed seam as well as the bump inside of the vehicle cannot be smoothed out to avoid riders' perception that they are "tipping" as they enter the vehicle?

- As mentioned, 36 CFR part 1192.83 paragraph (C) (3) allows for two threshold transitions; one from the platform to the ramp, and one from the ramp to the vehicle floor. These must not exceed a .25-inch vertical change followed by a .25-inch vertical change at a 1:2 rise to run slope; for a maximum of a .5-inch vertical change.
- Both of the transitions on the MTS proposed ramp comply with this regulation.

Question 3: Why the ultrashort low-floor S70US ramp cannot be wider; the Board expressed a desire to have all of the doors open all of the way and have the ramp be as wide as the door opening?

- The current width of 36 inches for the deployed footboard is fixed and also cannot be changed without major changes to the car shell and subsequent delays to the project.
- The space around the ramp is needed for the car shell-welded part to secure the ramp and wiring harnesses and still have room for required assembly access.
- Siemens felt that this was an ample dimension based on the minimum requirement of 30 inches.
- The basis of this decision was to limit the deflection of the top plate bearing in mind that passengers are running over it, entering, and exiting the vehicle. Passenger standing area during train movement was also considered.
- As stated earlier, where the ramp depth is only 2.25 inches and a ramp of this width is more conducive to controlling the deflection in such a way that at AW4, the displacement of the top plate avoids interference with the operation of the ramp footboard deployment and retraction considering that passengers will be standing on the top plate.
- The door portal is 58 inches wide, and the housing of the ramp body is 48.5 inches wide.
- Furthermore, it is not possible to have a threshold stiff enough to support a wider ramp width.
- Since the threshold is only supported at the ends and thickness of the threshold is limited, it was decided to keep the ramp footboard a width conducive to smooth operation.
- The ramp width of 36 inches is slightly larger than other Siemens-designed and built S70 vehicles in service.

Mr. Gloria commented that the presentation contained important information for members of the disabled community and wondered if they had been invited to attend the Board meeting. Ms. Lorenzen stated that she personally spoke to the three presenters from the Public Hearing on August 19, 2010, and invited them to attend today's Board meeting. She also arranged for a parking attendant to be present in the Mills parking structure to ensure that they did not have a problem getting in and out of the garage.

Mr. Jablonski stated that the central complaint from the public is not having level boarding. He explained that the Blue Line and the Orange Line are active freight lines, and that the trolley station platforms cannot be higher than 8 inches according to federal regulations. He further explained that level boarding on these two lines would require a 14-inch platform.

Chairman Mathis mentioned that level boarding has its own issues with hydraulics because as weight changes, so does height of train.

*Clive Richard* – Mr. Richard was told that the ramp cannot be used by manual wheelchairs however, after he heard today's presentation he feels that the problem has been solved.

#### Action Taken

Mr. McClellan moved to receive a report regarding the design of the SD-8 low-floor vehicle ramp and responses to questions posed by the Board at its August 19, 2010, meeting. Mr. Castaneda seconded the motion, and the vote was 11 to 0 in favor.

#### 46. MTS: Blue Line Rehabilitation and Outreach Schedule

Mr. Terry explained the upcoming Blue Line rehabilitation work, which is scheduled to begin in late August. He explained that the rehabilitation will require weekend shutdowns on portions of the Blue Line for the next several years. He further explained that the \$619 million capital project will replace Blue Line overhead contact wire and installation of fiber cabling, the procurement of 57 S70 low-floor light rail vehicles, and will include retrofitting station platforms to accommodate the low-floor vehicles. Mr. Terry mentioned that the project will also include track and signal improvements, substation enhancements, slope and drainage repair, freight capacity enhancements, and create 4,636 regional jobs, 14,245 state jobs, and 30,966 nationwide jobs.

Mr. Terry discussed the prime contract awards. He said that HMS was awarded the contract for Blue Line contact wire replacement, and Select Electric was awarded the contract for Blue Line aerial signaling and fiber-cable installation. He explained that the wire replacement will be confined to weekend work, and that bus-bridge service will be operated during power shutdowns. He also mentioned that the contract allows for 50 weekends to complete work. Mr. Terry stated that project prework has already commenced. He also stated that busing coordination with transit for shuttle service has already been worked out. He explained that field oversight will be conducted by trolley and transit staff, and that ambassadors as well as code compliance personnel will be available at stations to provide customer assistance to patrons. Mr. Terry also explained that vehicle cleaning and maintenance will be conducted remotely, and security will provide after-hours protection for vehicles and equipment at remote locations.



Rob Schupp, Director of Marketing, explained that communicating to the public in advance of shutdowns has been a major priority. He mentioned that communications to the public are both in English and Spanish, the media is involved to help get the word out, and he has been working with community groups to increase public awareness. Mr. Schupp explained that the primary messages to the community regarding the Blue Line rehabilitation is the reinvestment in public transportation infrastructure, creation of jobs, improved travel experience, expectation of travel delays, transportation alternatives, and ways to get more information. He discussed the various outreach tactics being used to communicate with the public, such as one-on-one meetings, group presentations, mail-outs, advertising, and a special hotline. He also discussed the different outreach groups he has been working with city councils which includes the San Ysidro Planning Group, the South Bay YMCA, and schools, libraries and churches.

Mr. Castaneda mentioned to Mr. Schupp that he would like to work with him and look at more community groups in the Chula Vista area to reach out to more riders.

Action Taken

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

47. MTS: Operations Budget Status Report for June 2010

Mike Thompson, Assistant Budget Manager, provided the Board with a June financial review. He discussed the total combined net-operating favorable variance of \$1,430,000 due to variances in passenger revenue, outside services, energy personnel costs, and risk management expenses. He explained the non operating net subsidy for FY 2010 was favorable to budget by \$1,588,000 due to prior-year Transportation Development Act funds and lower pension obligation bonds. He stated that in total, fiscal year revenue exceeded expenses by \$3,018,000. Mr. Thompson also mentioned that a dashboard has been created to mark ongoing concerns.

Action Taken

Mr. McClellan moved to receive the MTS operations budget status report for June 2010. Mr. Ewin seconded the motion, and the vote was 11 to 0 in favor.

48. MTS: Update on the Status of the Grossmont Trolley Station Joint Development Project

Mr. Tim Allison, Manager of Real Estate Assets, gave a presentation on the Grossmont Trolley Station Joint Development Project. MTS entered into an Exclusive Negotiating Agreement back in July 2003. He talked about the history of the project and the terms of lease. He explained the revenue generation estimated at \$381,285 beginning in year 1 of the Ground Lease and total revenue projected over the 99-year lease term at \$635,278,000.

Mr. Allison stated that the project has been completed and consists of 527 apartment homes, including 80 affordable housing units and 2,600 square feet of retail and commercial space. He explained the apartments were constructed in two separate phases starting with the west side of the property called the Pravada at Grossmont Trolley, which is approximately 93% occupied. He also explained that construction on phase 2 was completed in late July of 2010 and is now Alterra at Grossmont Trolley with 342 units and is approximately 65% occupied.

Mr. Allison explained that the San Diego Association of Governments (SANDAG) is currently constructing public improvements to the station, including an elevator tower, pedestrian bridge, platform amenities, paving, and draining enhancements. He mentioned that the improvements are scheduled to be completed in 2012. Mr. Allison stated that the total value of the public improvements is \$7,900,000 consisting of local, state, and federal funds.

Mr. Ewin mentioned that this project is a great example of all of the agencies working together. He feels that the project makes sense in terms of smart growth. He reflected on the amount of work the project took to get started and feels the end result is better than expected. He feels that this project sets the tone for things that can be done with the right financing in place, and he expressed his appreciation for the cooperative adventure.

Mr. Young commented on how great the project turned out and thanked everyone involved for their hard work. He would like to see something similar to this project at the 62<sup>nd</sup> Street Trolley Station. In response to an inquiry, Ms. Lorenzen mentioned that many sites have been identified for a mixed-use project like Grossmont but explained that financing for developers has not panned out. MTS hopes that in the future another project will be negotiated. Mr. Young feels that while the economy is slow, MTS should try to get itself ready via property acquisitions for future project sites.

*Clive Richard* – Mr. Richard mentioned that he has been waiting for a number of years to see the completion of this project. He feels that a great job was done putting it together. He lives close enough to La Mesa to claim the project as his own and feels the completion of the project is really very important and shows how important it is to transit to raise revenue.

#### Action Taken

Mr. Selby moved to receive an update regarding the status of the Grossmont Trolley Station Joint Development Project. Mr. Ewin seconded the motion, and the vote was 10 to 0 in favor.

#### 60. Chairman's Report

Chairman Mathis reported that the official kickoff event for the Blue Line Rehabilitation took place yesterday. He mentioned that the event was very well attended.

#### 61. Audit Oversight Committee Chairman's Report

Mr. Ewin advised members that the audit is still underway and going well, and an Audit Oversight Committee meeting will be scheduled soon.

#### 62. Chief Executive Officer's Report

There was no Chief Executive Officer's 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, October 14, 2010.

66. Adjournment

Chairman Mathis adjourned the meeting at 10:57 a.m.



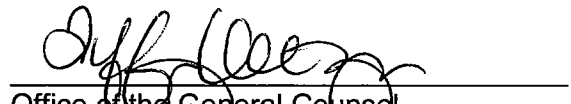
Chairperson  
San Diego Metropolitan Transit System

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: Roll Call Sheet

METROPOLITAN TRANSIT DEVELOPMENT BOARD  
ROLL CALL

MEETING OF (DATE): September 23, 2010

CALL TO ORDER (TIME): 9:03 AM

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

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

CLOSED SESSION: 9:10 AM

RECONVENE: 9:51 AM

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

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

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

ADJOURN: 10:57 AM

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
CUNNINGHAM	<input type="checkbox"/> (Boyack) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
EMERALD	<input type="checkbox"/> (Faulconer) <input type="checkbox"/>		
GLORIA	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:22 AM	
JANNEY	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		
LIGHTNER	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>		
RINDONE	<input type="checkbox"/> (Castaneda) <input checked="" type="checkbox"/>	9:20 AM	
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		
SELBY	<input checked="" type="checkbox"/> (England) <input type="checkbox"/>		
VAN DEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		10:44 AM
YOUNG	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:08 AM	

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD: Valerie VizKeloti

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: [Signature]



AGENDA ITEM NO.

3

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

1

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

## 1. INSTRUCTIONS

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	October 14				
Name	Virginia Conway				
Address	1455 2nd Ave #1010 SD				
Telephone					
Organization Represented					
Subject of Your Remarks	clean bus shelters - sidewalk				
Regarding Agenda Item No.					
Your Comments Present a Position of:		<input 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.

3

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

2

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

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(PLEASE PRINT)

Date	2010-10-14		
Name	Clive Richard		
Address	5153 La Dorna St, San Diego		
Telephone	619.867.7049		
Organization Represented	NONE		
Subject of Your Remarks	general		
Regarding Agenda Item No.			
Your Comments Present a Position of:	<input type="checkbox"/>	<input checked="" type="checkbox"/> <b>SUPPORT</b>	<input type="checkbox"/> <b>OPPOSITION</b>

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

## 3. DISCUSSION OF AGENDA ITEMS

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

October 14, 2010

### SUBJECT:

MTS: INVESTMENT REPORT - AUGUST 2010

### RECOMMENDATION:

That the Board of Directors receive a report for information.

#### Budget Impact

None.

### DISCUSSION:

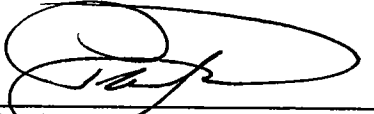
Attachment A comprises a report of MTS investments as of August 2010. The combined total of all investments has increased by \$19 million in the current month, which is largely attributable to the receipt of \$14 million in unrestricted State Transit Assistance (STA) funds and restricted Proposition 1B and other pass-through funds.

The first column provides details about investments restricted for capital improvement projects and debt service—the majority of which are related to the 1995 lease and leaseback transactions. The funds restricted for debt service are structured investments with fixed returns that will not vary with market fluctuations if held to maturity. These investments are held in trust and will not be liquidated in advance of the scheduled maturities.



The second column includes unrestricted investments, which shows MTS operations working capital for employee payroll and vendors' goods and services.

During August, \$18 million was transferred into short-term investment accounts at the Local Agency Investment Fund and the County of San Diego Investment Pool.

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

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Linda Musengo, 619.557.4531, [Linda.Musengo@sdmts.com](mailto:Linda.Musengo@sdmts.com)

OCT14-10.6.INVESTMT RPT AUGUST.LMUSENGO.doc

Attachment: A. Investment Report for August



**San Diego Metropolitan Transit System  
Investment Report  
August 31, 2010**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<b>Average rate of return</b>
Cash and Cash Equivalents				
Bank of America - concentration sweep account	\$ 5,504,212	\$ 7,332,737	\$ 12,836,949	0.00%
Total Cash and Cash Equivalents	<u>5,504,212</u>	<u>7,332,737</u>	<u>12,836,949</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	2,269,759		2,269,759	N/A *
Local Agency Investment Fund (LAIF) Proposition 1B TSGP grant funds	<u>5,216,762</u>		<u>5,216,762</u>	0.51%
Total Cash - Restricted for Capital Support	<u>7,486,521</u>	<u>-</u>	<u>7,486,521</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF) San Diego County Investment Pool		38,371,243 28,551,725	38,371,243 28,551,725	0.51%
Total Investments - Working Capital	<u>-</u>	<u>66,922,968</u>	<u>66,922,968</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	37,009,626	-	37,009,626	
Rabobank - Payment Undertaking Agreement	<u>83,556,240</u>	<u>-</u>	<u>83,556,240</u>	7.69%
Total Investments Restricted for Debt Service	<u>120,565,866</u>	<u>-</u>	<u>120,565,866</u>	
Total cash and investments	<u>\$ 133,556,599</u>	<u>\$ 74,255,705</u>	<u>\$ 207,812,303</u>	

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



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## Agenda

Item No. 7

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

October 14, 2010

**SUBJECT:**

**MTS: UNIFORM SERVICE - CONTRACT AWARD**

**RECOMMENDATION:**

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1322.0-10 (in substantially the same format as Attachment A) for a five-year contract with Cintas Corporation for uniform services.

Budget Impact

The total amount of the contract would not exceed \$926,346.60. Cintas Corporation's bid prices per year are as follows:

➤	Year 1	\$185,269.32
➤	Year 2	\$185,269.32
➤	Year 3	\$185,269.32
➤	Year 4	\$185,269.32
➤	Year 5	\$185,269.32

The funds are budgeted under San Diego Transit Corporation's (SDTC's) and San Diego Trolley, Inc.'s (SDTI's) operating maintenance funds, which use 80% federal funds and 20% local funds.

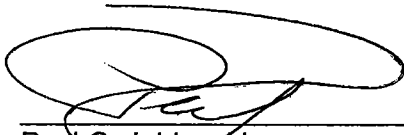


## DISCUSSION:

SDTC and SDTI provide uniform rental and cleaning services for its Maintenance Department employees as stipulated in the Collective Bargaining Agreement (this contract also includes floor mats and shop towels).

MTS submitted an Invitation for Bids for uniform services for a five-year period. Three responsive bids were received (see Bid Summary - Attachment B) and opened on July 14, 2010. Procurement Department staff compared old and new contract pricing and concluded that the cost would be \$30,000 lower by combining uniform services for SDTC and SDTI over the five-year period compared to the in-house cost estimate.

Cintas Corporation was the lowest responsive, responsible bidder for the five-year period at \$926,346.60. Therefore, pursuant to MTS policy, staff recommends award of MTS Doc. No. G1322.0-10 to Cintas Corporation for uniform services for a five-year period.



---

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contacts: Robert Dischert, 619.595.4934, [Robert.Dischert@sdmts.com](mailto:Robert.Dischert@sdmts.com)  
Mike Fitz-Gerald, 619.238.0100, Ext. 6498, [Mike.Fitzgerald@sdmts.com](mailto:Mike.Fitzgerald@sdmts.com)  
Ira Tillman, 619.557.4548, [Ira.Tillman@sdmts.com](mailto:Ira.Tillman@sdmts.com)

OCT14-10.7.UNIFORM SVCS.CINTAS CORP.MYNIGUEZ.doc

Attachments: A. MTS Doc. No. G1322.0-10  
B. Bid Summary

## STANDARD SERVICES AGREEMENT

DRAFT

G1322.0-10  
 CONTRACT NUMBER  
 OPS 970.2  
 FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2010, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Cintas Corporation Address: 675 32<sup>nd</sup> Street

Form of Business: Corporation San Diego, CA 92102  
 (Corporation, partnership, sole proprietor, etc.)

Telephone: 619.239.1001

Authorized person to sign contracts: Darren Gould General Manager  
 Name Title

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

Provide uniform services as stipulated in MTS's Invitation for Bids (IFB) MTS Doc. No. G1322.0-10, including MTS's Responses to Written Questions/Clarifications and in accordance with the Standard Services Agreement, including the Standard Conditions Services, Safety Department's Standard Operating Procedures (SAF-016), and Cintas' Bid Proposal dated 7/14/10 (hereinafter referred to as the Contract Documents). If there are inconsistencies between the Contract Documents, the following order of precedence will govern the interpretation of this contract:

1. MTS's Invitation for Bids, Responses to Written Questions/Clarifications, and Cintas's Bid Proposal dated 7/14/10.
2. Standard Services Agreement (including the Standard Conditions Services) and the Federal Requirements.

This Contract shall remain in effect for a five-year period (February 1, 2011 through January 31, 2016).

The total cost of this contract shall not exceed \$926,346.60.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer	Firm: _____
Approved as to form:	By: _____
By: _____ Office of General Counsel	Signature
	Title: _____

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$926,346.60	620/350/650/380/370/360-53940	2011 - 2016

By: \_\_\_\_\_  
 Chief Financial Officer Date

# UNIFORM SERVICE

## BID SUMMARY

### Invitation for Bids

COMPANY NAME	BID AMOUNT Total of Five (5) Years
* CINTAS CORPORATION	\$ 926,346.60
PRUDENTIAL	\$ 953,784.81
G & K SERVICES	\$ 1,324,069.80

\* Lowest Responsive Responsible Bidder



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## 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.

OPS 920.6

October 14, 2010

**SUBJECT:**

MTS: SOUTHLAND TRANSIT, INC. – CONTRACT CARRYOVER TERM

**RECOMMENDATION:**

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0449.3-06 (in substantially the same format as Attachment A) for:

1. one 5-month and 11-day carryover term for central minibuses fixed-route services with Southland Transit, Inc. (Southland); and
2. one 5-month and 11-day carryover term for Sorrento Valley Coaster Connection (SVCC) services with Southland.

The MTS summer 2011 service change will occur on Sunday, June 12, 2011. As such, MTS wishes to extend the current contract through Saturday, June 11, 2011, and commence the new service contract on June 12, 2011, as it would be less disruptive to the riding public and the overall operation.

Budget Impact

Per the current contract, Southland's rate of service will remain the same: \$40.65 per revenue hour for MTS-owned vehicles for the central minibuses routes, and \$54.47 per revenue hour for contractor-owned vehicles operated on the SVCC shuttle routes.

The total central minibuses fixed-route projected transportation cost for the carryover term would be approximately \$1,115,151.45 plus an estimated \$298,328 in pass-through fuel costs. The estimated total cost would be \$1,413,479.45 for the option period.



The total SVCC projected transportation cost for the carryover term would be approximately \$134,867.72 plus an estimated \$21,738 in pass-through fuel costs. The estimated total cost would be \$156,605.72 for the option period.

#### DISCUSSION:

Southland currently operates 26 MTS-owned minibuses on 19 fixed routes and 2 of the 4 SVCC routes using a fleet of 2008 gasoline-powered, medium-duty Type VII minibuses. Southland also provides 3 contractor-owned 2006 Type II propane-powered minibuses for 2 of the 4 shuttle routes serving various locations between the Sorrento Valley Coaster Station and surrounding business centers. Southland minibus routes are a variety of community circulator, urban, local, and shuttle-type services.

In FY 10, Southland operated 64,182 revenue hours of minibus service and 5,171 revenue hours of SVCC service. During this time, Southland transported 1,026,450 passengers on its minibus service and 75,543 passengers on the SVCC service.

Southland provides MTS with a cost-effective approach to community-based service needs by providing a lower incremental service cost relative to larger, big-bus providers. The Southland option period rate per revenue hour is over 30% lower than a comparable big-bus fixed-route rate. Southland also provides MTS with a more flexible fiscal option when lower-capacity, less-expensive vehicles can be used more effectively to serve MTS's passengers.

Southland provides an operation geared toward minibus operations. The local management team operates out of a contractor-leased facility that is centrally located in Sorrento Mesa. In addition to the services that Southland provides for MTS, Southland also operates 15 demand-responsive services and 13 fixed-route services. These operations are provided under contract with 11 Los Angeles County cities, the County of Los Angeles Department of Public Works, the San Luis Obispo Regional Transit Authority, and three Regional Centers for the Developmentally Disabled.

Currently, Southland is operating under the second option period of its contract, which began on January 1, 2010, and extends through December 31, 2010. Exercising the carryover term would extend the agreement from January 1, 2011, through June 11, 2011. MTS is currently conducting a competitive procurement process to determine a contractor for this service commencing on June 12, 2011.



---

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Lisa Madsen, 619.595.7038, [lisa.madsen@sdmts.com](mailto:lisa.madsen@sdmts.com)

OCT14-10.8.SOUTHLAND TRANSIT CARRYOVER TERM.JMILLER.doc

Attachments: A. Draft MTS Doc. No. B0449.3-06  
B. Price Analysis Memo

**DRAFT**

October 14, 2010

MTS Doc. No. B0449.3-06

Mr. Len Engel  
Chief Operating Officer  
Southland Transit Inc.  
3650 Rockwell Avenue  
El Monte, CA 91731

Dear Mr. Engel:

Subject: AMENDMENT NO. 3 TO MTS DOC. NO. B0449.0-06; MTS CENTRAL MINIBUS FIXED-ROUTE AND SORRENTO VALLEY COASTER CONNECTION SERVICES

The purpose of this Amendment is to exercise the "Carryover Term" as stipulated in Article 6, "Term of Agreement" of the contract's Special Provisions.

This Amendment shall consist of the following:

**SCOPE OF WORK**

Continue to provide MTS central minibus fixed-route and Sorrento Valley Coaster Connection (SVCC) services pursuant to the mutually agreed upon terms and conditions at the current fixed-priced revenue hour rates as stipulated below.

- Central Minibus Fixed-Route:

ESTIMATED REVENUE HOURS	REVENUE HOUR RATE	TOTAL
27,433	\$40.65	\$1,115,151.45
Estimated Fuel Cost:		\$298,328.00
TOTAL:		\$1,413,479.45

- Sorrento Valley Coaster Connection:

ESTIMATED REVENUE HOURS	REVENUE HOUR RATE	TOTAL
2,476	\$54.47	\$134,867.72
Estimated Fuel Cost:		\$21,738.00
TOTAL:		\$156,605.72

Revenue vehicle fuel costs shall be invoiced to MTS as a pass-through expense.



Letter to Mr. Len Engel  
October 14, 2010  
Page 2 of 2

## SCHEDULE

Carryover period of performance: January 1, 2011 – June 11, 2011.

## PAYMENT

As a result of this Amendment, the total contract award amount has increased by \$1,570,085.17 from \$16,259,661.00 to \$17,829,746.17.

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

Sincerely,

Agreed:

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

\_\_\_\_\_  
Len Engel  
Southland Transit Inc.

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

OCT14-10.8.AttA.B0449.3-06.SOUTHLAND  
CARRYOVER TERM.JMILLER.doc



Purchasing Department  
1255 Imperial Ave., Suite 1000  
San Diego, CA 92101  
619.557.4576 FAX 619.696.7084

**Att. B, AI 8, 10/14/10**

## MEMORANDUM

DATE: September 28, 2010  
TO: Procurement File  
FROM: John Miller  
SUBJECT: PRICE ANALYSIS CENTRAL MINIBUS AND SORRENTO VALLEY COASTER  
CONNECTION SERVICES MTS DOC. NO. B0449.0-06

---

### INTRODUCTION

This analysis is submitted in accordance with the requirements outlined in the Federal Transportation Administration (FTA) Circular 4220.1F, Chapter V, Section 7(a)(1), Exercise of Options, and the Best Practices Procurement Manual Section 5.2(b), Price Analysis.

### BACKGROUND

The minibus system is comprised of two service packages that include Package I, the Central Minibus package, and Package II, the Sorrento Valley Coaster Connection package (SVCC). The minibus system consists of 23 routes that operate Monday through Saturday.

The current contractor, Southland Transit Inc., operates a fleet of 29 minibuses. The fleet consists of 26 MTS-owned Type VII minibuses and 3 contractor-owned Type II minibuses. The minibus system encompasses 19 Central Minibus routes and 4 SVCC routes.

Currently, Southland Transit Inc. is operating under the final option period of its contract (MTS Doc. No. B0449.0-06), which is set to expire on December 31, 2010. This contract incorporates a carryover term that allows MTS to extend the agreement up to an additional 6 months at the same revenue hourly rates as the previous option period. Exercising the carryover term would extend the agreement from January 1, 2011, through June 11, 2011. MTS is currently undergoing a competitive procurement process to determine a contractor for this service after June 11, 2011.



Metropolitan Transit System (MTS) is comprised of the Metropolitan Transit Development Board (MTDB) a California public agency, San Diego Transit Corp., and San Diego Trolley, Inc., in cooperation with Chula Vista Transit and National City Transit. MTS is Taxicab Administrator for eight cities. MTDB is owner of the San Diego and Arizona Eastern Railway Company. MTDB Member Agencies Include: City of Chula Vista, City of Coronado, City of El Cajon, City of Imperial Beach, City of La Mesa, City of Lamon Grove, City of National City, City of Poway, City of San Diego, City of Santee, and the County of San Diego.

## PRICE ANALYSIS

To determine if the current rates offered by Southland Transit Inc. during the carryover term are considered fair and reasonable, MTS contacted 3 other local transit agencies that also provide similar contracted services. The following findings were identified:

1. Orange County Transit Authority in Orange County, CA pays a rate of \$58.23 per revenue hour.
2. Gold Coast Transit in Oxnard, CA pays a rate of \$87.73 per revenue hour.
3. Riverside Transit Authority in Riverside, CA pays a rate of \$55.15 per revenue hour.

Based on the above information, the average revenue hour rate paid by other local transit agencies for similar type minibuses services is approximately \$67.03 per revenue hour. Per MTS's current contract with Southland Transit Inc., the fixed hourly rate of service will remain the same: \$40.65 per revenue hour for MTS-owned vehicles for the central minibuses routes and \$54.47 per revenue hour for contractor-owned vehicles operated on the SVCC shuttle routes.

## RECOMMENDATION

Based on the above information, the pricing available on MTS Doc. No. B0449.0-06, "Carryover Term," is considered fair and reasonable. It is recommended that the Board authorize the Chief Executive Officer to exercise the "Carryover Term" with Southland Transit Inc. Pricing and other factors considered the option to exercise the carryover term represents the best value to MTS.

John Miller  
Contract Officer

OCT14-10.8.AttB.PRICE ANALY MINIBUS  
& SVCC.JMILLER.doc



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## Agenda

Item No. 9

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

LEG 491

October 14, 2010

### SUBJECT:

MTS: LIABILITY CLAIMS ANALYSIS REPORT

### RECOMMENDATION:

That the Board of Directors receive the Liability Claims Analysis Report (Attachment A) for MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI).

#### Budget Impact

None.

### DISCUSSION:

The Liability Claims Analysis Report (Attachment A) is the 11th since March 2002. The report identifies pertinent information regarding claims management, such as the number of claims, claim payouts, and unfunded incurred liabilities for MTS, SDTC, and SDTI through June 2010. The report encompasses loss information data from MTS, SDTC, and SDTI.

In an effort to save costs and provide for greater efficiencies, the administration of liability claims was brought in house in October 2007. TRISTAR Risk Management was contracted to act as the third-party administrator (TPA) for workers' compensation claims effective December 2008.

A total of 7,151 unique third-party liability claims have been submitted for processing since March 2002. Of those claims, 98 percent (7,003) have been closed. During fiscal year 2010, a total of 258 unique liability claims occurred compared to 315 in 2009.



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

However, formal unique claims that require an individual to submit the MTS Agency Claim Form to the Board totaled 188 claims in fiscal year 2010 compared to 218 in 2009. This 14% modest decrease in formal claims reflects the ongoing efforts in employee management, supervision, training, and claims administration. Claimants have six months from the accrual of the cause of action to submit a formal claim. A three-month reporting window remains open for FY 2010 claims.

Incurred future reserve liability costs are established by MTS claims administration staff. A claim reserve is an estimate of the potential expense to MTS based on currently available information. The reserve estimates for specific claims may be adjusted as claims are incurred and developed allowing for any unforeseen growth of a claims' cost over time.

Along with claims severity, claims frequency is the dominant factor that affects the overall cost of liability claims management. SDTC and SDTI both experienced some fluctuation in the monthly claims frequency. A review of unique formal claims indicates that vehicle collisions between moving vehicles accounted for 24% (53) of the claims, followed by vehicle collisions with stationary objects at 14% (30), and start/stop passenger falls onboard vehicles of 12% (26).

For workers' compensation, the frequency of combined agency indemnity claims (time lost) decreased by 4%. Medical-only claims jumped nearly 50%. The issue of claims monitoring and closure continues to be emphasized with the new TPA. The average MTS combined average cost per claim measured over the last fiscal year has decreased nearly \$5,947. This significant change is attributed to the normalization of claims costs following the two shooting fatalities at MTS Bus.

The overall cost for litigation had a hefty impact on the fiscal year 2010 budget. For workers' compensation, the legal defense expense was up 43.5% from \$276,865 (FY 09) to \$397,547 (FY 10). This considerable negative change for legal defense expenses is principally due to three cases. In the tort liability defense area, costs decreased by 16% from FY 09 (\$1,479,921) to FY 10 (\$1,240,872). A breakdown between agencies for third-party tort-related litigation was 16.5% for MTS, 33.7% for SDTC, and 49.8% for SDTI. The workers' compensation legal costs utilization breakdown between agencies for workers' compensation matters was 0% for MTS, 82.5% for SDTC, and 17.3% for SDTI.

Now that liability claims administration is in house, staff objectives continue to minimize loss exposures and expenses through increased analysis, attention to loss prevention, and quality claims administration.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Jim Dow, 619.557.4562, [jim.dow@sdmts.com](mailto:jim.dow@sdmts.com)

OCT14-10.9.LIABILITY CLAIMS.JDOW.doc

Attachment: A. Liability Claims Analysis Report

**MTS / SDTC / SDTI LIABILITY CLAIMS ANALYSIS**

Unique Non-Subrogation/Collection - Compiled Data Captured: 09/24/10

<b>UNIQUE LIABILITY CLAIMS COUNT OPEN / CLOSED (Non-Subro)</b>					
PERIOD	CATEGORY	MTS	SDTC	SDTI	TOTAL
Assumed Files Pre 03/01/02	Open Files	0	0	0	0
	Closed Files	9	364	79	452
	Sub-Total Files	9	364	79	452
Files 03/01/02 - 9/30/07	Open Files	2	0	4	6
	Closed Files	118	1956	3780	5,854
	Sub-Total Files	120	1956	3784	5,860
Files 10/01/07 - 06/30/10	Open Files	34	70	38	142
	Closed Files	52	465	180	697
	Sub-Total Files	86	535	218	839
Complete Status 06/30/10	Open Files	36	70	42	148
	Closed Files	179	2785	4039	7,003
	Total Files	215	2855	4081	7,151

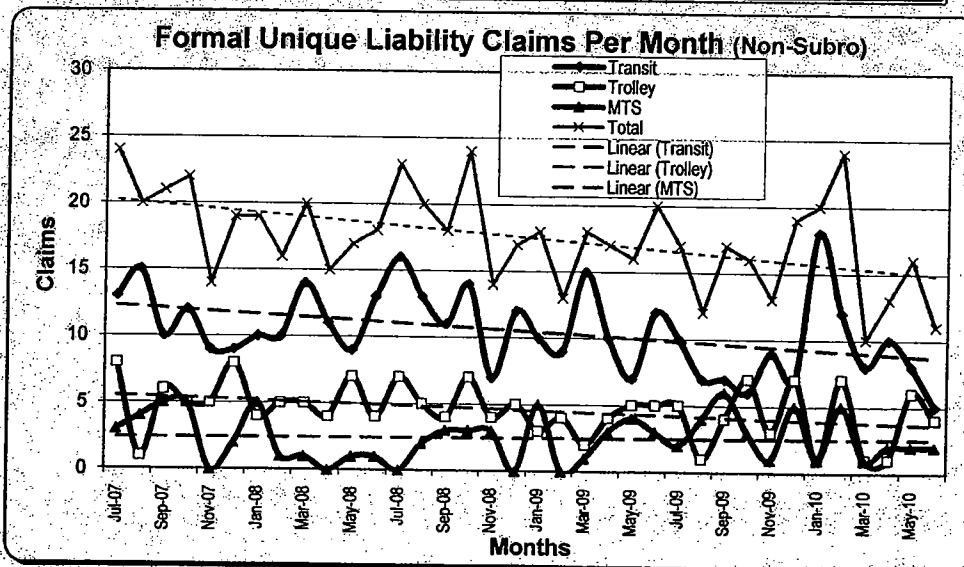
<b>LIABILITY LOSS PAYOUTS (Non-Subro)</b>					
PERIOD	EXPENSE AREA	MTS	SDTC	SDTI	TOTAL
Assumed Files Pre 03/01/02	Loss Payments	\$10,000	\$2,716,810	\$4,431,763	\$7,158,573
	Legal & Defense Expenses	\$51,322	\$1,882,048	\$961,565	\$2,894,935
	Expense/Claims Mgmt.	\$8,877	\$1,057,773	\$635,575	\$1,702,225
	Sub-Total Claim Costs	\$70,199	\$5,656,631	\$6,028,904	\$11,755,734
Files 03/01/02 - 9/30/07	Loss Payments	\$31,888	\$2,274,779	\$1,122,651	\$3,429,318
	Legal & Defense Expenses	\$250,984	\$1,797,722	\$1,976,149	\$4,024,855
	Expense/Claims Mgmt.	\$47,084	\$1,454,517	\$818,287	\$2,319,888
	Sub-Total Claim Costs	\$329,957	\$5,527,017	\$3,917,088	\$9,774,062
Files 10/01/07 - 06/30/10	Loss Payments	\$9,882	\$484,617	\$112,187	\$606,687
	Legal & Defense Expenses	\$96,581	\$588,634	\$264,313	\$949,528
	Expense/Claims Mgmt.	\$80	\$10,956	\$9,808	\$20,843
	Sub-Total Claim Costs	\$106,543	\$1,084,207	\$386,308	\$1,577,058
Complete Status 06/30/10	Loss Payments	\$51,771	\$5,476,206	\$5,666,602	\$11,194,578
	Legal & Defense Expenses	\$398,887	\$4,268,404	\$3,202,027	\$7,869,318
	Claims Mgmt.	\$56,041	\$2,523,246	\$1,463,671	\$4,042,957
	Total Claim Costs	\$400,156	\$11,183,648	\$9,945,992	\$21,529,795

**FORMAL UNIQUE LIABILITY CLAIMS**

Unique Non-Subrogation/Collection - Compiled Data Captured: 09/24/10

\* Control Limit  $\pm 3$  Standard Deviation

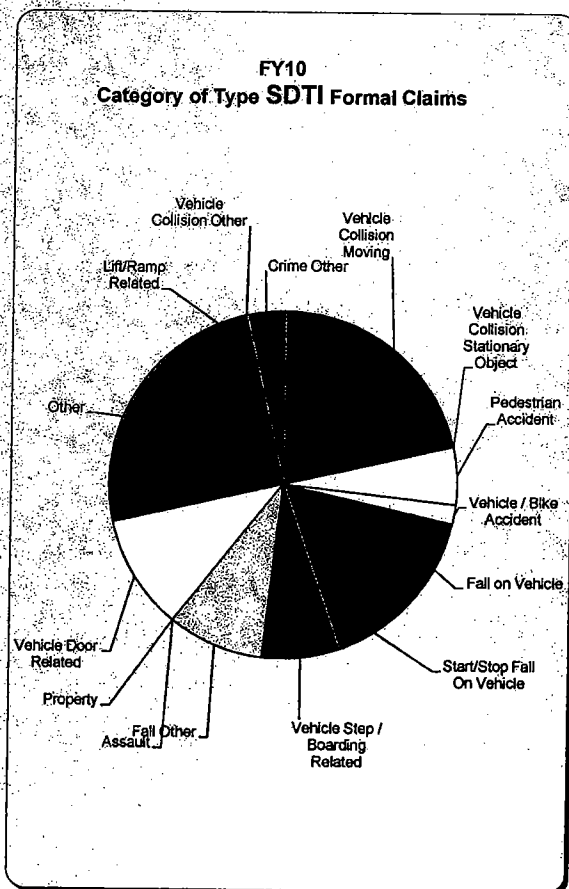
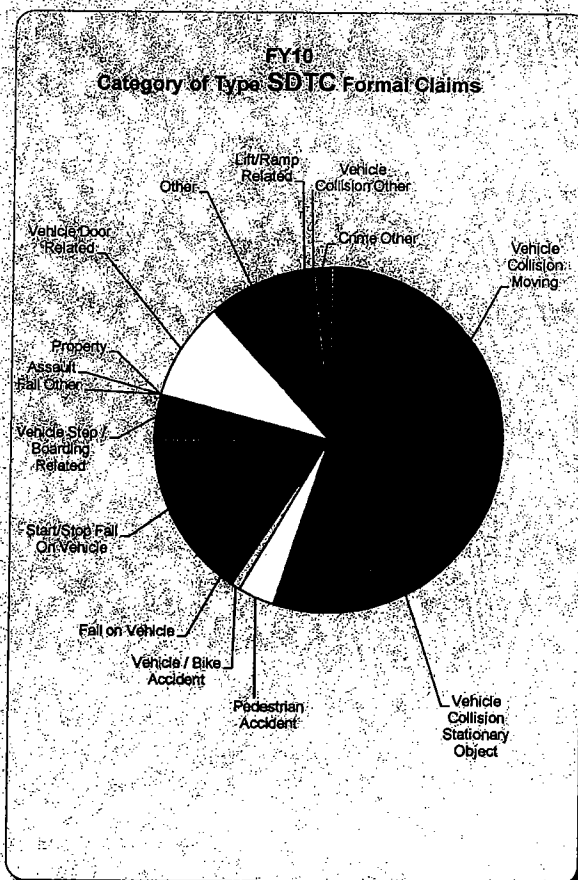
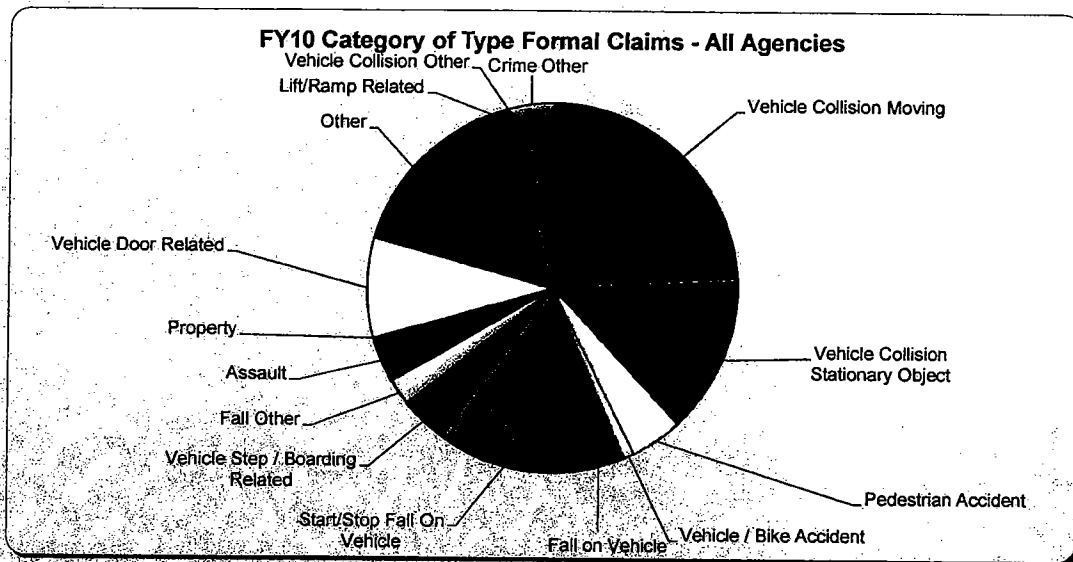
FORMAL UNIQUE LIABILITY CLAIMS PER MONTH (Non-Subro)								
Claims Per Month	DOL Month	SDTC Transit	%	SDTI Trolley	%	MTS	%	Month Totals
	Jul-07	13		8		3		24
	Aug-07	15		1		4		20
	Sep-07	10		6		5		21
	Oct-07	12		5		5		22
	Nov-07	9		5		0		14
	Dec-07	9		8		2		19
	Jan-08	10		4		5		19
	Feb-08	10		5		1		16
	Mar-08	14		5		1		20
	Apr-08	11		4		0		15
	May-08	9		7		1		17
	Jun-08	13		4		1		18
	Jul-08	16		7		0		23
	Aug-08	13		5		2		20
	Sep-08	11		4		3		18
	Oct-08	14		7		3		24
	Nov-08	7		4		3		14
	Dec-08	12		5		0		17
	Jan-09	10		3		5		18
	Feb-09	9		4		0		13
	Mar-09	15		2		1		18
	Apr-09	10		4		3		17
	May-09	7		5		4		16
	Jun-09	12		5		3		20
	Jul-09	10		5		2		17
	Aug-09	7		1		4		12
	Sep-09	7		4		6		17
	Oct-09	6		7		3		16
	Nov-09	9		3		1		13
	Dec-09	7		7		5		19
	Jan-10	18		1		1		20
	Feb-10	12		7		5		24
	Mar-10	8		1		1		10
	Apr-10	10		1		2		13
	May-10	8		6		2		16
	Jun-10	5		4		2		11
<b>Total Claims</b>		<b>378</b>	<b>59.9%</b>	<b>164</b>	<b>26.0%</b>	<b>89</b>	<b>14.1%</b>	<b>631</b>
<b>Arithmetic Mean July 2007-June 2010</b>		<b>10.5</b>		<b>4.6</b>		<b>2.5</b>		<b>17.5</b>
		<b>SDTC Transit</b>		<b>SDTI Trolley</b>		<b>MTS</b>		<b>Total</b>
<b>Total Claims</b>		<b>378</b>		<b>164</b>		<b>89</b>		<b>631</b>
<b>Average Monthly</b>		<b>10.5</b>		<b>4.6</b>		<b>2.5</b>		<b>17.5</b>
<b>Standard Deviation</b>		<b>4.6</b>		<b>2.3</b>		<b>1.9</b>		<b>8.6</b>
<b>* Upper Control Limit</b>		<b>24.3</b>		<b>11.6</b>		<b>8.1</b>		<b>43.3</b>
<b>* Lower Control Limit</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>		<b>0.0</b>

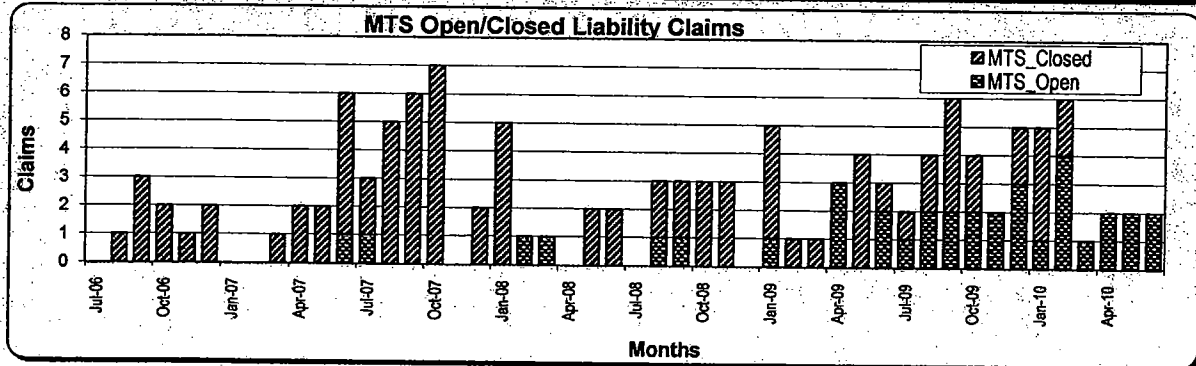
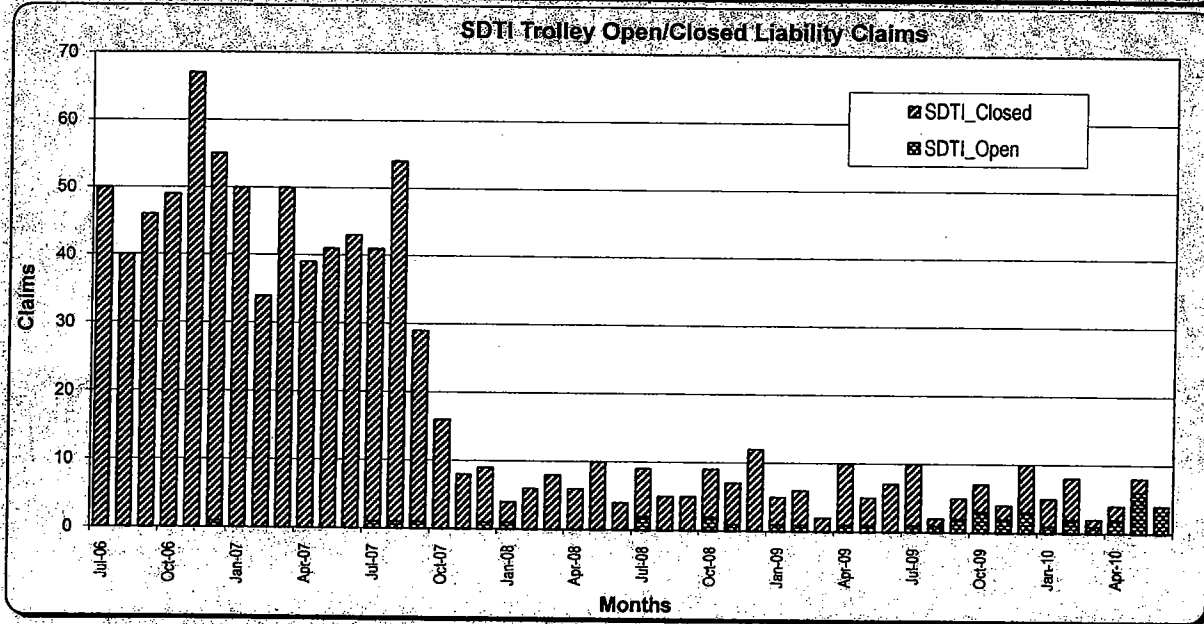
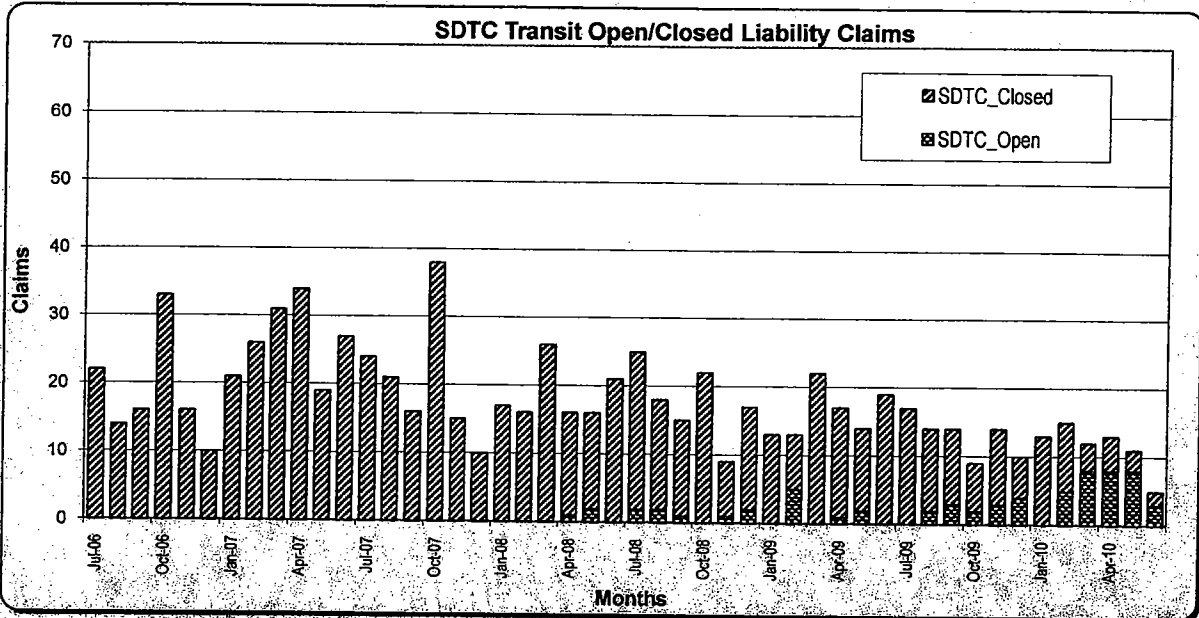


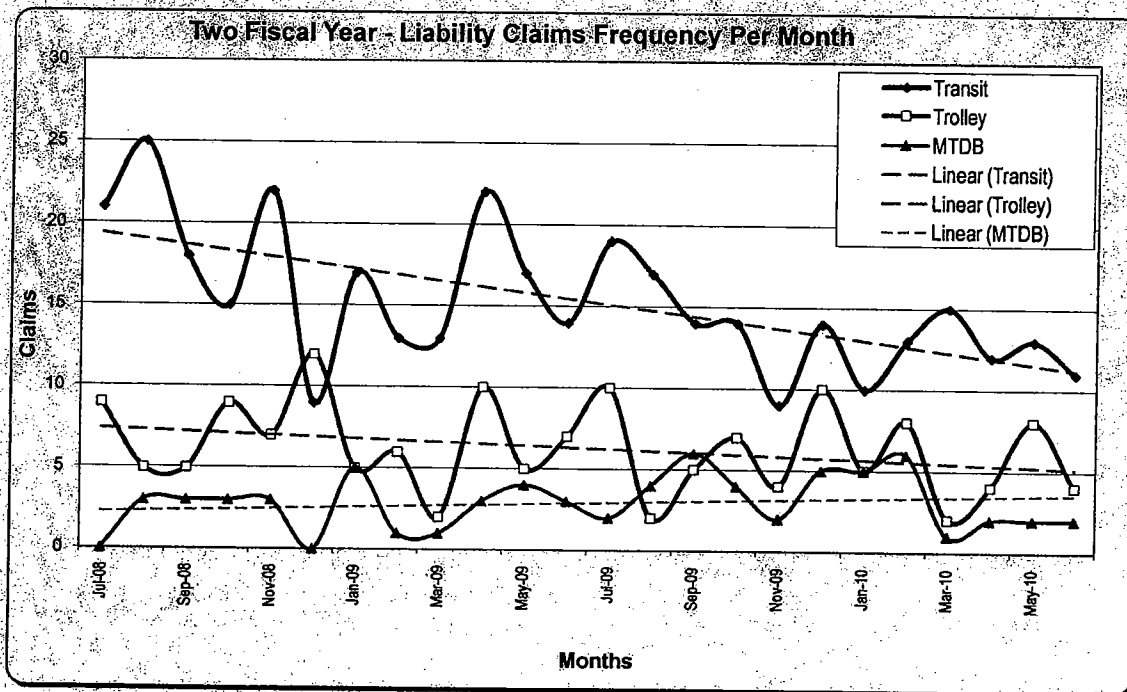
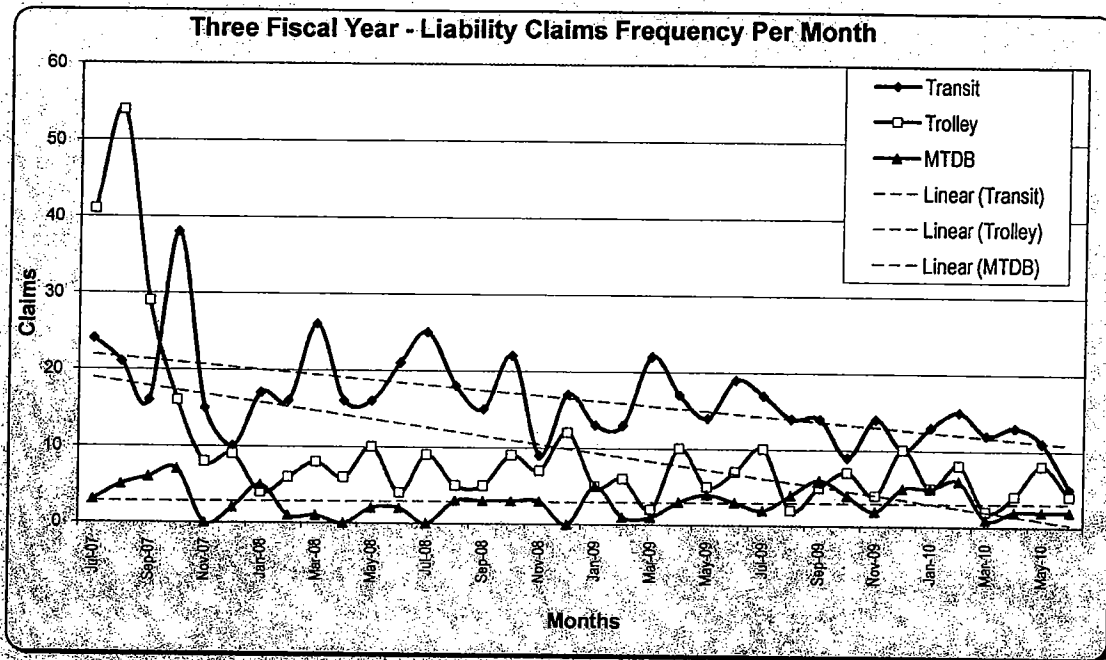
UNIQUE LIABILITY CLAIMS - OPEN / CLOSED PER MONTH								
Open / Closed Claims Per Month	DOL Month	SDTC Transit Open	SDTC Transit Closed	SDTI Trolley Open	SDTI Trolley Closed	MTS Open	MTS Closed	Month Totals
Jul-06		0	22	0	50	0	0	72
Aug-06		0	14	0	40	0	1	55
Sep-06		0	16	0	46	0	3	65
Oct-06		0	33	0	49	0	2	84
Nov-06		0	16	0	67	0	1	84
Dec-06		0	10	1	54	0	2	67
Jan-07		0	21	0	50	0	0	71
Feb-07		0	26	0	34	0	0	60
Mar-07		0	31	0	50	0	1	82
Apr-07		0	34	0	39	0	2	76
May-07		0	19	0	41	0	2	62
Jun-07		0	27	0	43	1	5	76
Jul-07		0	24	1	40	1	2	68
Aug-07		0	21	1	53	0	5	80
Sep-07		0	16	1	28	0	6	61
Oct-07		0	38	0	16	0	7	61
Nov-07		0	15	0	8	0	0	23
Dec-07		0	10	1	8	0	2	21
Jan-08		0	17	1	3	0	5	26
Feb-08		0	16	0	6	1	0	23
Mar-08		0	26	0	8	1	0	35
Apr-08		1	15	0	6	0	0	22
May-08		2	14	0	10	0	2	28
Jun-08		0	21	0	4	0	2	27
Jul-08		2	23	2	7	0	0	34
Aug-08		2	16	0	5	1	2	26
Sep-08		1	14	0	5	1	2	23
Oct-08		0	22	2	7	0	3	34
Nov-08		1	8	1	6	0	3	19
Dec-08		2	15	0	12	0	0	29
Jan-09		0	13	1	4	1	4	23
Feb-09		5	8	1	5	0	1	20
Mar-09		0	22	0	2	0	1	25
Apr-09		1	16	1	9	3	0	30
May-09		2	12	1	4	0	4	23
Jun-09		0	19	0	7	2	1	29
Jul-09		0	17	1	9	1	1	29
Aug-09		2	12	1	1	2	2	20
Sep-09		3	11	2	3	2	4	26
Oct-09		2	7	3	4	2	2	20
Nov-09		3	11	2	2	2	0	20
Dec-09		4	6	3	7	3	2	25
Jan-10		0	13	1	4	1	4	23
Feb-10		5	10	2	6	4	2	29
Mar-10		8	4	1	1	1	0	16
Apr-10		8	5	2	2	2	0	19
May-10		8	3	6	2	2	0	21
Jun-10		3	2	4	0	2	0	11
Total Claims		68	2485	43	3971	36	177	6780
		SDTC		SDTI		MTS		

FY2010 CATEGORY OF TYPE FORMAL CLAIMS				
TYPE CLAIM	MTS	SDTC	SDTI	AGENCY Total
Vehicle Collision Moving	5	36	12	53
Vehicle Collision Stationary Object	0	30	0	30
Pedestrian Accident	3	4	3	10
Vehicle / Bike Accident	0	1	1	2
Fall on Vehicle	2	3	5	10
Start/Stop Fall On Vehicle	6	16	4	26
Vehicle Step / Boarding Related	0	5	4	9
Fall Other	0	0	5	5
Assault	9	0	0	9
Property	0	0	0	0
Vehicle Door Related	2	11	6	19
Other	9	10	11	30
Lift/Ramp Related	1	2	3	6
Vehicle Collision Other	0	0	0	0
Crime Other	5	2	2	9
TOTAL	42	120	56	218

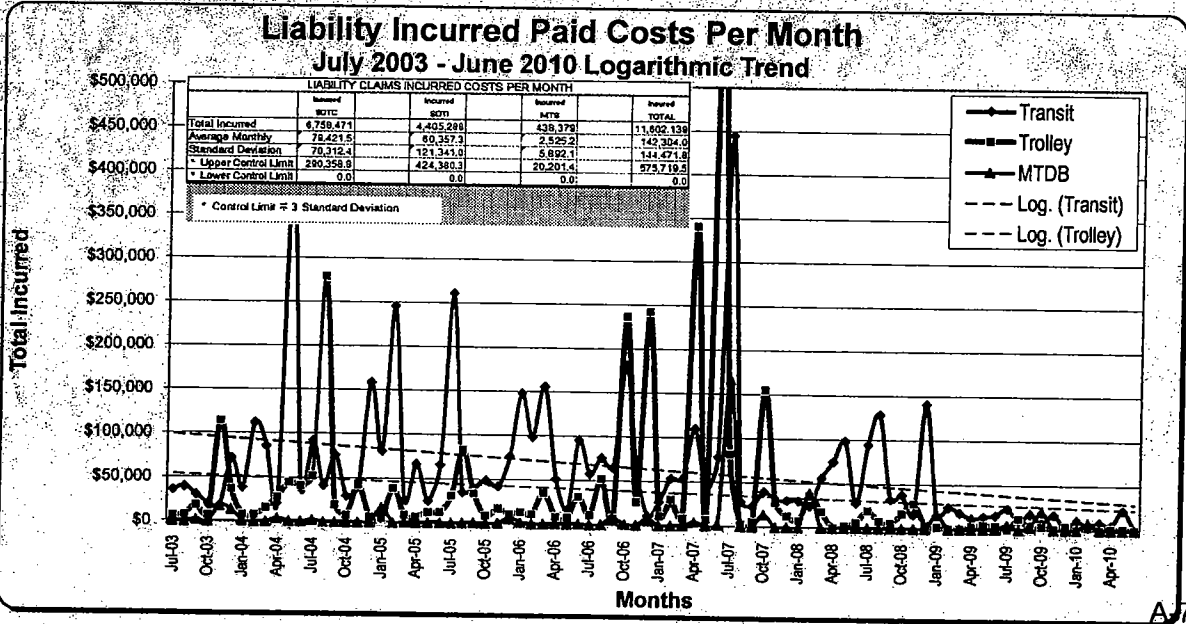




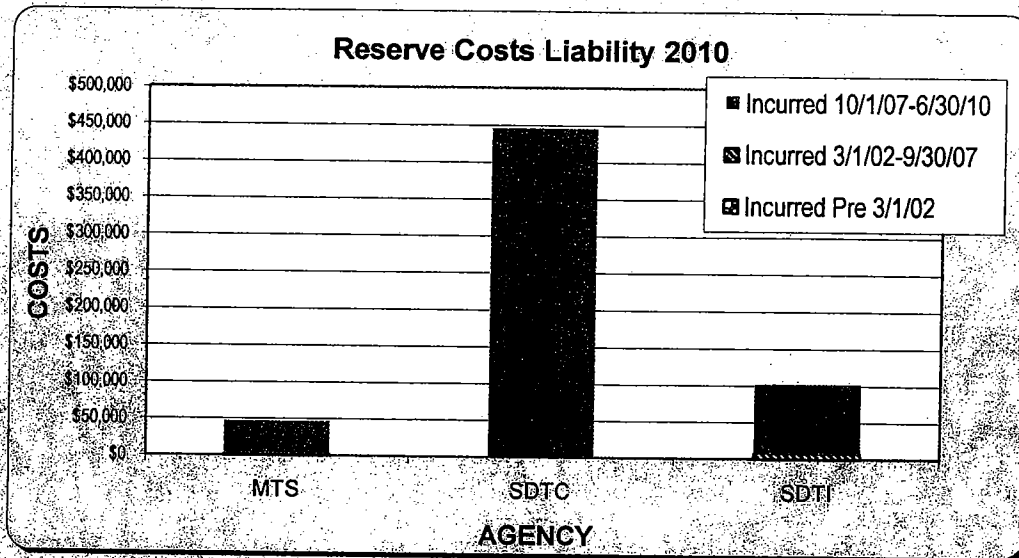




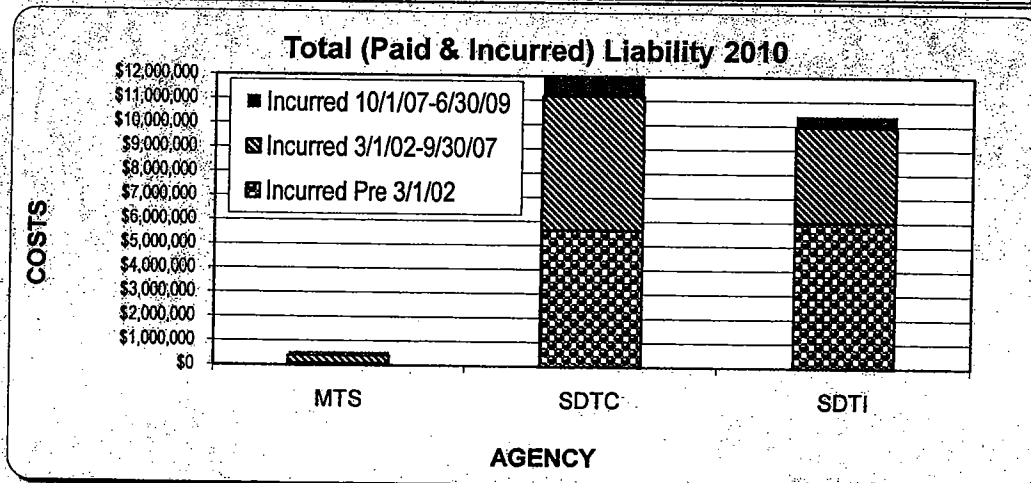
LIABILITY CLAIMS INCURRED PAID COSTS PER DATE OF LOSS MONTH								
Incurred Per Month	DOL Month	Incurred SDTC Transit	%	Incurred SDTI Trolley	%	Incurred MTS	%	Month Totals
Jul-06		\$58,021		\$11,170		\$0		\$69,191
Aug-06		\$76,382		\$52,855		\$181		\$129,219
Sep-06		\$65,679		\$7,893		\$8,207		\$81,778
Oct-06		\$181,844		\$237,331		\$1,200		\$420,374
Nov-06		\$67,112		\$26,880		\$325		\$94,316
Dec-06		\$11,379		\$243,249		\$7,795		\$262,423
Jan-07		\$26,937		\$10,760		\$0		\$37,728
Feb-07		\$54,086		\$30,257		\$0		\$84,343
Mar-07		\$53,943		\$8,917		\$294		\$63,154
Apr-07		\$110,761		\$340,789		\$4,198		\$455,748
May-07		\$38,902		\$7,509		\$450		\$46,861
Jun-07		\$79,021		\$614,342		\$1,838		\$695,200
Jul-07		\$444,719		\$62,590		\$167,376		\$694,684
Aug-07		\$28,718		\$2,638		\$325		\$31,681
Sep-07		\$23,646		\$5,842		\$0		\$29,488
Oct-07		\$40,524		\$155,787		\$14,028		\$210,337
Nov-07		\$30,923		\$28,279		\$0		\$59,202
Dec-07		\$30,514		\$13,100		\$0		\$43,614
Jan-08		\$30,410		\$7,826		\$0		\$38,236
Feb-08		\$24,742		\$38,036		\$39,201		\$99,979
Mar-08		\$66,536		\$18,400		\$0		\$84,936
Apr-08		\$75,047		\$0		\$0		\$75,047
May-08		\$98,758		\$2,247		\$0		\$101,005
Jun-08		\$28,398		\$6,870		\$192		\$35,460
Jul-08		\$94,833		\$19,805		\$0		\$114,638
Aug-08		\$128,941		\$8,152		\$0		\$137,093
Sep-08		\$33,233		\$6,048		\$0		\$39,281
Oct-08		\$38,449		\$16,733		\$0		\$55,182
Nov-08		\$16,542		\$28,446		\$0		\$44,988
Dec-08		\$141,042		\$4,000		\$0		\$145,042
Jan-09		\$15,587		\$1,994		\$16,000		\$33,581
Feb-09		\$24,644		\$74		\$0		\$24,718
Mar-09		\$18,586		\$35		\$0		\$18,621
Apr-09		\$12,185		\$2,944		\$0		\$15,129
May-09		\$14,109		\$4,915		\$0		\$19,024
Jun-09		\$15,851		\$3,417		\$0		\$19,268
Jul-09		\$23,674		\$0		\$5,151		\$28,825
Aug-09		\$10,062		\$12,095		\$0		\$22,157
Sep-09		\$17,673		\$1,371		\$3,587		\$22,630
Oct-09		\$7,710		\$3,373		\$20,304		\$31,387
Nov-09		\$16,867		\$799		\$0		\$17,666
Dec-09		\$2,548		\$3,639		\$0		\$6,188
Jan-10		\$10,816		\$0		\$0		\$10,816
Feb-10		\$3,782		\$2,415		\$8,080		\$14,277
Mar-10		\$8,488		\$0		\$0		\$8,488
Apr-10		\$5,019		\$1,089		\$0		\$6,108
May-10		\$21,849		\$1,054		\$0		\$22,903
Jun-10		\$653		\$50		\$0		\$703
Total Incurred		\$6,758,471	58.3%	\$4,405,288	38.0%	\$438,379	3.8%	\$11,602,139
SDTC SDTI MTS								
Arithmetic Mean July 2006-June 2010		\$50,420		\$43,205		\$6,224		\$99,848



INCURRED OUTSTANDING RESERVE CLAIMS COSTS (Non-Subro)					
PERIOD	RESERVE COSTS	MTS	SDTC	SDTI	TOTAL
Pre 03/01/02	Sub-Total Reserve Costs	\$0	\$0	\$0	\$0
03/01/02 - 9/30/07	Sub-Total Reserve Costs	\$2,781	\$0	\$8,473	\$11,254
10/01/07 - 06/30/10	Sub-Total Reserve Costs	\$43,972	\$445,492	\$93,363	\$582,827
Complete 06/30/10	Total Reserve Costs	\$46,752	\$445,492	\$101,836	\$594,081

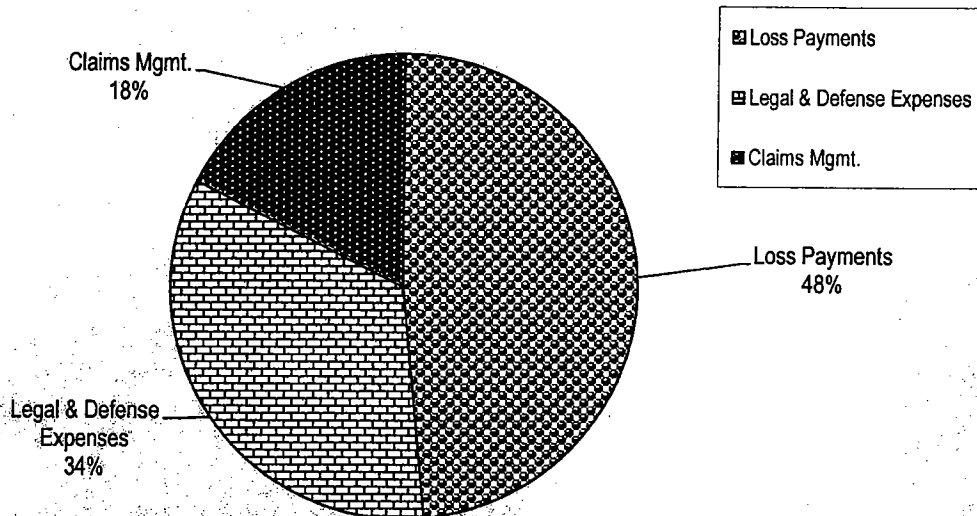


TOTAL (PAID & INCURRED) CLAIMS COSTS (Non-Subro)					
PERIOD	INCURRED COSTS	MTS	SDTC	SDTI	TOTAL
Pre 03/01/02	Sub-Total Incurred Costs	\$70,199	\$5,654,055	\$6,028,679	\$11,752,933
03/01/02 - 9/30/07	Sub-Total Incurred Costs	\$332,737	\$5,527,017	\$3,925,561	\$9,785,316
10/01/07 - 06/30/09	Sub-Total Incurred Costs	\$150,514	\$1,529,699	\$479,671	\$2,159,885
Complete 06/30/08	Total Incurred Costs	\$553,451	\$12,710,771	\$10,433,911	\$23,698,133



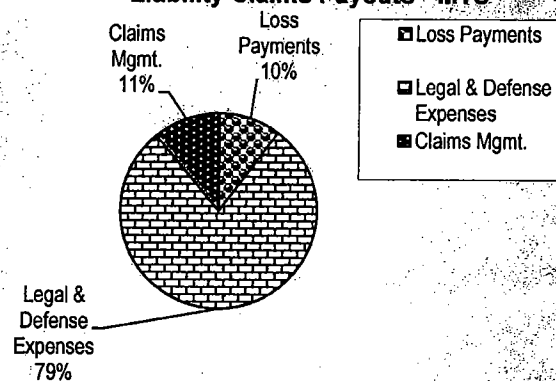
TOTAL  
\$21,529,795

### Liability Claims Payouts - Agencies Total

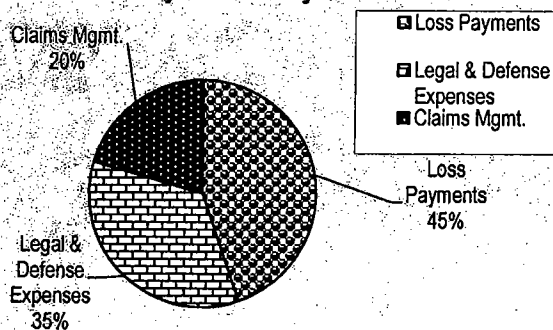


MTS \$400,156

### Liability Claims Payouts - MTS

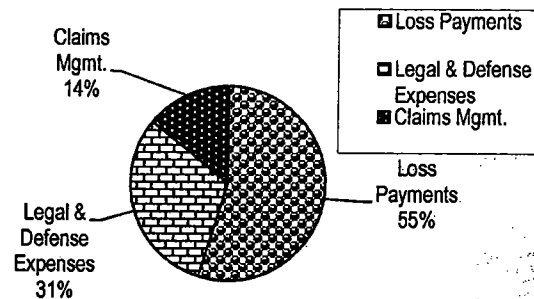


### Liability Claims Payouts - SDTC



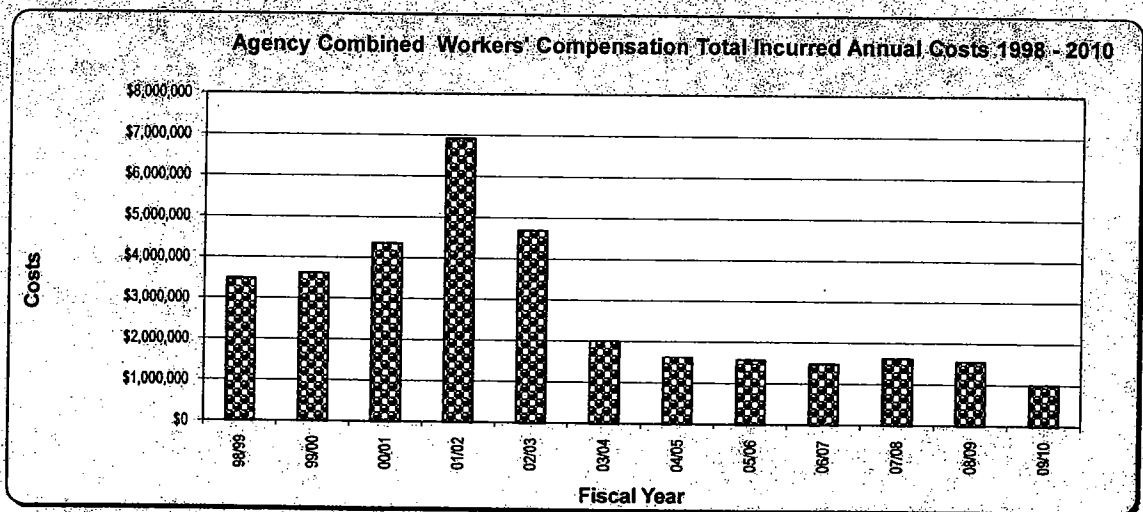
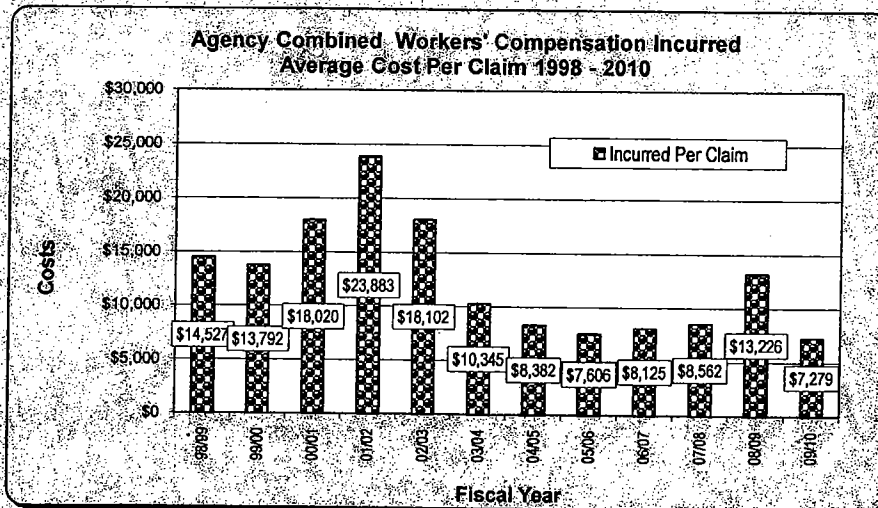
SDTC \$11,183,648

### Liability Claims Payouts - SDTI



SDTI \$9,945,992

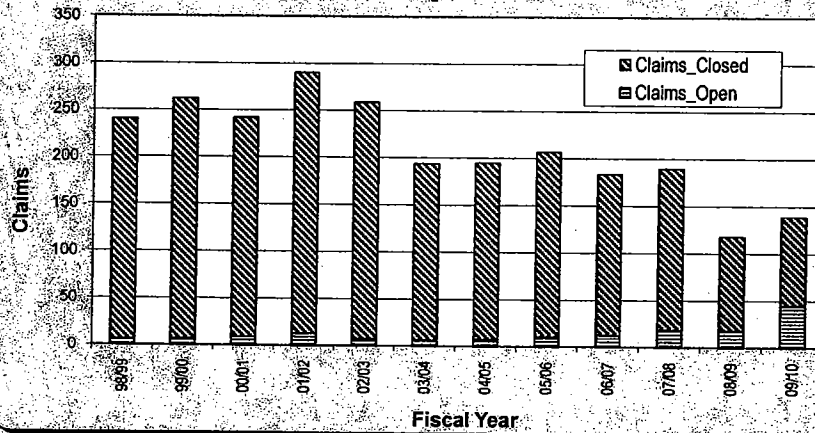
COMBINED WORKERS' COMPENSATION COSTS														
	YEAR	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	12YR Totals
Medical	Paid(\$)	617,847	268,647	200,666	58,123	41,931	28,483	24,548	36,184	34,763	54,385	27,950	23,802	\$1,417,331
	Outstanding (\$)	0	0	0	0	0	0	0	0	0	4,779	18	11,149	\$15,946
	Med Inc (\$)	\$617,847	\$268,647	\$200,666	\$58,123	\$41,931	\$28,483	\$24,548	\$36,184	\$34,763	\$59,164	\$27,968	\$34,951	\$1,433,277
Indemnity Time Loss	Paid(\$)	2,717,416	3,258,369	3,991,997	6,382,608	4,398,286	1,809,724	1,310,993	1,386,675	1,166,540	1,253,323	783,419	381,858	\$28,841,208
	Outstanding(\$)	151,336	86,604	168,167	485,425	248,179	168,629	299,000	151,628	293,782	314,345	749,294	594,985	\$3,711,376
	Ind Inc (\$)	\$2,868,752	\$3,344,973	\$4,160,163	\$6,868,033	\$4,646,465	\$1,978,353	\$1,609,993	\$1,538,302	\$1,460,322	\$1,567,669	\$1,532,713	\$976,843	\$32,552,581
	Paid(\$)	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	Outstanding (\$)	0	0	0	0	0	0	0	0	0	0	0	0	\$0
	Total Exp.(\$)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Paid(\$)		\$3,335,263	\$3,527,016	\$4,192,663	\$6,440,731	\$4,440,217	\$1,838,206	\$1,335,541	\$1,422,859	\$1,201,303	\$1,307,708	\$811,369	\$405,661	\$30,258,537
Total Outstanding (\$)		\$151,336	\$86,604	\$168,167	\$485,425	\$248,179	\$168,629	\$299,000	\$151,628	\$293,782	\$319,125	\$749,312	\$606,134	\$3,727,321
Total Incurred(\$)		\$3,486,599	\$3,613,620	\$4,360,830	\$6,926,156	\$4,688,396	\$2,006,836	\$1,634,541	\$1,574,487	\$1,495,085	\$1,626,833	\$1,560,681	\$1,011,795	\$33,985,858
Total Incurred Per File		\$14,527	\$13,792	\$18,020	\$23,883	\$18,102	\$10,345	\$8,382	\$7,606	\$8,125	\$8,562	\$13,226	\$7,279	\$13,486



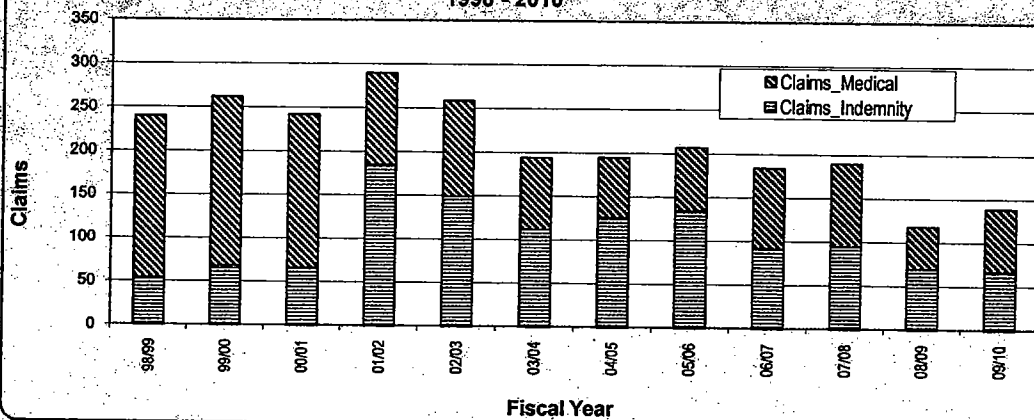
**Agency Combined Workers' Compensation Claims Summary Report  
Cumulative Results by Fiscal Year as of Month End, June 2010**

YEAR	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	12YR Totals
Indemnity (Time Loss)	54	68	66	185	149	112	126	134	92	95	70	67	1,218
Claims Open	6	7	9	13	8	7	8	11	13	18	18	37	155
Claims Closed	48	61	57	172	141	105	118	123	79	77	52	30	1,063
Medical Only	186	194	176	105	110	82	69	73	92	95	48	72	1,302
Claims Open	0	0	0	0	0	0	0	0	0	1	0	8	9
Claims Closed	186	194	176	105	110	82	69	73	92	94	48	64	1,293
Total Open	6	7	9	13	8	7	8	11	13	19	18	45	164
Total Closed	234	255	233	277	251	187	187	196	171	171	100	94	2,356
Combined	240	262	242	290	259	194	195	207	184	190	118	139	2,520
Percentage Closed	98%	97%	96%	96%	97%	96%	96%	95%	93%	90%	85%	68%	93%

**Agency Combined Workers' Compensation Claims  
[Open / Closed] 1998 - 2010**

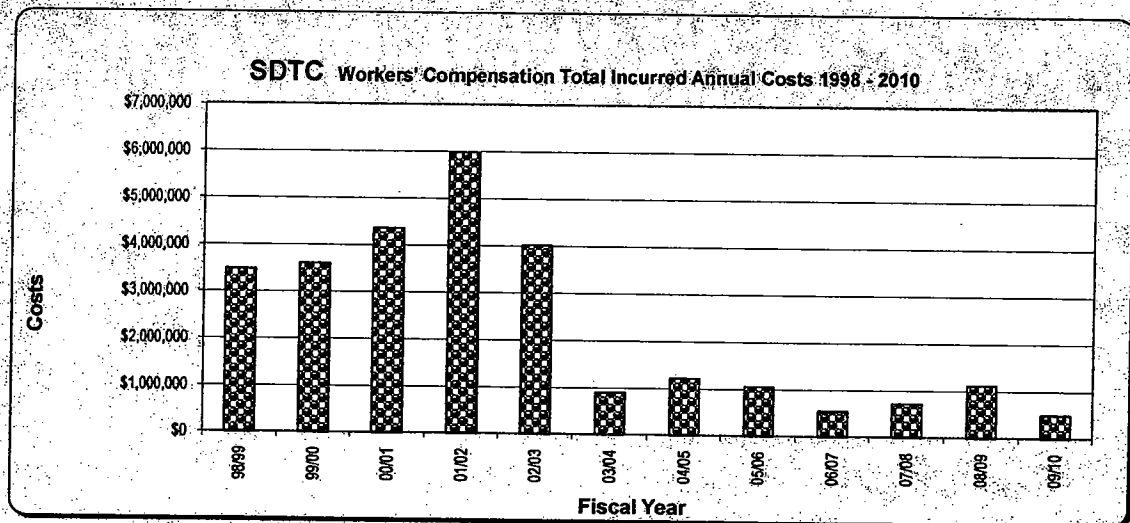
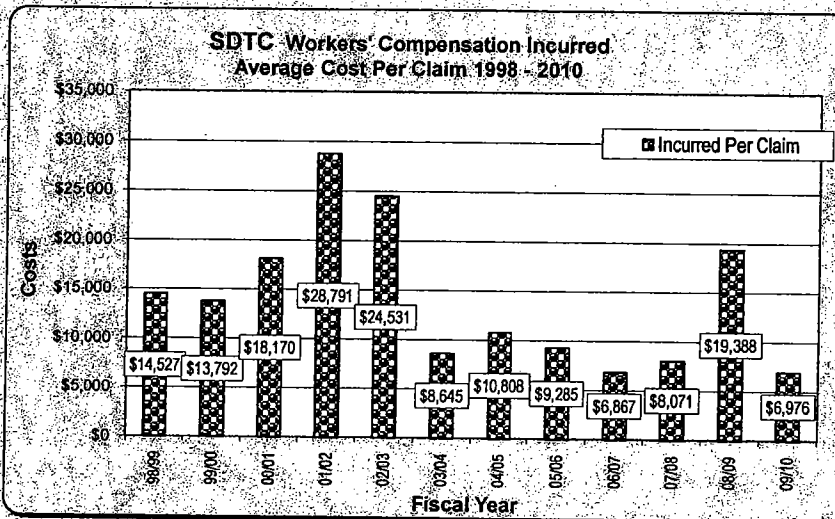


**Agency Combined Workers' Compensation Claims  
[Time Loss Indemnity / Medical Only] 1998 - 2010**





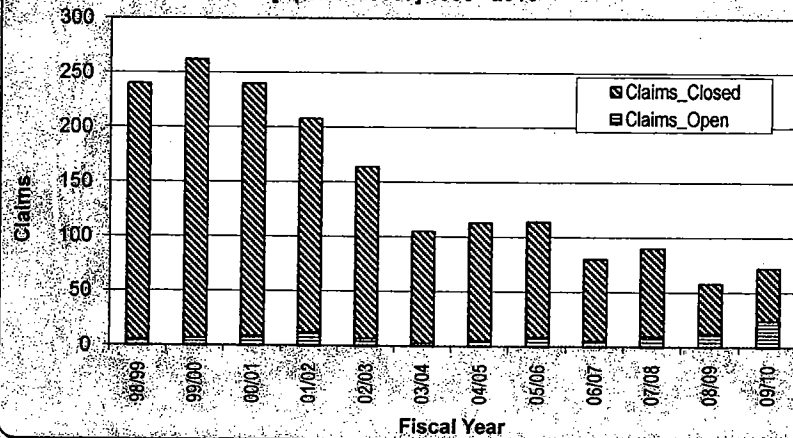
SDTC WORKERS' COMPENSATION COSTS														
	YEAR	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	12YR Totals
Medical	Paid(\$)	\$617,847	\$268,647	\$200,666	\$46,142	\$12,466	\$8,390	\$12,546	\$15,218	\$19,205	\$23,853	\$18,861	\$18,025	\$1,261,867
	Outstanding (\$)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10	\$6,838	\$6,848
	Med Inc (\$)	\$617,847	\$268,647	\$200,666	\$46,142	\$12,466	\$8,390	\$12,546	\$15,218	\$19,205	\$23,853	\$18,871	\$24,863	\$1,268,715
Indemnity Time Loss	Paid(\$)	\$2,717,416	\$3,258,369	\$3,991,997	\$5,473,399	\$3,776,889	\$837,088	\$927,311	\$915,750	\$412,753	\$546,454	\$407,861	\$137,476	\$23,402,563
	Outstanding(\$)	\$151,336	\$86,604	\$168,167	\$468,944	\$233,805	\$62,201	\$281,392	\$127,550	\$117,390	\$156,060	\$697,956	\$339,920	\$2,891,325
	Ind Inc (\$)	\$2,868,752	\$3,344,973	\$4,160,163	\$5,942,343	\$4,010,694	\$899,289	\$1,208,703	\$1,043,300	\$530,143	\$702,514	\$1,105,617	\$477,396	\$26,293,888
	Paid(\$)													\$0
	Outstanding (\$)													\$0
	Total Exp.(\$)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Paid(\$)		\$3,335,263	\$3,527,016	\$4,192,663	\$5,519,541	\$3,789,355	\$845,478	\$939,857	\$930,968	\$431,958	\$570,307	\$426,522	\$155,501	\$24,684,430
Total Outstanding (\$)		\$151,336	\$86,604	\$168,167	\$468,944	\$233,805	\$62,201	\$281,392	\$127,550	\$117,390	\$156,060	\$697,956	\$346,758	\$2,898,173
Total Incurred(\$)		\$3,486,599	\$3,613,620	\$4,360,830	\$5,988,485	\$4,023,160	\$907,679	\$1,221,249	\$1,058,518	\$549,349	\$726,367	\$1,124,488	\$502,259	\$27,582,603
Total Incurred Per File		\$14,527	\$13,792	\$18,170	\$28,791	\$24,531	\$8,645	\$10,808	\$9,285	\$6,867	\$8,071	\$19,388	\$6,976	\$15,766



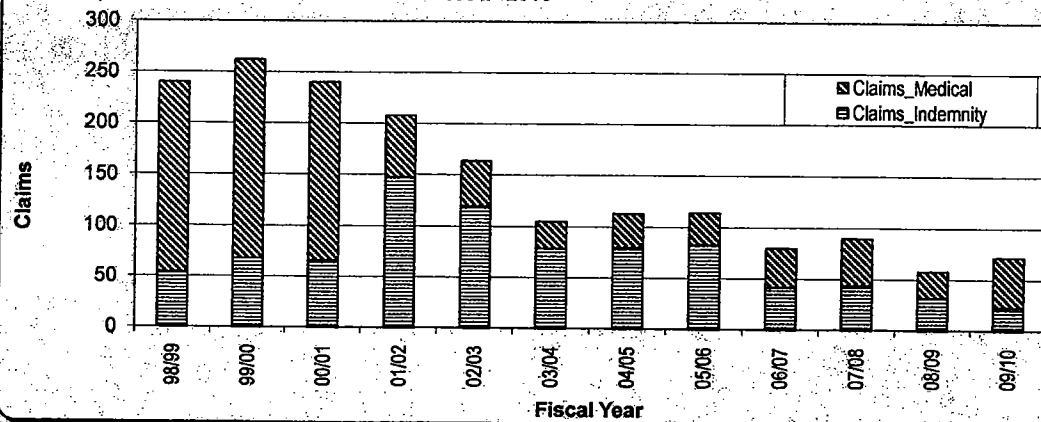
**San Diego Transit Corporation's Workers' Compensation Claims Summary Report**  
**Cumulative Results by Fiscal Year as of Month End, June 2010**

YEAR	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	12YR Totals
Indemnity (Time Loss)	54	68	66	148	120	79	80	83	42	44	32	23	839
Claims Open	6	7	9	12	7	3	5	9	6	10	12	19	105
Claims Closed	48	61	57	136	113	76	75	74	36	34	20	4	734
Medical Only	186	194	174	60	44	26	33	31	38	46	26	49	907
Claims Open	0	0	0	0	0	0	0	0	0	0	0	5	5
Claims Closed	186	194	174	60	44	26	33	31	38	46	26	44	902
Total Claims Open	6	7	9	12	7	3	5	9	6	10	12	24	110
Total Claims Closed	234	255	231	196	157	102	108	105	74	80	46	48	1,636
Total Claims Combined	240	262	240	208	164	105	113	114	80	90	58	72	1,746
Percentage Closed	98%	97%	96%	94%	96%	97%	96%	92%	93%	89%	79%	67%	94%

**SDTC Workers' Compensation Claims**  
**[Open / Closed] 1998 - 2010**

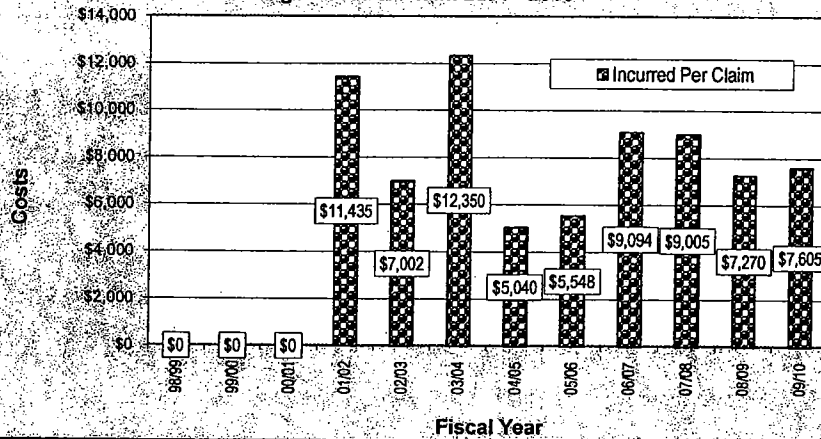


**SDTC Workers' Compensation Claims**  
**[Time Loss Indemnity / Medical Only] 1998 - 2010**

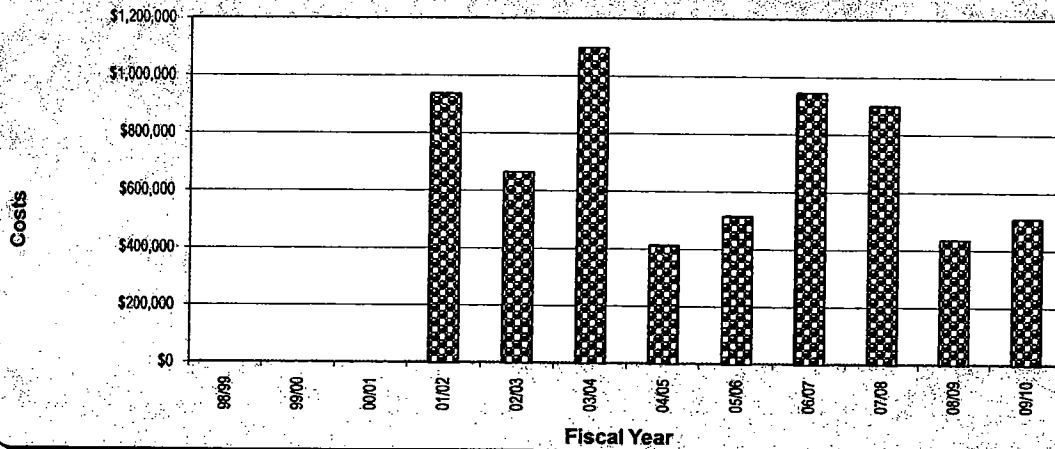


SDTI WORKERS' COMPENSATION COSTS														
	YEAR	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	9YR Totals
Medical	Paid(\$)			\$0	\$11,981	\$29,465	\$20,092	\$12,002	\$20,966	\$15,558	\$30,532	\$9,089	\$5,777	\$155,464
	Outstanding (\$)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,779	\$8	\$4,311	\$9,098
	Med Inc (\$)	\$0	\$0	\$0	\$11,981	\$29,465	\$20,092	\$12,002	\$20,966	\$15,558	\$35,311	\$9,097	\$10,088	\$164,562
Indemnity Time Loss	Paid(\$)			\$0	\$909,208	\$621,396	\$972,636	\$383,682	\$470,925	\$753,787	\$706,869	\$375,758	\$244,382	\$5,438,643
	Outstanding(\$)			\$0	\$16,481	\$14,375	\$106,428	\$17,608	\$24,077	\$176,392	\$158,286	\$51,337	\$255,065	\$820,050
	Ind Inc (\$)	\$0	\$0	\$0	\$925,690	\$635,771	\$1,079,064	\$401,290	\$495,002	\$930,179	\$865,155	\$427,095	\$499,447	\$6,258,693
	Paid(\$)													\$0
	Outstanding (\$)													\$0
	Total Exp.(\$)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Paid(\$)		\$0	\$0	\$0	\$921,190	\$650,861	\$992,728	\$395,684	\$491,891	\$769,345	\$737,401	\$384,847	\$250,159	\$5,594,107
Total Outstanding (\$)		\$0	\$0	\$0	\$16,481	\$14,375	\$106,428	\$17,608	\$24,077	\$176,392	\$163,065	\$51,345	\$259,376	\$829,148
Total Incurred(\$)		\$0	\$0	\$0	\$937,671	\$665,236	\$1,099,166	\$413,292	\$515,968	\$945,737	\$900,467	\$436,193	\$509,535	\$6,423,255
Total Incurred Per File				\$0	\$11,435	\$7,002	\$12,350	\$5,040	\$5,548	\$9,094	\$9,005	\$7,270	\$7,605	\$6,299

SDTI Workers' Compensation Incurred  
Average Cost Per Claim 2001 - 2010



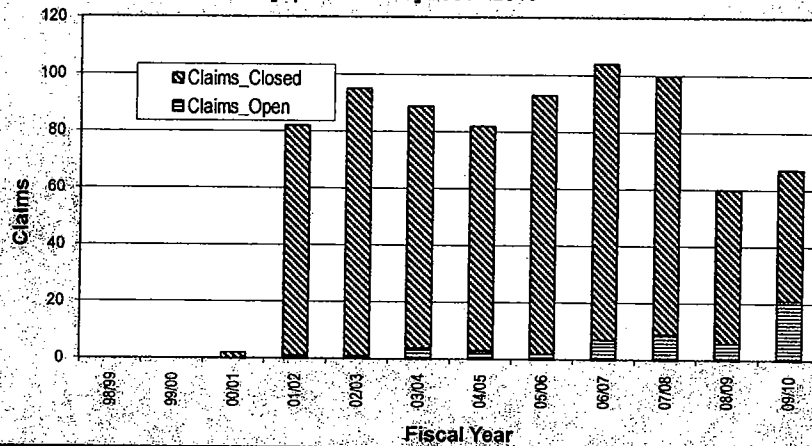
SDTI Workers' Compensation Total Incurred Annual Costs 2001 - 2010



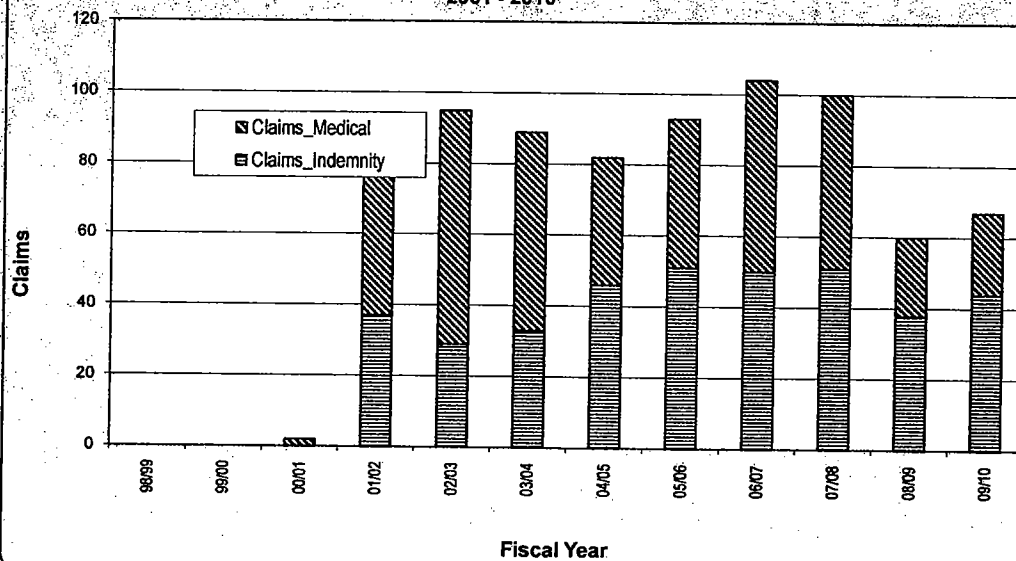
**San Diego Trolley Incorporated Workers' Compensation Claims Summary Report**  
**Cumulative Results by Fiscal Year as of Month End, June 2010**

YEAR	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	9YR Totals
Indemnity (Time Loss)	0	0	0	37	29	33	46	51	50	51	38	44	379
Claims Open				1	1	4	3	2	7	8	6	18	50
Claims Closed				36	28	29	43	49	43	43	32	26	329
Medical Only	0	0	2	45	66	56	36	42	54	49	22	23	395
Claims Open			0	0	0	0	0	0	0	1	0	3	4
Claims Closed			2	45	66	56	36	42	54	48	22	20	391
Total	0	0	0	1	1	4	3	2	7	9	6	21	54
Claims Open				81	94	85	79	91	97	91	54	46	720
Claims Closed			2	82	95	89	82	93	104	100	60	87	774
Percentage Closed			100%	99%	99%	96%	96%	98%	93%	91%	90%	69%	93%

**SDTI Workers' Compensation Claims**  
**[Open / Closed] 2001 - 2010**



**SDTI Workers' Compensation Claims**  
**[Time Loss Indemnity / Medical Only] 2001 - 2010**





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## Agenda

Item No. 10

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

CIP 1128000, 1142100

October 14, 2010

### SUBJECT:

MTS: HIGH-VOLTAGE BREAKER REPLACEMENT PROJECT– FUND TRANSFER

### RECOMMENDATION:

That the Board of Directors forward a request to the San Diego Association of Governments (SANDAG) Board of Directors to transfer funds from the Substation Standardization Project (CIP 1142100) to the High-Voltage Breaker Replacement Project (CIP 1128000) as shown in the Fund Transfer Summary (Attachment A).

#### Budget Impact

No change to the overall CIP amount. \$200,000 would be added to the High-Voltage Breaker Replacement Project from the Substation Standardization Project in SANDAG's CIP budget.

### DISCUSSION:

Currently, only 4 substations (2 at Front Street and 2 at the Trolley Yard) in San Diego Trolley, Inc.'s (SDTI's) rail system out of a total of 55 use old vacuum breaker circuit breakers to interrupt 12,000-volt AC incoming San Diego Gas & Electric feed. All remaining substations use more modern, motorized circuit breakers. Operation of these vacuum breakers is very unreliable. On more than a few occasions, these breakers have failed to open creating potentially unsafe conditions. It is SDTI's highest priority to replace these 4 breakers with new, motorized breakers. The current funding available in the capital project to replace these 4 breakers is short by \$200,000. Due to safety and reliability issues associated with continued use of these 4 breakers, SDTI proposes to transfer \$200,000 from another substation rehabilitation project (CIP 1142100 - Substation Standardization Project) into the High-Voltage Breaker Replacement Project.



Substation Standardization Project is a substation rehabilitation project under which SDTI is replacing rectifiers and D.C. feeder contactors with new motorized breakers. This has been an ongoing process for the past few years. This project recently received new funds from the FY 11 capital program, and design work order is in process. This project is about 8 to 9 months from starting construction. SDTI is requesting additional funds in the FY 12 capital program to continue this project, and transferring \$200,000 from this project into the High-Voltage Breaker Replacement Project would not have a negative impact because by the time the substation rehabilitation project goes into construction, FY 12 funds will be available to replenish the funds transferred.

Therefore, since both of these projects are in SANDAG's capital budget, staff is recommending that the MTS Board forward a request to the SANDAG Board to approve the fund transfer.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Russ Desai, 619.595.4908, [rdesai@sdti.sdmmts.com](mailto:rdesai@sdti.sdmmts.com)

OCT14-10.10.HIGH VOLTAGE BREAKER  
REPLACENT FUND TRANSF.RDESAI.doc

Attachment: A. Fund Transfer Summary

## FUND TRANSFER SUMMARY

PROJECT (CIP NO.)	FY 08 Budget	Proposed Budget	Budget Change
1. High-Voltage Breaker Replacement Project (CIP 1128000)	\$670,000	\$870,000	\$200,000
2. Substation Standardization Project (CIP 1142100)	\$5,698,284	\$5,498,284	-\$200,000



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## Agenda

Item No. 30

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

October 14, 2010

SUBJECT:

SDTC: RETIREMENT PLAN ACTUARIAL REVIEW AND ANALYSIS (CLIFF TELFER)

RECOMMENDATION:

That the Board of Directors adopt an actuarial contribution rate of 22.708% for San Diego Transit Corporation's (SDTC's) retirement plan for fiscal year 2011.

Budget Impact

The SDTC retirement plan contribution would increase by \$1,809,366 as the recommended employer contribution percentage has increased from the budgetary assumption of 17% to the actuarial percentage of 22.708%.

Executive Committee Recommendation

The MTS Executive Committee met on October 7, 2010, and approved forwarding this recommendation to the Board of Directors.

DISCUSSION:

The following are the results of an actuarial valuation of SDTC's retirement plan of July 1, 2009. The purpose of this actuarial valuation is to:

1. compute the annual contribution required for the 2010-11 fiscal year to fund the plan in accordance with actuarial principles; and
2. present those items required for disclosure under Statement No. 25 of the Governmental Accounting Standards Board (GASB).





This actuarial review and analysis of SDTC's retirement plan as of July 1, 2009, has produced a significant increase in recommended contributions. The table below shows how the cost of the plan has changed since the last actuarial review as of July 1, 2008:

	COST IN DOLLARS	COST AS % OF PAYROLL
JULY 1, 2008 (Section 3.1, Column 1)	\$5,260,363	15.820%
• Change in cost due to demographic gains/losses from July 1, 2008, to July 1, 2009	13,007	0.500%
• Change in cost due to gains/losses from salary increases from July 1, 2008, to July 1, 2009	(106,358)	(0.234)%
• Change in cost due to entry of new hires into the plan from July 1, 2008, to July 1, 2009	216,965	(0.201)%
• Change in cost due to investment gains/losses from July 1, 2008, to July 1, 2009	2,312,683	6.823%
JULY 1, 2009 (Section 3.1, Column 2)	\$7,696,660	22.708%

The recommended employer contribution has increased sharply since the July 1, 2009, valuation. The reason for this increase is recent negative investment returns on SDTC retirement plan assets.

Staff will present the historical investment returns, historical retirement plan costs, the recommended employer contribution for fiscal year 2011, and the budgetary impact of the actuarial review.



Paul C. Jablonski  
Chief Executive Officer


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

OCT14-10.30.SDTC RETIREMENT &  
ACTUARIAL ANALYSIS.LMARINESI.doc

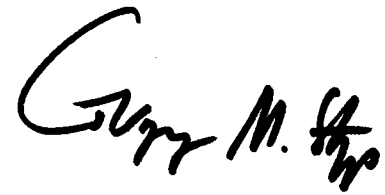
Attachment: A. SDTC Retirement Plan Actuarial Review and Analysis as of 7/1/09

# Retirement Plans of San Diego Transit Corporation

Actuarial  
Review and  
Analysis as of  
July 1, 2009



Robert T. McCrory, FSA



Gregory M. Stump, FSA

Prepared July 9, 2010

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## Summary of Results

### A Brief Summary

This actuarial review and analysis of the Retirement Plans of San Diego Transit Corporation (the Plan) as of July 1, 2009 has produced a significant increase in recommended contributions. The table below shows how the cost of the Plan has changed since the last actuarial review as of July 1, 2008:

	<u>Cost in Dollars</u>	<u>Cost as % of Payroll</u>
July 1, 2008 (Section 3.1, Column 1)	\$5,260,363	15.820%
Change in cost due to demographic gains/losses from July 1, 2008 to July 1, 2009	13,007	0.500%
Change in cost due to gains/losses from salary increases from July 1, 2008 to July 1, 2009	(106,358)	(0.234)%
Change in cost due to entry of new hires into the Plan from July 1, 2008 to July 1, 2009	216,965	(0.201)%
Change in cost due to investment gains/losses from July 1, 2008 to July 1, 2009	2,312,683	6.823%
July 1, 2009 (Section 3.1, Column 2)	\$7,696,660	22.708%

We note that the recommended employer contribution has increased sharply since the July 1, 2009 valuation. The reason for this increase is recent poor investment returns on Plan assets. This issue and others are discussed in more detail below.

The percentage of payroll cost shown above is based on a member payroll of \$33.9 million projected for the 2009-10 fiscal year. We expect that the contribution rate above will become effective for the 2010-11 fiscal year. Therefore, the payroll figure actually used by the Corporation to compute its dollar contributions for the 2010-11 fiscal year will differ from this number, and the contribution rate shown above should be applied to the actual covered payroll for the fiscal year.

These computations are based on the Plan provisions and on the actuarial assumptions as of July 1, 2009. To the best of our knowledge, there have been no changes in the Plan provisions since the July 1, 2009 valuation. There were no changes to the actuarial methods or assumptions in this valuation.

We have computed the cost of the Plan as of July 1, 2009 using a five-year asset smoothing method. The smoothing method spreads investment gains and losses over five years. The resulting actuarial value of assets is constrained to remain within 20% of market value.

Current Plan provisions are outlined in Section 1.1. A summary of current actuarial methods and assumptions is presented in Section 1.3.

### **Purpose of the Report**

This Report presents the results of an actuarial valuation of the Retirement Plans of San Diego Transit Corporation as of July 1, 2009. The purposes of this actuarial valuation are:

- To compute the annual contribution required for the 2010-11 fiscal year to fund the Plan in accordance with actuarial principles, and
- To present those items required for disclosure under Statement No. 25 of the Governmental Accounting Standards Board (GASB).

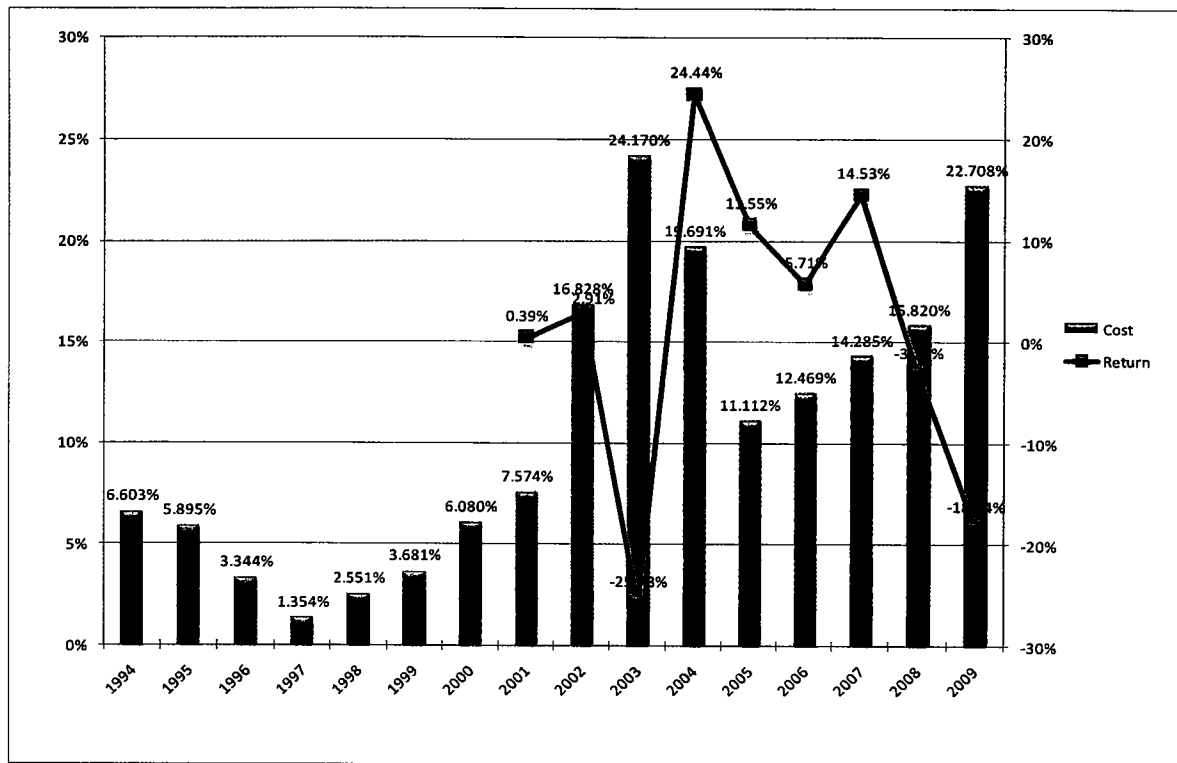
### **Organization of the Report**

This Report is organized in five sections:

- This Summary presents the conclusions of the Report and discusses the reasons for changes since the last valuation.
- Section 1 below contains an outline of the Plan provisions on which our calculations are based, statistical data concerning Plan participants, and a summary of the actuarial assumptions employed to compute liabilities and costs.
- Section 2 presents information concerning Plan assets, including an income statement from July 1, 2008 to June 30, 2009.
- Section 3 contains the actuarial calculation of liabilities and Plan cost.
- Section 4 contains pension plan information required under Statement No. 25 of the Governmental Accounting Standards Board.

### **Plan Cost**

As shown above, the Plan cost has increased both in dollar terms and as a percentage of active members' payroll. The graph below shows the history of Plan costs and asset returns since the July 1, 1994 actuarial valuation.



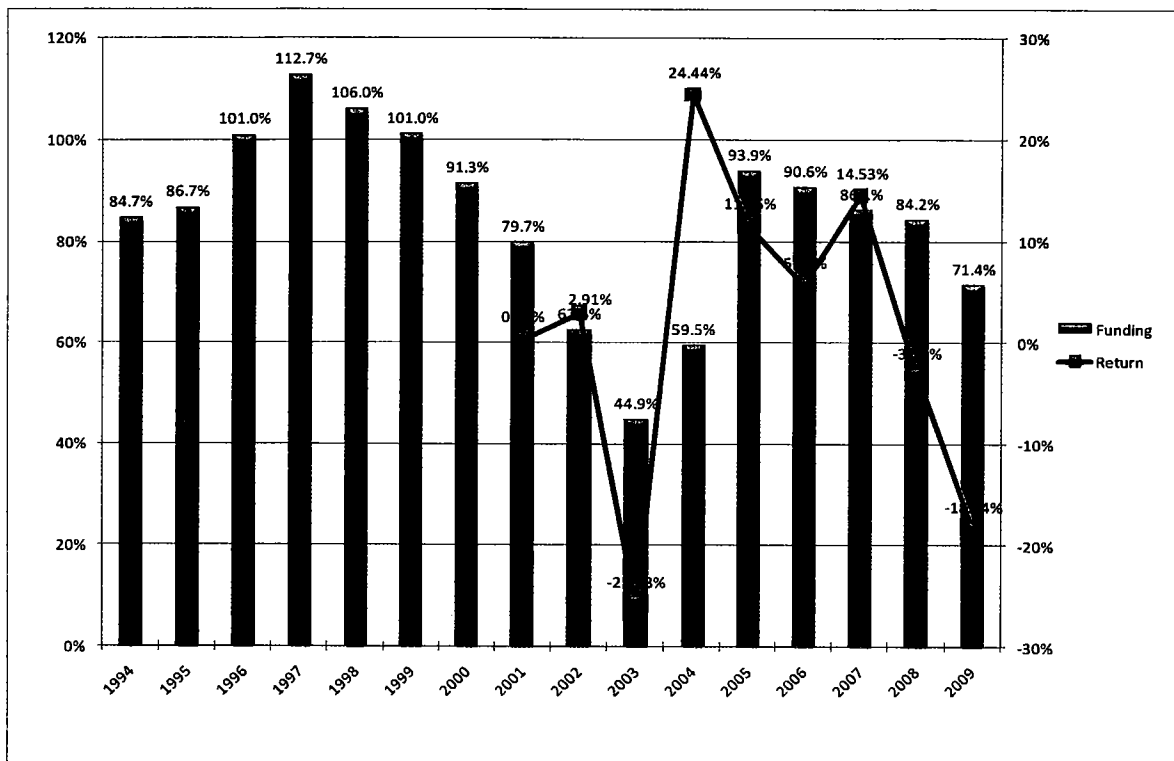
We note in the graph above that the Plan cost increased from the July 1, 1997 actuarial valuation to January 1, 2003. These increases in cost were due to Plan improvements combined with actuarial losses from investments. The decline in costs after January 1, 2003 was the result of asset gains in 2003 combined with the large contribution from a Pension Obligation Bond in 2004.

Costs have been increasing since January 1, 2005 due to investment losses and losses from an unexpectedly high rate of retirement in 2007 and 2008. The unfavorable investment climate since July 1, 2008 caused further actuarial losses, and a significant increase in the Plan cost.

The actual annual rates of return on a market value basis are shown on the red line. Any return over 8% resulted in a gain, and any return lower than 8% resulted in an actuarial loss. Note in the graph that investment losses translate directly into cost increases.

The graph below shows the history of the Plan's funded ratio since 1994. Again, the asset return is shown as well, and we note that the funded ratio declines whenever returns on assets are below the 8% actuarial assumption.

Over the past year the funded ratio declined from 84.2% to 71.4%. However, this funded ratio is computed using the actuarial (smoothed) value of Plan assets. If the market value of assets were used, the funded ratio would be just 59.5%.



This brings up an interesting point: The funded ratio that would be necessary to have just enough assets in the Plan to cover inactive liabilities – those for retired, disabled, and vested terminated members and their beneficiaries – would be 58.8%. Therefore, the current market value of Plan assets is barely enough to cover the inactive liabilities, and essentially nothing has been set aside to fund benefits for active members. This is, of course, a temporary result of the 2008-09 investment losses.

Therefore, the most important consideration as we move forward is to rebuild the Plan's asset base so that future benefits for active members are being properly funded. This will take additional employer contributions and a more favorable investment market than we have seen recently.

#### Change in Plan Cost from July 1, 2008 to July 1, 2009

The following is an analysis of the changes in Plan cost since July 1, 2008.

- In the July 1, 2008 Report, the computed cost was \$5,260,363, or 15.820% of active member payroll. This was based on the same actuarial assumptions and Plan provisions currently in place.

This computation is shown in Section 3.1 below.

- Demographic experience was about neutral.

The demographic experience of the Plan from July 1, 2008 to July 1, 2009 – rates of retirement, death, disability, and termination – was about as expected, producing small actuarial losses. The impact of this experience was to increase the cost of the Plan by \$13,000 annually.

- Salary increases were lower than expected.

During the 2008-09 plan year, salaries for Plan members increased at a rate slightly below our assumptions. Much of this resulted from overall wage inflation below our assumption of 3.5% annually. As a result, liabilities and costs increased less than assumed, and the Plan cost decreased by 0.234% of payroll.

- New members joined the Plan.

During 2008-09, 133 newly hired employees became Plan members. As a result, Plan costs decreased as a percentage of payroll by 0.201%, but increased in dollar terms, by \$216,965, as a result of the \$1.8 million of additional covered payroll.

- Investment returns were well below expectations.

As can be seen in Section 2.1, the return on Plan assets on a market value basis was approximately -18.3% during the 2008-09 fiscal year, over 26% below the 8% assumed return. However, much of the loss is deferred for up to five years under the actuarial smoothing method used to reduce cost volatility.

The combination of the return on market value during the 2008-09 fiscal year and the operation of the actuarial smoothing method caused a cost increase of 6.823% of pay, or \$2.3 million.

In summary, the principal reason for the increase in Plan cost since July 1, 2008 was the unexpectedly large loss on Plan assets, which nearly doubled the amortization cost. The amortization cost now represents about two-thirds of the total Plan cost.

### **Future Plan Costs**

The method used to smooth the impact of market fluctuations on Plan cost – the actuarial smoothing of assets – served to cushion the Plan cost from the full impact of the market losses. During 2008-09, the return on the market value of Plan assets was -18.34%, while the return on the smoothed actuarial value of assets was a comparatively mild -7.92%. The remaining portion of the 2008-09 market losses have not yet been recognized, and will emerge during the next five years. This means that the remaining 2008-09 losses will create upward pressure on the Plan cost as they are fully recognized.

If the Plan cost had been computed based on the market value of assets, the cost would have been 29.007% of pay, or \$9.8 million. This means that – unless there are compensating assets gains in the next couple of years – the Plan cost will rise gradually to this higher level as the 2008-09 losses are recognized.

### **Conclusion**

This report has been prepared using generally accepted actuarial methods and assumptions. If there are any questions about this report, please feel free to contact us. We enjoy being of service to you and we look forward to doing so in the future.



## **Section 1:**

### **Summary of Plan Provisions, Member Statistics, and Actuarial Assumptions**

## 1.1: Brief Outline of Plan Provisions

### Definitions

#### ***Average Monthly Final Earnings***

Average Monthly Final Earnings means the average monthly compensation during the consecutive months that produces a Participant's highest average compensation, computed by dividing the Compensation Earnable for such period by the number of months in such period.

- For ATU, IBEW, and Clerical Participants, the averaging period is thirty-six (36) consecutive months.
- For Non-Contract Participants, the number of consecutive months is twelve (12).

Those months during which the Participant did not receive Compensation from the Employer equivalent to one half the regular working days will be excluded. The average is then based on that portion of the averaging period remaining after the excluded months.

#### ***Compensation***

Compensation means the remuneration for services paid by the Employer. The monetary value of board, lodgings, fuel, car allowance, laundry or other advantages furnished to a Participant is not included.

#### ***Compensation Earnable***

Compensation Earnable is the Compensation actually received by a Participant during a period of employment. For ATU and Non-Contract Participants, any bonus or retroactive wage increases are treated as compensation when received rather than when the services are performed. For IBEW Participants, Compensation Earnable is limited to 2,140 hours of straight time equivalent hours in any 12-month period.

In addition, the value of any vacation or sick leave accumulated but unused when benefits begin is excluded from Compensation Earnable and from Average Monthly Final Earnings.

#### ***Credited Years of Service***

In general, Credited Years of Service is continuous Service with the San Diego Transit Corporation and its predecessor company from the last date of employment through the date of retirement, death, disability, or other termination of service.

As of November 10, 1997, part-time ATU employees receive one Credited Year of Service for every 2,080 Hours of Service worked as a part-time employee after December 1, 1990.

For Non-Contract Participants, Credited Years of Service includes any year commencing on or after July 1, 1982 in which the Participant completes at least 1,000 Hours of Service. In addition, Credited Years of Service for Non-Contract Participants will exclude any period of Service after the Participant's Normal Retirement Date.

A Participant who is disabled and recovers from disability and reenters the Plan as an active Participant will not receive Credited Years of Service for the period of disability.

### ***Additional Credited Years of Service***

The following additional Credited Years of Service have been provided for in amendments to the Plan document.

#### Non-Contract Participants

<u>Name</u>	<u>Additional Credited Service</u>
Marv Dougall	3 Years
John Garland	2 Years, 9 Months, 28 Days
Sandra Showalter	5 Years, 6 Months
Dianne Daley	2 Years, 3 Months
Tim Price	8 Months, 14 Days

#### ATU Participants

<u>Name</u>	<u>Additional Credited Service</u>
Lawrence D. Maxwell	1 Years, 15 Days
Roderick A. Lagrimas	3 Years, 10 Months, 12 Days
Olavo Michel	5 Years, 7 Months, 13 Days
William M. O'Donovan	6 Years, 9 Months, 13 Days
Guadalupe Guerrero, Jr.	1 Years, 11 Months, 12 Days
A.E. Napier	6 Years, 4 Months, 3 Days
R.F. Enhelder	4 Years, 7 Months, 25 Days
R.E. Dey	4 Years, 7 Months, 25 Days
L. Dietmeyer	10 Months, 11 Days
Karol Ferris	9 Months

### **Participation**

All full-time and certain part-time ATU and IBEW employees become Participants on their date of hire.  
All Non-Contract employees become Participants after earning one Credited Year of Service.

### **Retirement Benefit**

#### ***Eligibility***

Clerical and Non-Contract members are eligible for normal service retirement upon attaining age 63 and completing five or more years of service and eligible for early service retirement upon attaining age 53 and completing five or more years of service.

ATU and IBEW members are eligible for normal service retirement upon attaining age 63 (65 for IBEW) and completing five or more years of service and eligible for early service retirement upon attaining age 55 and completing five or more years of service.

### ***Benefit Amount***

The monthly service retirement benefit is the Participant's Average Monthly Final Earnings multiplied by the percentage figures shown in the tables below.

- For ATU and Clerical Participants terminating prior to October 1, 2005, ATU/Clerical Table A-1 is used; for ATU and Clerical Participants terminating on and after October 1, 2005, ATU/Clerical Table A-2 is used. Prior to January 1, 2006, the benefit from the table is limited to 60%.
- For IBEW Participants terminating prior to January 1, 2008, IBEW Table A-1 is used; for IBEW Participants terminating on and after January 1, 2008, IBEW Table A-2 is used.
- For Non-Contract participants terminating prior to July 1, 2000, Non-Contract Table A-1 is used; for Non-Contract participants terminating on and after July 1, 2000, Non-Contract Table A-2 is used.

For Participants with fractions of a year of age or service, the Participant's age or service will be rounded to the completed quarter year, and the percentage multiplier will be computed from the table using interpolation.

ATU participants who are active as from November 10, 1997 to December 31, 1998 and from November 10, 1997 to December 31, 1999 receive an additional 2.5% and 2.5%, respectively. However, the multiplier from Table A-1 or A-2, as augmented by the additional 2.5% increments, is still limited to 60% prior to January 1, 2006 and 70% thereafter.

Non-Contract Participants who are active as of July 1, 1994 and July 1, 1995 receive an additional 6% and 2%, respectively. However, the benefit multiplier, as augmented by the additional 6% and 2% increments, is still limited to 60% under Table A-1 and 70% under Table A-2.

A Participant who is disabled and recovers from disability and reenters the Plan as an active Participant will have this benefit amount reduced by the actuarial equivalent of the benefits paid during the period of disability.

### ***Form of Benefit***

The normal form of benefit is an annuity payable for the life of the Participant, with no continuation of benefits to a beneficiary after death. The retirement benefit will be paid as a 50% Joint and Survivor benefit actuarially equivalent to the normal form for participants who have been married for at least one year. Otherwise, the normal form will be paid.

The ATU and IBEW benefits have been amended from time to time to remove the actuarial reduction in benefits for previously retired Participants whose spouses have died before them. However, these adjustments are retroactive only, and they do not apply to benefits paid to currently active Participants.

**ATU/Clerical Table A-1**

Credited Years Of Service	Age at Retirement								
	55	56	57	58	59	60	61	62	63+
5	5.9%	6.3%	6.7%	7.2%	7.8%	8.3%	8.9%	9.5%	10.1%
6	7.1%	7.5%	8.1%	8.7%	9.3%	10.0%	10.7%	11.4%	12.1%
7	8.2%	8.8%	9.4%	10.1%	10.9%	11.7%	12.4%	13.3%	14.1%
8	9.4%	10.1%	10.8%	11.6%	12.4%	13.3%	14.2%	15.1%	16.1%
9	10.6%	11.3%	12.1%	13.0%	14.0%	15.0%	16.0%	17.0%	18.1%
10	11.8%	12.6%	13.5%	14.4%	15.5%	16.7%	17.8%	18.9%	20.1%
11	12.9%	13.8%	14.8%	15.9%	17.1%	18.3%	19.5%	20.8%	22.2%
12	14.1%	15.1%	16.2%	17.3%	18.6%	20.0%	21.3%	22.7%	24.2%
13	15.3%	16.3%	17.5%	18.8%	20.2%	21.7%	23.1%	24.6%	26.2%
14	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	24.9%	26.5%	28.2%
15	17.6%	18.9%	20.2%	21.7%	23.3%	25.0%	26.7%	28.4%	30.2%
16	18.8%	20.1%	21.5%	23.1%	24.8%	26.7%	28.4%	30.3%	32.2%
17	20.0%	21.4%	22.9%	24.5%	26.4%	28.3%	30.2%	32.2%	34.3%
18	21.2%	22.6%	24.2%	26.0%	27.9%	30.0%	32.0%	34.1%	36.3%
19	22.3%	23.9%	25.6%	27.4%	29.5%	31.7%	33.8%	36.0%	38.3%
20	23.5%	25.2%	26.9%	28.9%	31.0%	33.3%	35.5%	37.9%	40.3%
21	24.7%	26.4%	28.3%	30.3%	32.6%	35.0%	37.3%	39.7%	42.3%
22	25.9%	27.7%	29.6%	31.8%	34.1%	36.7%	39.1%	41.6%	44.3%
23	27.0%	28.9%	31.0%	33.2%	35.7%	38.3%	40.9%	43.5%	46.3%
24	28.2%	30.2%	32.3%	34.6%	37.2%	40.0%	42.6%	45.4%	48.4%
25	29.4%	31.4%	33.7%	36.1%	38.8%	41.7%	44.4%	47.3%	50.4%
26	30.6%	32.7%	35.0%	37.5%	40.3%	43.3%	46.2%	49.2%	52.4%
27	31.7%	34.0%	36.4%	39.0%	41.9%	45.0%	48.0%	51.1%	54.4%
28	32.9%	35.2%	37.7%	40.4%	43.4%	46.7%	49.8%	52.0%	56.4%
29	34.1%	36.5%	39.1%	41.9%	45.0%	48.3%	50.0%	55.0%	58.4%
30	35.3%	37.7%	40.4%	43.4%	46.5%	50.0%	51.0%	55.5%	60.0%
31	36.5%	39.0%	41.7%	44.8%	48.1%	51.0%	51.5%	56.0%	60.0%
32	37.6%	40.2%	43.1%	46.2%	49.6%	51.5%	52.0%	56.5%	60.0%
33	38.8%	41.5%	44.4%	47.6%	50.0%	52.0%	52.5%	57.0%	60.0%
34	40.0%	42.8%	45.8%	49.1%	51.0%	52.5%	53.0%	57.5%	60.0%
35 or more	41.2%	44.0%	47.1%	50.0%	51.5%	53.0%	53.5%	58.0%	60.0%

**ATU/Clerical Table A-2**

Credited Years Of Service	Age at Retirement										
	Clerical										
	53	54	55	56	57	58	59	60	61	62	63+
5	8.71%	9.33%	10.00%	10.26%	10.52%	10.78%	11.05%	11.31%	11.57%	11.83%	12.09%
6	10.45%	11.20%	12.00%	12.31%	12.62%	12.94%	13.26%	13.57%	13.88%	14.20%	14.51%
7	12.19%	13.06%	14.00%	14.36%	14.73%	15.09%	15.47%	15.83%	16.20%	16.56%	16.93%
8	13.94%	14.93%	16.00%	16.42%	16.83%	17.25%	17.68%	18.10%	18.51%	18.93%	19.34%
9	15.68%	16.79%	18.00%	18.47%	18.94%	19.40%	19.89%	20.36%	20.83%	21.29%	21.76%
10	17.42%	18.66%	20.00%	20.52%	21.04%	21.56%	22.10%	22.62%	23.14%	23.66%	24.18%
11	19.16%	20.53%	22.00%	22.57%	23.14%	23.72%	24.31%	24.88%	25.45%	26.03%	26.60%
12	20.90%	22.39%	24.00%	24.62%	25.25%	25.87%	26.52%	27.14%	27.77%	28.39%	29.02%
13	22.65%	24.26%	26.00%	26.68%	27.35%	28.03%	28.73%	29.41%	30.08%	30.76%	31.43%
14	24.39%	26.12%	28.00%	28.73%	29.46%	30.18%	30.94%	31.67%	32.40%	33.12%	33.85%
15	26.13%	27.99%	30.00%	30.78%	31.56%	32.34%	33.15%	33.93%	34.71%	35.49%	36.27%
16	27.87%	29.86%	32.00%	32.83%	33.66%	34.50%	35.36%	36.19%	37.02%	37.86%	38.69%
17	29.61%	31.72%	34.00%	34.88%	35.77%	36.65%	37.57%	38.45%	39.34%	40.22%	41.11%
18	31.36%	33.59%	36.00%	36.94%	37.87%	38.81%	39.78%	40.72%	41.65%	42.59%	43.52%
19	33.10%	35.45%	38.00%	38.99%	39.98%	40.96%	41.99%	42.98%	43.97%	44.95%	45.94%
20	34.84%	37.32%	40.00%	41.04%	42.08%	43.12%	44.20%	45.24%	46.28%	47.32%	48.36%
21	36.58%	39.19%	42.00%	43.09%	44.18%	45.28%	46.41%	47.50%	48.59%	49.69%	50.78%
22	38.32%	41.05%	44.00%	45.14%	46.29%	47.43%	48.62%	49.76%	50.91%	52.05%	53.20%
23	40.07%	42.92%	46.00%	47.20%	48.39%	49.59%	50.83%	52.03%	53.22%	54.42%	55.61%
24	41.81%	44.78%	48.00%	49.25%	50.50%	51.74%	53.04%	54.29%	55.54%	56.78%	58.03%
25	43.55%	46.65%	50.00%	51.30%	52.60%	53.90%	55.25%	56.55%	57.85%	59.15%	60.45%
26	45.29%	48.52%	52.00%	53.35%	54.70%	56.06%	57.46%	58.81%	60.16%	61.52%	62.87%
27	47.03%	50.38%	54.00%	55.40%	56.81%	58.21%	59.67%	61.07%	62.48%	63.88%	65.29%
28	48.78%	52.25%	56.00%	57.46%	58.91%	60.37%	61.88%	63.34%	64.79%	66.25%	67.70%
29	50.52%	54.11%	58.00%	59.51%	61.02%	62.52%	64.09%	65.60%	67.11%	68.61%	70.00%
30	52.26%	55.98%	60.00%	61.56%	63.12%	64.68%	66.30%	67.86%	69.42%	70.00%	70.00%
31	54.00%	57.85%	62.00%	63.61%	65.22%	66.84%	68.51%	70.00%	70.00%	70.00%	70.00%
32	55.74%	59.71%	64.00%	65.66%	67.33%	68.99%	70.00%	70.00%	70.00%	70.00%	70.00%
33	57.49%	61.58%	66.00%	67.72%	69.43%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
34	59.23%	63.44%	68.00%	69.77%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
35 or more	60.97%	65.31%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%

**IBEW Table A-1**

Credited Years Of Service	Age at Retirement										
	55	56	57	58	59	60	61	62	63	64	65+
5	5.2%	5.5%	5.9%	6.3%	6.7%	7.2%	7.8%	8.3%	8.9%	9.5%	10.1%
6	6.2%	6.6%	7.1%	7.5%	8.1%	8.7%	9.3%	10.0%	10.7%	11.4%	12.1%
7	7.2%	7.7%	8.2%	8.8%	9.4%	10.1%	10.9%	11.7%	12.4%	13.3%	14.1%
8	8.2%	8.8%	9.4%	10.1%	10.8%	11.6%	12.4%	13.3%	14.2%	15.1%	16.1%
9	9.3%	9.9%	10.6%	11.3%	12.1%	13.0%	14.0%	15.0%	16.0%	17.0%	18.1%
10	10.2%	11.0%	11.8%	12.6%	13.5%	14.4%	15.5%	16.7%	17.8%	18.9%	20.1%
11	11.2%	12.1%	12.9%	13.8%	14.8%	15.9%	17.1%	18.3%	19.5%	20.8%	22.2%
12	12.3%	13.2%	14.1%	15.1%	16.2%	17.3%	18.6%	20.0%	21.3%	22.7%	24.2%
13	13.3%	14.3%	15.3%	16.3%	17.5%	18.8%	20.2%	21.7%	23.1%	24.6%	26.2%
14	14.4%	15.4%	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	24.9%	26.5%	28.2%
15	15.4%	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	25.0%	26.7%	28.4%	30.2%
16	16.4%	17.6%	18.8%	20.1%	21.5%	23.1%	24.8%	26.7%	28.4%	30.3%	32.2%
17	17.5%	18.7%	20.0%	21.4%	22.9%	24.5%	26.4%	28.3%	30.2%	32.2%	34.3%
18	18.5%	19.8%	21.2%	22.6%	24.2%	26.0%	27.9%	30.0%	32.0%	34.1%	36.3%
19	19.6%	20.9%	22.3%	23.9%	25.6%	27.4%	29.5%	31.7%	33.8%	36.0%	38.3%
20	20.6%	22.0%	23.5%	25.2%	26.9%	28.9%	31.0%	33.3%	35.5%	37.9%	40.3%
21	21.6%	23.1%	24.7%	26.4%	28.3%	30.3%	32.6%	35.0%	37.3%	39.7%	42.3%
22	22.7%	24.2%	25.9%	27.7%	29.6%	31.8%	34.1%	36.7%	39.1%	41.6%	44.3%
23	23.7%	25.3%	27.0%	28.9%	31.0%	33.2%	35.7%	38.3%	40.9%	43.5%	46.3%
24	24.8%	26.4%	28.2%	30.2%	32.3%	34.6%	37.2%	40.0%	42.6%	45.4%	48.4%
25	25.8%	27.5%	29.4%	31.4%	33.7%	36.1%	38.8%	41.7%	44.4%	47.3%	50.4%
26	26.9%	28.6%	30.6%	32.7%	35.0%	37.5%	40.3%	43.3%	46.2%	49.2%	52.4%
27	27.9%	29.7%	31.7%	34.0%	36.4%	39.0%	41.9%	45.0%	48.0%	51.1%	54.4%
28	29.0%	30.9%	32.9%	35.2%	37.7%	40.4%	43.4%	46.7%	49.8%	52.0%	56.4%
29	30.0%	32.0%	34.1%	36.5%	39.1%	41.9%	45.0%	48.3%	50.0%	55.0%	58.4%
30	31.1%	33.1%	35.3%	37.7%	40.4%	43.4%	46.5%	50.0%	51.0%	55.5%	60.0%
31	32.1%	34.2%	36.5%	39.0%	41.7%	44.8%	48.1%	51.0%	51.5%	56.0%	60.0%
32	33.2%	35.3%	37.6%	40.2%	43.1%	46.2%	49.6%	51.5%	52.0%	56.5%	60.0%
33	34.3%	36.5%	38.8%	41.5%	44.4%	47.6%	50.0%	52.0%	52.5%	57.0%	60.0%
34	35.4%	37.6%	40.0%	42.8%	45.8%	49.1%	51.0%	52.5%	53.0%	57.5%	60.0%
35 or more	36.5%	38.7%	41.2%	44.0%	47.1%	50.0%	51.5%	53.0%	53.5%	58.0%	60.0%

**IBEW Table A-2**

Credited Years Of Service	Age at Retirement								
	55	56	57	58	59	60	61	62	63+
5	10.00%	10.26%	10.52%	10.78%	11.05%	11.31%	11.57%	11.83%	12.09%
6	12.00%	12.31%	12.62%	12.94%	13.26%	13.57%	13.88%	14.20%	14.51%
7	14.00%	14.36%	14.73%	15.09%	15.47%	15.83%	16.20%	16.56%	16.93%
8	16.00%	16.42%	16.83%	17.25%	17.68%	18.10%	18.51%	18.93%	19.34%
9	18.00%	18.47%	18.94%	19.40%	19.89%	20.36%	20.83%	21.29%	21.76%
10	20.00%	20.52%	21.04%	21.56%	22.10%	22.62%	23.14%	23.66%	24.18%
11	22.00%	22.57%	23.14%	23.72%	24.31%	24.88%	25.45%	26.03%	26.60%
12	24.00%	24.62%	25.25%	25.87%	26.52%	27.14%	27.77%	28.39%	29.02%
13	26.00%	26.68%	27.35%	28.03%	28.73%	29.41%	30.08%	30.76%	31.43%
14	28.00%	28.73%	29.46%	30.18%	30.94%	31.67%	32.40%	33.12%	33.85%
15	30.00%	30.78%	31.56%	32.34%	33.15%	33.93%	34.71%	35.49%	36.27%
16	32.00%	32.83%	33.66%	34.50%	35.36%	36.19%	37.02%	37.86%	38.69%
17	34.00%	34.88%	35.77%	36.65%	37.57%	38.45%	39.34%	40.22%	41.11%
18	36.00%	36.94%	37.87%	38.81%	39.78%	40.72%	41.65%	42.59%	43.52%
19	38.00%	38.99%	39.98%	40.96%	41.99%	42.98%	43.97%	44.95%	45.94%
20	40.00%	41.04%	42.08%	43.12%	44.20%	45.24%	46.28%	47.32%	48.36%
21	42.00%	43.09%	44.18%	45.28%	46.41%	47.50%	48.59%	49.69%	50.78%
22	44.00%	45.14%	46.29%	47.43%	48.62%	49.76%	50.91%	52.05%	53.20%
23	46.00%	47.20%	48.39%	49.59%	50.83%	52.03%	53.22%	54.42%	55.61%
24	48.00%	49.25%	50.50%	51.74%	53.04%	54.29%	55.54%	56.78%	58.03%
25	50.00%	51.30%	52.60%	53.90%	55.25%	56.55%	57.85%	59.15%	60.45%
26	52.00%	53.35%	54.70%	56.06%	57.46%	58.81%	60.16%	61.52%	62.87%
27	54.00%	55.40%	56.81%	58.21%	59.67%	61.07%	62.48%	63.88%	65.29%
28	56.00%	57.46%	58.91%	60.37%	61.88%	63.34%	64.79%	66.25%	67.70%
29	58.00%	59.51%	61.02%	62.52%	64.09%	65.60%	67.11%	68.61%	70.00%
30	60.00%	61.56%	63.12%	64.68%	66.30%	67.86%	69.42%	70.00%	70.00%
31	62.00%	63.61%	65.22%	66.84%	68.51%	70.00%	70.00%	70.00%	70.00%
32	64.00%	65.66%	67.33%	68.99%	70.00%	70.00%	70.00%	70.00%	70.00%
33	66.00%	67.72%	69.43%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
34	68.00%	69.77%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
35 or more	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%



**Non-Contract Table A-1**

Credited Years Of Service	Age at Retirement										
	53	54	55	56	57	58	59	60	61	62	63+
5	5.2%	5.5%	5.9%	6.3%	6.7%	7.2%	7.8%	8.3%	8.9%	9.5%	10.1%
6	6.2%	6.6%	7.1%	7.5%	8.1%	8.7%	9.3%	10.0%	10.7%	11.4%	12.1%
7	7.2%	7.7%	8.2%	8.8%	9.4%	10.1%	10.9%	11.7%	12.4%	13.3%	14.1%
8	8.2%	8.8%	9.4%	10.1%	10.8%	11.6%	12.4%	13.3%	14.2%	15.1%	16.1%
9	9.3%	9.9%	10.6%	11.3%	12.1%	13.0%	14.0%	15.0%	16.0%	17.0%	18.1%
10	10.2%	11.0%	11.8%	12.6%	13.5%	14.4%	15.5%	16.7%	17.8%	18.9%	20.1%
11	11.2%	12.1%	12.9%	13.8%	14.8%	15.9%	17.1%	18.3%	19.5%	20.8%	22.2%
12	12.3%	13.2%	14.1%	15.1%	16.2%	17.3%	18.6%	20.0%	21.3%	22.7%	24.2%
13	13.3%	14.3%	15.3%	16.3%	17.5%	18.8%	20.2%	21.7%	23.1%	24.6%	26.2%
14	14.4%	15.4%	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	24.9%	26.5%	28.2%
15	15.4%	16.5%	17.6%	18.9%	20.2%	21.7%	23.3%	25.0%	26.7%	28.4%	30.2%
16	16.4%	17.6%	18.8%	20.1%	21.5%	23.1%	24.8%	26.7%	28.4%	30.3%	32.2%
17	17.5%	18.7%	20.0%	21.4%	22.9%	24.5%	26.4%	28.3%	30.2%	32.2%	34.3%
18	18.5%	19.8%	21.2%	22.6%	24.2%	26.0%	27.9%	30.0%	32.0%	34.1%	36.3%
19	19.6%	20.9%	22.3%	23.9%	25.6%	27.4%	29.5%	31.7%	33.8%	36.0%	38.3%
20	20.6%	22.0%	23.5%	25.2%	26.9%	28.9%	31.0%	33.3%	35.5%	37.9%	40.3%
21	21.6%	23.1%	24.7%	26.4%	28.3%	30.3%	32.6%	35.0%	37.3%	39.7%	42.3%
22	22.7%	24.2%	25.9%	27.7%	29.6%	31.8%	34.1%	36.7%	39.1%	41.6%	44.3%
23	23.7%	25.3%	27.0%	28.9%	31.0%	33.2%	35.7%	38.3%	40.9%	43.5%	46.3%
24	24.8%	26.4%	28.2%	30.2%	32.3%	34.6%	37.2%	40.0%	42.6%	45.4%	48.4%
25	25.8%	27.5%	29.4%	31.4%	33.7%	36.1%	38.8%	41.7%	44.4%	47.3%	50.4%
26	26.9%	28.6%	30.6%	32.7%	35.0%	37.5%	40.3%	43.3%	46.2%	49.2%	52.4%
27	27.9%	29.7%	31.7%	34.0%	36.4%	39.0%	41.9%	45.0%	48.0%	51.1%	54.4%
28	29.0%	30.9%	32.9%	35.2%	37.7%	40.4%	43.4%	46.7%	49.8%	52.0%	56.4%
29	30.0%	32.0%	34.1%	36.5%	39.1%	41.9%	45.0%	48.3%	50.0%	55.0%	58.4%
30	31.1%	33.1%	35.3%	37.7%	40.4%	43.4%	46.5%	50.0%	51.0%	55.5%	60.0%
31	32.1%	34.2%	36.5%	39.0%	41.7%	44.8%	48.1%	51.0%	51.5%	56.0%	60.0%
32	33.2%	35.3%	37.6%	40.2%	43.1%	46.2%	49.6%	51.5%	52.0%	56.5%	60.0%
33	34.3%	36.5%	38.8%	41.5%	44.4%	47.6%	50.0%	52.0%	52.5%	57.0%	60.0%
34	35.4%	37.6%	40.0%	42.8%	45.8%	49.1%	51.0%	52.5%	53.0%	57.5%	60.0%
35 or more	36.5%	38.7%	41.2%	44.0%	47.1%	50.0%	51.5%	53.0%	53.5%	58.0%	60.0%

**Non-Contract Table A-2**

Credited Years Of Service	Age at Retirement										
	53	54	55	56	57	58	59	60	61	62	63+
5	8.71%	9.33%	10.00%	10.26%	10.52%	10.78%	11.05%	11.31%	11.57%	11.83%	12.09%
6	10.45%	11.20%	12.00%	12.31%	12.62%	12.94%	13.26%	13.57%	13.88%	14.20%	14.51%
7	12.19%	13.06%	14.00%	14.36%	14.73%	15.09%	15.47%	15.83%	16.20%	16.56%	16.93%
8	13.94%	14.93%	16.00%	16.42%	16.83%	17.25%	17.68%	18.10%	18.51%	18.93%	19.34%
9	15.68%	16.79%	18.00%	18.47%	18.94%	19.40%	19.89%	20.36%	20.83%	21.29%	21.76%
10	17.42%	18.66%	20.00%	20.52%	21.04%	21.56%	22.10%	22.62%	23.14%	23.66%	24.18%
11	19.16%	20.53%	22.00%	22.57%	23.14%	23.72%	24.31%	24.88%	25.45%	26.03%	26.60%
12	20.90%	22.39%	24.00%	24.62%	25.25%	25.87%	26.52%	27.14%	27.77%	28.39%	29.02%
13	22.65%	24.26%	26.00%	26.68%	27.35%	28.03%	28.73%	29.41%	30.08%	30.76%	31.43%
14	24.39%	26.12%	28.00%	28.73%	29.46%	30.18%	30.94%	31.67%	32.40%	33.12%	33.85%
15	26.13%	27.99%	30.00%	30.78%	31.56%	32.34%	33.15%	33.93%	34.71%	35.49%	36.27%
16	27.87%	29.86%	32.00%	32.83%	33.66%	34.50%	35.36%	36.19%	37.02%	37.86%	38.69%
17	29.61%	31.72%	34.00%	34.88%	35.77%	36.65%	37.57%	38.45%	39.34%	40.22%	41.11%
18	31.36%	33.59%	36.00%	36.94%	37.87%	38.81%	39.78%	40.72%	41.65%	42.59%	43.52%
19	33.10%	35.45%	38.00%	38.99%	39.98%	40.96%	41.99%	42.98%	43.97%	44.95%	45.94%
20	34.84%	37.32%	40.00%	41.04%	42.08%	43.12%	44.20%	45.24%	46.28%	47.32%	48.36%
21	36.58%	39.19%	42.00%	43.09%	44.18%	45.28%	46.41%	47.50%	48.59%	49.69%	50.78%
22	38.32%	41.05%	44.00%	45.14%	46.29%	47.43%	48.62%	49.76%	50.91%	52.05%	53.20%
23	40.07%	42.92%	46.00%	47.20%	48.39%	49.59%	50.83%	52.03%	53.22%	54.42%	55.61%
24	41.81%	44.78%	48.00%	49.25%	50.50%	51.74%	53.04%	54.29%	55.54%	56.78%	58.03%
25	43.55%	46.65%	50.00%	51.30%	52.60%	53.90%	55.25%	56.55%	57.85%	59.15%	60.45%
26	45.29%	48.52%	52.00%	53.35%	54.70%	56.06%	57.46%	58.81%	60.16%	61.52%	62.87%
27	47.03%	50.38%	54.00%	55.40%	56.81%	58.21%	59.67%	61.07%	62.48%	63.88%	65.29%
28	48.78%	52.25%	56.00%	57.46%	58.91%	60.37%	61.88%	63.34%	64.79%	66.25%	67.70%
29	50.52%	54.11%	58.00%	59.51%	61.02%	62.52%	64.09%	65.60%	67.11%	68.61%	70.00%
30	52.26%	55.98%	60.00%	61.56%	63.12%	64.68%	66.30%	67.86%	69.42%	70.00%	70.00%
31	54.00%	57.85%	62.00%	63.61%	65.22%	66.84%	68.51%	70.00%	70.00%	70.00%	70.00%
32	55.74%	59.71%	64.00%	65.66%	67.33%	68.99%	70.00%	70.00%	70.00%	70.00%	70.00%
33	57.49%	61.58%	66.00%	67.72%	69.43%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
34	59.23%	63.44%	68.00%	69.77%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%
35 or more	60.97%	65.31%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%

ATU and IBEW Participants may elect an Alternative Retirement Formula if they terminate employment before early retirement but after 10 years of credited service or were hired between April 1, 1968 and March 31, 1971 and desire to retire at their Normal Retirement Date. These Participants are eligible for a deferred benefit commencing at age 65 based on Table B.

**Table B**

Credited Years Of Service	Percentage
10	20.1%
11	22.2%
12	24.2%
13	26.2%
14	28.2%
15	30.2%
16	32.2%
17	34.3%
18	36.3%
19	38.3%
20	40.3%
21	42.3%
22	44.3%
23	46.3%
24	48.4%
25	50.4%
26	52.4%
27	54.4%
28	56.4%
29	58.4%
30	60.4%
31	62.5%
32	64.5%
33	66.5%
34	68.5%
35 or more	70.5%

## **Disability Retirement Benefit**

### ***Eligibility***

A Participant is eligible for a Disability Retirement Benefit if:

- The Participant has earned five Credited Years of Service (ATU, IBEW, Clerical and Non-Contract), and
- The Participant is unable to perform the duties of his or her job with the Corporation, cannot be transferred to another job with the Corporation, and has submitted satisfactory medical evidence of permanent disqualification from his or her job.

### ***Benefit Amount***

The Disability Retirement Benefit is a monthly benefit equal to the lesser of:

1.  $1\frac{1}{2}\%$  times Credited Years of Service at Disability Retirement Date times the Participant's Average Monthly Final Earnings; and
2. The Normal Retirement Benefit calculated using the Average Monthly Final Earnings at Disability Retirement Date and the projected Credited Years of Service to Normal Retirement Date.

The benefit is reduced by 50% of the amount of any earned income from other sources in excess of 50% of the Participant's Average Monthly Earnings during the 12 months prior to disability; this reduction applies to all IBEW and Non-Contract Participants, but only to ATU Participants hired after June 30, 1983.

### ***Form of Benefit***

The normal form of benefit is an annuity commencing at disability and payable for the life of the Participant, with no continuation of benefits to a beneficiary after death. The Disability Retirement Benefit will be paid as a 50% Joint and Survivor benefit actuarially equivalent to the normal form for participants who have been married for at least one year. Otherwise, the normal form will be paid.

The ATU and IBEW benefits have been amended from time to time to remove the actuarial reduction in benefits for previously retired Participants whose spouses have died before them. However, these adjustments are retroactive only, and they do not apply to benefits paid to currently active Participants.

## **Pre-Retirement Death Benefit**

### ***Eligibility***

A vested Participant is entitled to elect coverage of a pre-retirement spouse's benefit.

For years a Participant is age 55 or under, the cost of the coverage is paid by the Company. For the years a Participant is over age 55 and has elected this coverage the cost of this coverage is paid by the Participant in the form of a reduced benefit upon retirement. The reduction is 3.5¢ per \$10 of monthly benefit for each year of coverage.

There is no cost for this benefit for any ATU, Clerical, or Non-Contract Participant whose monthly benefit commences after November 27, 1990. There is no cost for this benefit for any IBEW Participant whose monthly benefit commences after December 3, 1996.

In order for the spouse to be eligible for this benefit, the participant must be married to the spouse for one year prior to death, unless death occurs from accidental causes.

### ***Benefit Amount***

For a Participant who is eligible to retire at death, the pre-retirement death benefit is 50% of the benefit that would have been payable had the Participant retired immediately prior to his or her death and elected to receive a 50% Joint and Survivor annuity.

For a Participant who dies before being eligible to retire, the pre-retirement death benefit is 50% of the benefit that would have been payable had the Participant survived to his or her earliest retirement date, retired, elected to receive a 50% Joint and Survivor annuity, and died immediately.

### ***Form of Benefit***

For a Participant who is eligible to retire at death, the death benefit begins when the Participant dies and continues for the life of the surviving spouse.

For a Participant who dies before being eligible to retire, the death benefit begins when the Participant would have reached his or her earliest retirement date and continues for the life of the surviving spouse.

## **Termination Benefit**

### ***Eligibility***

A Participant is eligible for a termination benefit after earning five years of service.

### ***Benefit Amount***

The termination benefit is computed in the same manner as the Normal Retirement Benefit, but it is based on Credited Years of Service and Average Monthly Final Earnings on the date of termination.

Effective July 1, 2000, Non-Contract participants who terminate prior to eligibility for early service retirement will have their benefits actuarially reduced if they begin receiving benefits before normal retirement age.

### ***Form of Benefit***

The Participant will be eligible to commence benefits at the later of termination and earliest retirement eligibility age.

The normal form of benefit is an annuity payable for the life of the Participant, with no continuation of benefits to a beneficiary after death. The retirement benefit will be paid as a 50% Joint and Survivor benefit actuarially equivalent to the normal form for participants who have been married for at least one year. Otherwise, the normal form will be paid.

The ATU and IBEW benefits have been amended from time to time to remove the actuarial reduction in benefits for previously retired Participants whose spouses have died before them. However, these adjustments are retroactive only, and they do not apply to benefits paid to currently active Participants.

## **Cost of Living Adjustments**

### ***Eligibility***

An annual Cost of Living Adjustment (COLA) has been added for Non-Contract Participants who were actively employed on or after June 30, 1999. One time only (ad hoc) COLAs were granted to ATU and IBEW Participants in 1991 and 1992.

### ***Benefit Amount***

For Non-Contract Participants, the cumulative COLA is the increase in the Consumer Price Index (CPI) since the Participant began receiving benefits.

The COLA is subject to the following limits for Non-Contract Participants:

- The cumulative COLA cannot exceed 2% compounded annually for all years since the Participant's benefits began;
- The annual COLA is zero if the CPI increase in that year is less than 1%;
- The annual COLA is limited 6% of the initial benefit amount in any year; and
- A Participant's benefit cannot be reduced below the benefit level when payments commenced.

## **Voluntary Early Retirement Program**

The Plan provided enhanced benefits to ATU participants who voluntarily elected early retirement during the window period from January 1, 1998 through February 20, 1998.

The Plan provided enhanced benefits to certain IBEW participants who voluntarily elected early retirement during the window period from July 1, 2004 through December 31, 2004.

## **DROP Program**

The Plan provided DROP benefits to a number of ATU participants who elected retirement from July 1, 2002 through December 31, 2002.

## **Funding**

The Corporation pays the entire cost of the Plan.

## **Changes in Plan Provisions**

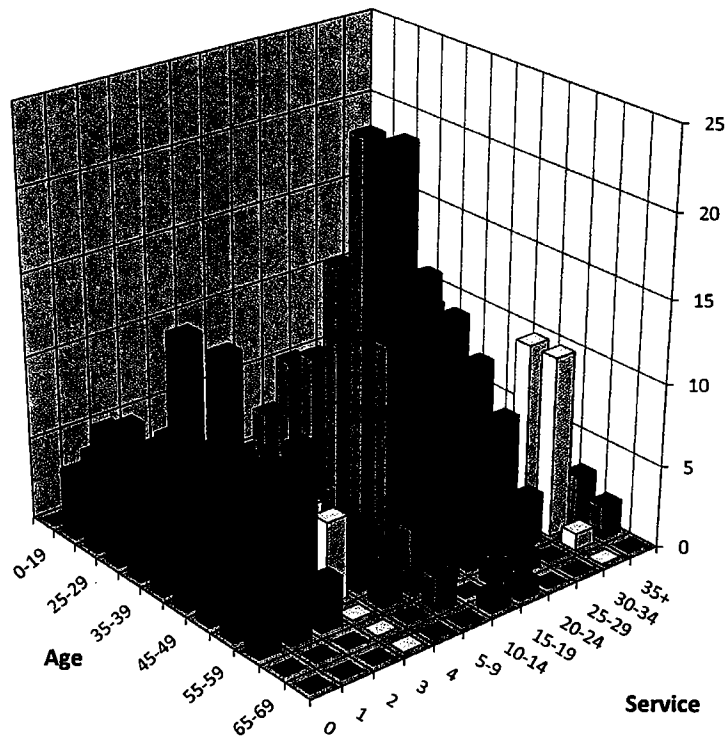
There have been no changes in Plan provisions since the prior review.

## 1.2: Participant Data as of July 1, 2009

Active Participants	Drivers	Mechanics	Clerical	Admin	Chula Vista	Total
Number	545	177	28	71	0	821
Average Age	48.60	45.39	48.63	51.08	0.00	48.12
Average Service	10.47	13.70	10.49	17.47	0.00	11.77
Average Pay	\$41,727	\$41,576	\$39,990	\$68,547	\$0	\$43,955

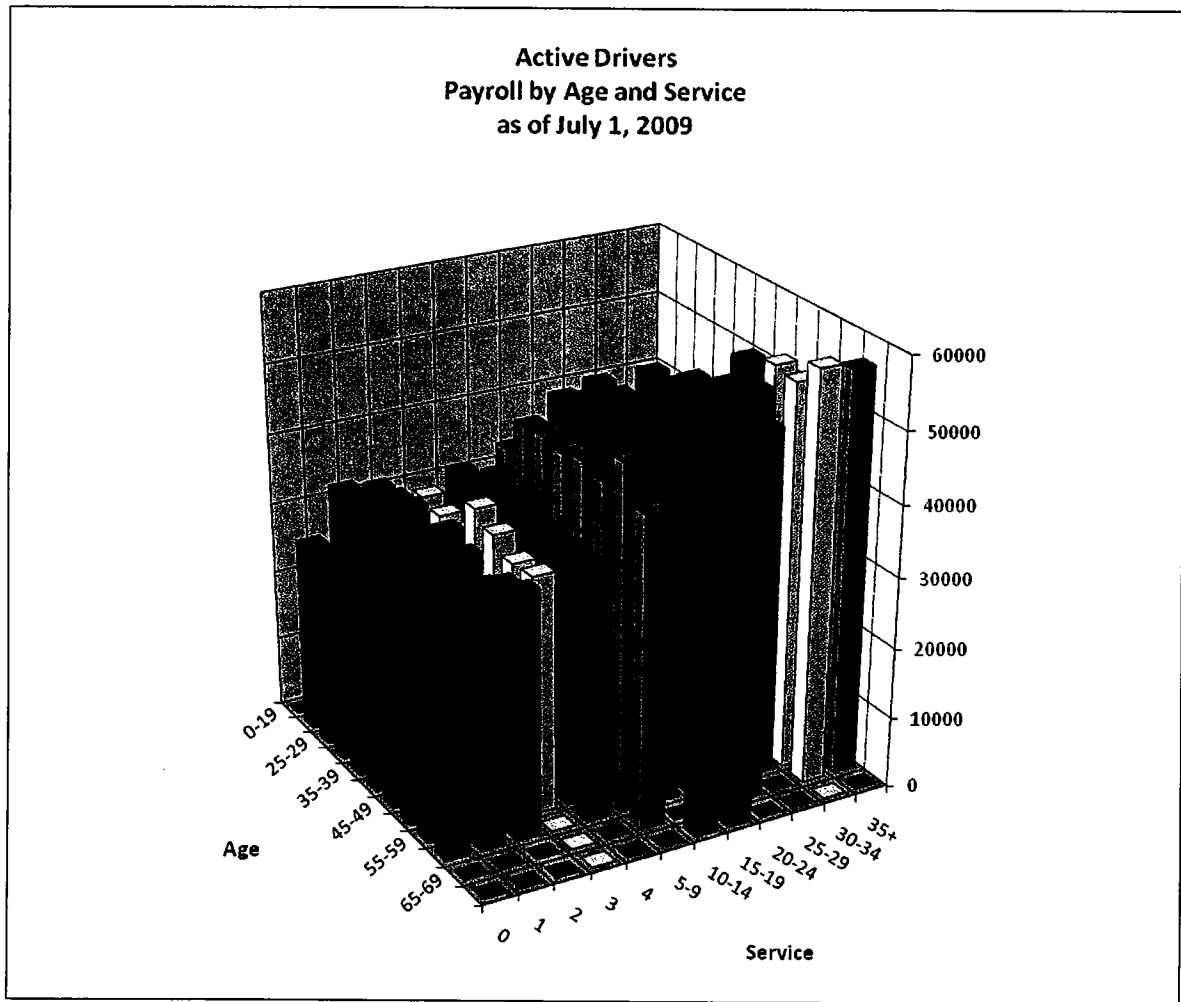
Inactive Participants	Drivers	Mechanics	Clerical	Admin	Chula Vista	Total
<b>Service Retired</b>						
Number	329	57	25	85	3	499
Average Age	68.19	68.48	73.88	63.36	66.42	67.67
Average Benefit	\$18,697	\$16,917	\$11,030	\$33,186	\$4,232	\$20,491
<b>Beneficiaries</b>						
Number	78	18	4	22	0	122
Average Age	73.05	74.17	72.63	66.14	0.00	71.96
Average Benefit	\$5,570	\$5,953	\$3,984	\$14,897	\$0	\$7,256
<b>Disabled</b>						
Number	94	14	3	2	0	113
Average Age	63.52	60.01	70.85	59.72	0.00	63.21
Average Benefit	\$8,581	\$12,353	\$6,101	\$7,437	\$0	\$8,962
<b>Terminated Vested</b>						
Number	146	50	22	31	11	260
Average Age	51.49	50.67	52.27	49.98	51.04	51.20
Average Benefit	\$6,244	\$5,687	\$6,027	\$15,665	\$2,738	\$7,093

**Active Drivers  
 by Age and Service  
 as of July 1, 2009**



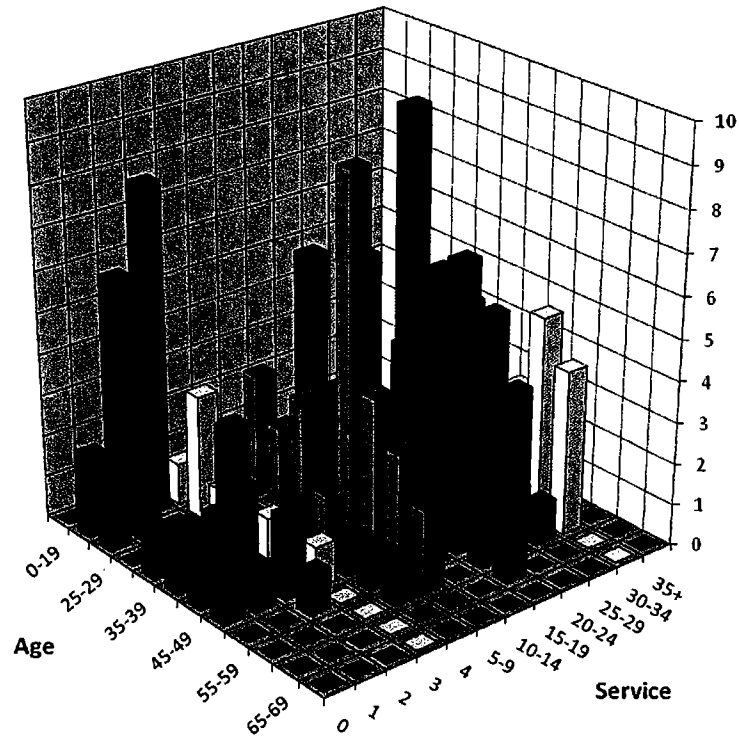
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	4	6	1	0	0	0	0	0	0	0	0	0	11
25-29	6	7	3	2	3	0	0	0	0	0	0	0	21
30-34	5	4	6	3	4	6	0	0	0	0	0	0	28
35-39	7	8	5	3	4	10	7	1	0	0	0	0	45
40-44	9	8	13	3	5	11	12	4	1	0	0	0	66
45-49	16	9	5	3	4	17	12	23	13	0	0	0	102
50-54	8	8	7	5	3	25	19	16	13	5	4	0	113
55-59	7	6	10	5	4	14	9	11	11	7	11	2	97
60-64	2	2	3	0	2	4	10	6	7	3	11	3	53
65-69	0	0	0	0	0	2	0	1	1	0	1	2	7
70+	0	0	0	0	0	0	1	1	0	0	0	0	2
Total	64	58	53	24	29	89	70	63	46	15	27	7	545



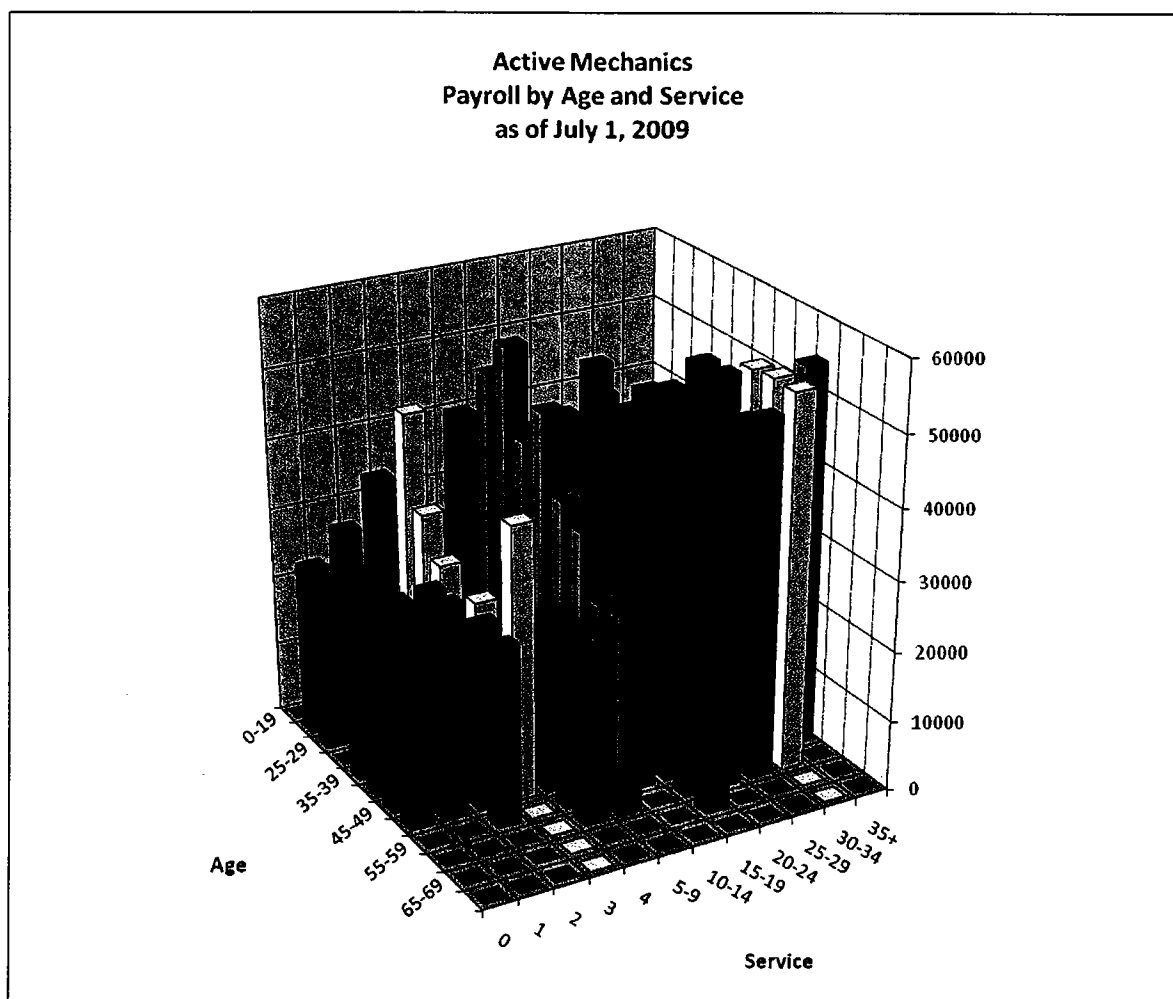


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	26,887	33,785	33,094	0	0	0	0	0	0	0	0	0	31,214
25-29	27,215	34,724	33,600	32,842	35,239	0	0	0	0	0	0	0	32,312
30-34	27,095	33,729	34,219	32,057	35,781	39,449	0	0	0	0	0	0	33,989
35-39	26,226	35,206	32,219	31,655	38,574	44,397	47,362	48,496	0	0	0	0	37,769
40-44	26,766	34,176	34,806	36,980	37,508	44,788	48,960	48,498	50,741	0	0	0	39,245
45-49	26,918	35,375	33,382	35,316	38,840	44,297	43,590	47,866	50,738	0	0	0	41,313
50-54	26,713	34,945	31,137	33,342	36,740	45,082	47,923	50,262	53,146	51,595	48,626	0	44,012
55-59	26,696	35,100	33,516	33,626	35,947	44,239	48,419	51,221	51,542	56,624	55,021	46,875	44,592
60-64	26,226	36,113	34,639	0	33,569	48,606	48,574	43,487	52,907	48,827	54,411	52,108	47,330
65-69	0	0	0	0	0	43,676	0	48,234	56,543	0	57,892	56,823	51,952
70+	0	0	0	0	0	0	46,032	47,084	0	0	0	0	46,558
Total	26,789	34,767	33,523	33,690	36,799	44,433	47,432	48,687	52,067	53,388	53,931	51,960	41,727

Active Mechanics  
 by Age and Service  
 as of July 1, 2009

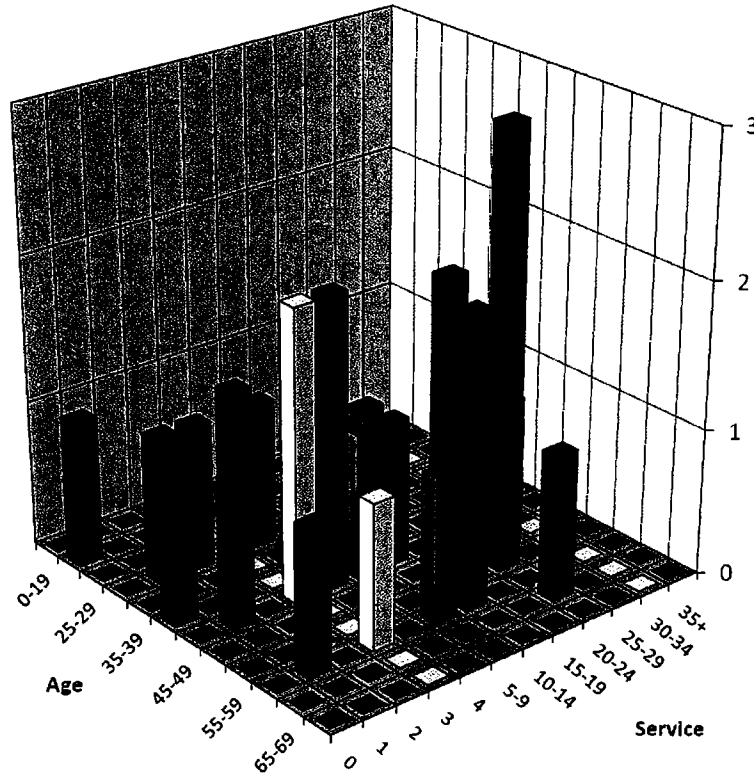


Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	2	6	8	1	0	0	0	0	0	0	0	0	17
25-29	2	3	0	3	2	3	0	0	0	0	0	0	13
30-34	0	0	0	1	0	2	6	0	0	0	0	0	9
35-39	1	1	1	0	0	3	3	6	0	0	0	0	15
40-44	1	0	2	1	1	1	5	0	1	0	0	0	12
45-49	1	4	0	0	0	9	2	10	6	5	0	0	37
50-54	1	1	2	1	1	4	5	5	3	5	3	0	31
55-59	0	0	1	0	1	3	4	7	4	1	5	2	28
60-64	0	0	0	0	1	2	0	2	4	1	4	0	14
65-69	0	0	0	0	0	0	0	1	0	0	0	0	1
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	8	15	14	7	6	27	25	31	18	12	12	2	177



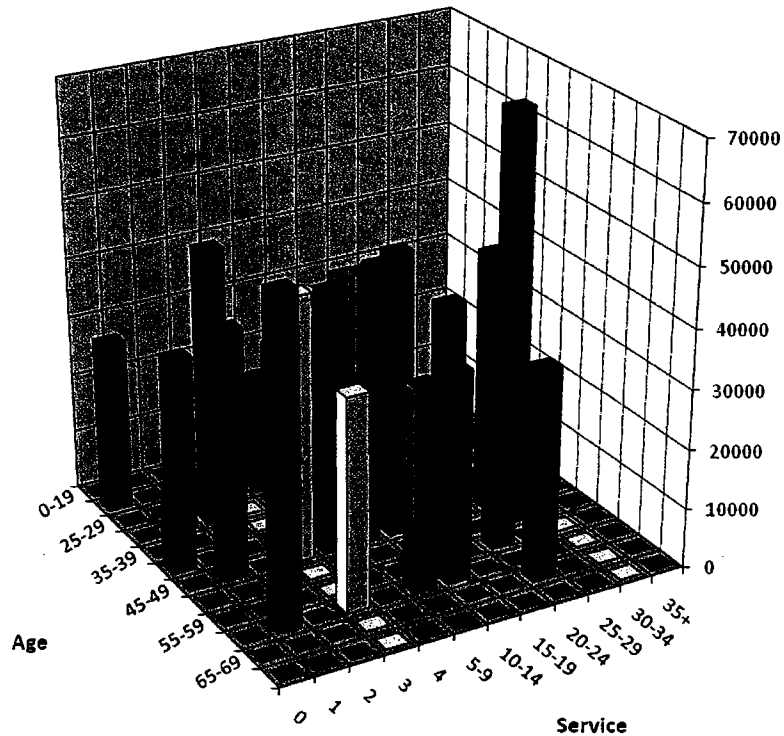
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	24,295	28,624	35,058	43,538	0	0	0	0	0	0	0	0	32,020
25-29	24,295	24,295	0	30,881	44,086	48,884	0	0	0	0	0	0	34,534
30-34	0	0	0	25,499	0	54,438	42,072	0	0	0	0	0	42,979
35-39	24,295	24,295	24,811	0	0	42,871	45,480	51,557	0	0	0	0	43,186
40-44	24,295	0	24,897	24,295	24,295	48,676	45,193	0	48,676	0	0	0	37,166
45-49	24,295	27,337	0	0	0	38,294	51,557	48,786	50,597	53,286	0	0	44,305
50-54	24,295	24,295	26,434	39,195	25,499	35,970	39,517	49,721	48,676	53,286	53,241	0	42,852
55-59	0	0	25,499	0	25,499	27,807	44,295	46,139	45,661	48,676	53,720	54,438	44,406
60-64	0	0	0	0	24,295	28,326	0	42,645	48,542	50,848	53,540	0	44,672
65-69	0	0	0	0	0	0	0	48,676	0	0	0	0	48,676
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	24,295	26,838	30,960	32,167	31,293	39,312	43,709	48,476	48,617	52,699	53,540	54,438	41,576

**Active Clerical Members  
 Payroll by Age and Service  
 as of July 1, 2009**



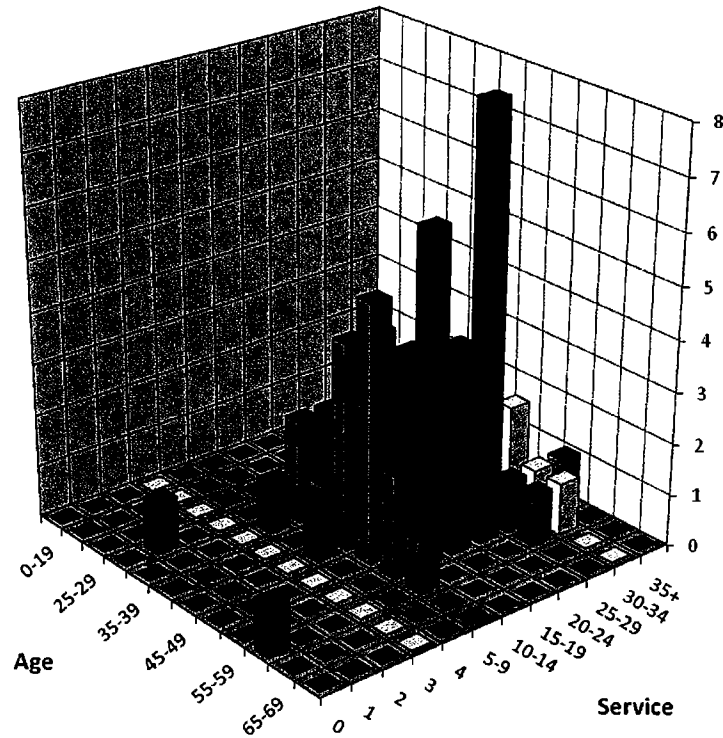
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	1	0	0	0	0	0	0	0	0	0	0	0	1
25-29	0	0	0	0	1	0	0	0	0	0	0	0	1
30-34	0	1	1	0	1	0	0	0	0	0	0	0	3
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	1	0	0	0	0	1	1	0	0	0	0	0	3
45-49	0	1	0	2	2	1	1	0	0	1	0	0	8
50-54	0	0	0	0	0	0	0	2	0	1	0	0	3
55-59	0	0	0	0	0	0	0	0	3	0	0	0	3
60-64	0	1	0	1	0	1	2	0	0	0	0	0	5
65-69	0	0	0	0	0	0	0	0	1	0	0	0	1
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>28</b>

**Active Clerical Members  
 Payroll by Age and Service  
 as of July 1, 2009**



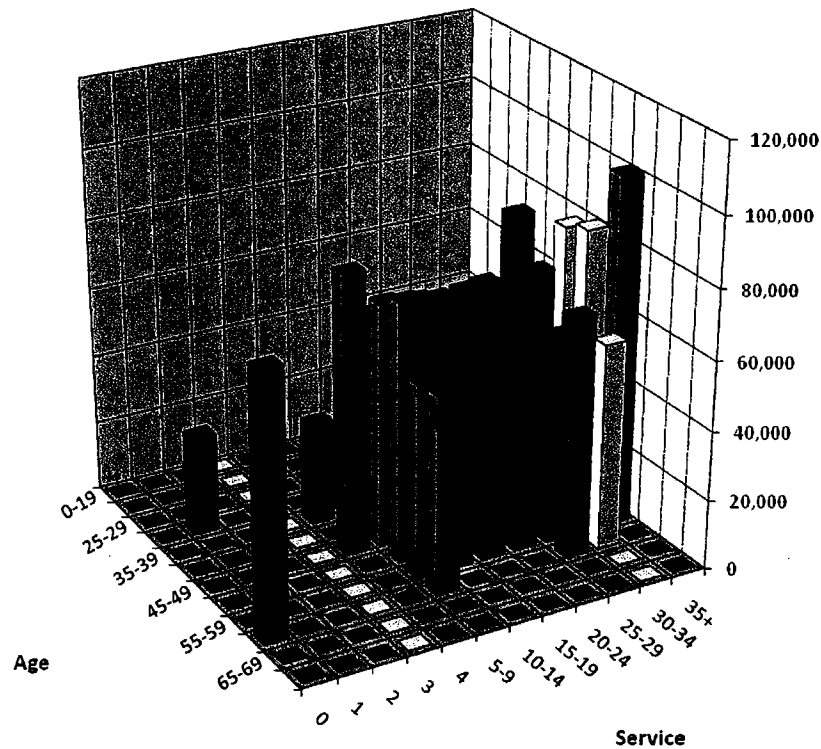
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	28,875	0	0	0	0	0	0	0	0	0	0	0	28,875
25-29	0	0	0	0	20,032	0	0	0	0	0	0	0	20,032
30-34	0	29,737	46,557	0	27,846	0	0	0	0	0	0	0	34,713
35-39	0	0	0	0	0	0	0	0	0	0	0	0	0
40-44	14,300	0	0	0	0	42,890	43,415	0	0	0	0	0	33,535
45-49	0	41,475	0	44,562	44,040	45,625	47,750	0	0	43,901	0	0	44,494
50-54	0	0	0	0	0	0	0	40,212	0	69,420	0	0	49,948
55-59	0	0	0	0	0	0	0	0	43,247	0	0	0	43,247
60-64	0	54,626	0	35,718	0	34,297	35,184	0	0	0	0	0	39,002
65-69	0	0	0	0	0	0	0	0	35,533	0	0	0	35,533
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	21,588	41,946	46,557	41,614	33,990	40,937	40,383	40,212	41,319	56,661	0	0	39,990

**Active Administrative Members  
 by Age and Service  
 as of July 1, 2009**



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	1	0	0	0	0	0	0	0	0	0	0	1
35-39	0	0	0	0	1	2	2	0	0	0	0	0	5
40-44	0	0	0	0	0	1	2	1	3	0	0	0	7
45-49	0	0	0	0	1	4	4	1	1	2	0	0	13
50-54	0	0	0	0	0	5	3	6	3	8	2	0	27
55-59	0	0	0	0	0	2	2	4	3	1	1	1	14
60-64	1	0	0	0	0	1	0	0	0	1	1	0	4
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	1	0	0	2	15	13	12	10	12	4	1	71

**Active Administrative Members  
 Payroll by Age and Service  
 as of July 1, 2009**



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	28,622	0	0	0	0	0	0	0	0	0	0	28,622
35-39	0	0	0	0	29,506	71,316	57,878	0	0	0	0	0	57,579
40-44	0	0	0	0	0	41,300	58,665	56,805	63,584	0	0	0	58,027
45-49	0	0	0	0	51,330	70,349	68,931	44,767	69,571	87,094	0	0	68,998
50-54	0	0	0	0	0	74,681	73,273	69,276	72,590	74,542	85,165	0	73,827
55-59	0	0	0	0	0	55,870	63,003	76,934	65,891	59,791	87,963	101,089	70,857
60-64	76,003	0	0	0	0	56,902	0	0	0	69,379	59,562	0	65,462
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>76,003</b>	<b>28,622</b>	<b>0</b>	<b>0</b>	<b>40,418</b>	<b>67,158</b>	<b>65,741</b>	<b>68,747</b>	<b>67,577</b>	<b>74,975</b>	<b>79,464</b>	<b>101,089</b>	<b>68,547</b>

### Changes in Plan Membership Drivers

	Actives	Vested Terminations	Disabled	Retired	DROP	Beneficiaries	Total Participants
January 1, 2008	562	146	97	318	0	78	1,201
New Entrants	122	-	-	-	-	-	122
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(12)	(4)	-	16	-	-	0
Vested Terminations	(7)	7	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	(3)	-	3	0
Transfers	(4)	-	-	-	-	-	( 4)
Died, Without Beneficiary, and Other Terminations	(116)	(1)	(3)	(2)	-	-	( 122)
Beneficiary Deaths	-	-	-	-	-	(3)	( 3)
Data Corrections	-	(2)	-	-	-	-	( 2)
July 1, 2009	545	146	94	329	0	78	1,192



### Changes in Plan Membership Mechanics

	Actives	Vested Terminations	Disabled	Retired	DROP	Beneficiaries	Total Participants
January 1, 2008	183	48	15	58	0	17	321
New Entrants	8	-	-	-	-	-	8
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(3)	-	-	3	-	-	0
Vested Terminations	(2)	2	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	(1)	-	-	(2)	-	3	0
Transfers	(1)	-	-	-	-	-	( 1)
Died, Without Beneficiary, and Other Terminations	(7)	-	(1)	(2)	-	-	( 10)
Beneficiary Deaths	-	-	-	-	-	(2)	( 2)
Data Corrections	-	-	-	-	-	-	0
July 1, 2009	177	50	14	57	0	18	316

### Changes in Plan Membership Clerical

	Vested						Total
	Actives	Terminations	Disabled	Retired	DROP	Beneficiaries	Participants
January 1, 2008	24	20	4	27	0	4	79
New Entrants	2	-	-	-	-	-	2
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(1)	-	-	1	-	-	0
Vested Terminations	-	-	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	-	-	0
Transfers	4	-	-	-	-	-	4
Died, Without Beneficiary, and Other Terminations	(1)	-	(1)	(3)	-	-	( 5)
Beneficiary Deaths	-	-	-	-	-	-	0
Data Corrections	-	2	-	-	-	-	2
July 1, 2009	28	22	3	25	0	4	82

**Changes in Plan Membership  
 Non-Contract**

	Actives	Vested Terminations	Disabled	Retired	DROP	Beneficiaries	Total Participants
January 1, 2008	76	30	2	84	0	23	215
New Entrants	1	-	-	-	-	-	1
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(4)	(1)	-	5	-	-	0
Vested Terminations	(3)	3	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	-	-	0
Transfers	1	-	-	-	-	-	1
Died, Without Beneficiary, and Other Terminations	-	-	-	(4)	-	-	( 4)
Beneficiary Deaths	-	-	-	-	-	(1)	( 1)
Data Corrections	-	(1)	-	-	-	-	( 1)
July 1, 2009	71	31	2	85	0	22	211

### Changes in Plan Membership Chula Vista

	Vested					Total	
	Actives	Terminations	Disabled	Retired	DROP	Beneficiaries	Participants
January 1, 2008	0	12	0	2	0	0	14
New Entrants	-	-	-	-	-	-	0
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	-	(1)	-	1	-	-	0
Vested Terminations	-	-	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	-	-	0
Transfers	-	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	-	-	-	-	-	-	0
Beneficiary Deaths	-	-	-	-	-	-	0
Data Corrections	-	-	-	-	-	-	0
July 1, 2009	0	11	0	3	0	0	14

**Changes in Plan Membership**  
**Total of All Groups**

	Actives	Vested Terminations	Disabled	Retired	DROP	Beneficiaries	Total Participants
January 1, 2008	845	256	118	489	0	122	1,830
New Entrants	133	-	-	-	-	-	133
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(20)	(6)	-	26	-	-	0
Vested Terminations	(12)	12	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	(1)	-	-	(5)	-	6	0
Transfers	-	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	(124)	(1)	(5)	(11)	-	-	( 141)
Beneficiary Deaths	-	-	-	-	-	(6)	( 6)
Data Corrections	-	(1)	-	-	-	-	( 1)
July 1, 2009	821	260	113	499	0	122	1,815

### 1.3: Actuarial Methods and Assumptions

#### Actuarial Method

Annual contributions to the Retirement Plans of San Diego Transit Corporation (the Plan) are computed under the Aggregate Entry Age Actuarial Cost Method.

Under this Cost Method, Plan benefits are assumed to accrue ratably over the years from each Participant's Plan entry date to date of retirement, termination, disability, or death. At each valuation date, the actuarial present value of the benefits accrued to date is computed. This comprises the Actuarial Accrued Liability. The excess of the Actuarial Accrued Liability over Plan assets is the Unfunded Actuarial Accrued Liability, and this liability is amortized over a fixed number of years.

Amounts may be added to or subtracted from the Unfunded Actuarial Accrued Liability due to Plan amendments, changes in actuarial assumptions, and actuarial gains and losses.

The Normal Cost is obtained in three steps as follows:

1. The single sum present value of all future benefit payments to be made by the Plan to its present members and beneficiaries is determined. From this present value is subtracted the sum of:
  - a. The actuarial value of the assets in the Plan Trust Fund,
  - b. The Unfunded Actuarial Accrued Liability, and
  - c. The present value of any future contributions to be made by active members.
2. The remainder is divided by the present value of all future pay that the present members are expected to receive during their future working lifetime. The resulting quotient is a normal cost accrual rate per dollar of active member payroll.
3. The Normal Cost is obtained by multiplying the normal cost accrual rate per dollar of earnings by the total covered payroll projected for the upcoming year and adding any allowance for administrative expense.

The total Plan cost is the sum of the Normal Cost and the amortization of the Unfunded Actuarial Accrued Liability.

In the valuation as of July 1, 1999, the entire Actuarial Accrued Liability had been funded. A new Unfunded Actuarial Accrued Liability was created as of April 1, 2000, primarily as a result of improvements in Plan benefits. Therefore, beginning with the April 1, 2000 actuarial valuation, all sources of the Unfunded Actuarial Accrued Liability are combined and amortized as a level dollar payment over a rolling 30-year period.

Valuation Date	All assets and liabilities are computed as of July 1, 2009.
Rate of Return	The annual rate of return on all Plan assets is assumed to be 8.00% net of expenses.
Cost of Living	The cost of living as measured by the Consumer Price Index (CPI) is assumed to increase at the rate of 3.5% per year.

**Pay for Benefits**

For the most part, pay for benefits is based on each member's pay during the year preceding the valuation date. Special procedures are used in some cases, as noted below for full-time Participants.

<u>Unit</u>	<u>Pay for Continuing Participants</u>	<u>Pay for New Participants</u>
Drivers	The larger of gross pay or 1,800 hours times the member's hourly rate	
Mechanics	2,150 hours times the member's hourly rate	
Clerical	Gross pay	The larger of gross pay or 2,100 hours times the member's hourly rate
Non-Contract	Gross pay	The larger of gross pay or 2,080 hours times the member's hourly rate

Part-time Participants are assumed to work 1,040 hours in the calculations shown above.

**Increases in Pay**

Assumed pay increases for active Participants consist of increases due to inflation (cost of living adjustments) and those due to longevity and promotion.

Based on an analysis of pay levels and service for the Drivers and Mechanics, we assume that pay increases due to longevity and promotion will be 7.5% per year for the first ten years of service and 0.5% per year thereafter.

Based on an analysis of pay levels and service for the Clerical and Non-Contract Participants, we assume that pay increases due to longevity and promotion will be 1.5% per year.

In addition, annual adjustments in pay due to inflation will equal the CPI, for an additional annual increase of 3.5%.

**Active Participant Mortality**

**Mortality rates were reviewed in the Actuarial Experience Study for 1997-2000.**

**Rates of mortality for active Drivers and Mechanics are given by the UP-1984 Mortality Table published by the Society of Actuaries.**

**Rates of mortality for active Clerical and Non-Contract Participants are given by the 1994 Group Annuity Mortality (GAM) Table, weighting male rates by 50% and female rates by 50%.**

**Retired Participant Mortality**

**Mortality rates were reviewed in the Actuarial Experience Study for 1997-2000.**

**Rates of mortality for retired Drivers and Mechanics and their spouses, beneficiaries, and survivors are given by the UP-1984 Mortality Table published by the Society of Actuaries.**

**Rates of mortality for retired Clerical and Non-Contract Participants and their spouses, beneficiaries, and survivors are given by the 1994 Group Annuity Mortality (GAM) Table, weighting male rates by 50% and female rates by 50%.**

**Disabled Participant Mortality**

**Mortality rates were reviewed in the Actuarial Experience Study for 1997-2000.**

**Rates of mortality for disabled Drivers and Mechanics are given by the PBGC Mortality Table for Members Not Receiving Social Security Benefits, weighting male rates by 75% and female rates by 25%.**

**Rates of mortality for disabled Clerical and Non-Contract Participants are given by the PBGC Mortality Table for Female Members Receiving Social Security Benefits.**

**Disability**

**Disability rates were reviewed in the Actuarial Experience Study for 1997-2000.**

**Among Drivers and Mechanics, 0.85% of Participants eligible for a disability benefit are assumed to become disabled each year. For Clerical and Non-Contract Participants, the figure is 0.20%.**

**Disabled Participants are assumed not to return to active service.**



**Service Retirement**

**Retirement rates were reviewed in the Actuarial Experience Study for 2001-2005.**

**Retirement among Participants eligible to retire is assumed to occur at the ages shown in the following table:**

<u>Age</u>	<u>Prior Rate</u>	<u>ATU/IBEW</u>	<u>Clerical/Non</u>
53	20%	0%	15%
54	7.5%	0%	15%
55	7.5%	5%	30%
56	7.5%	5%	30%
57	7.5%	5%	30%
58	7.5%	5%	30%
59	7.5%	10%	30%
60	7.5%	10%	30%
61	7.5%	10%	30%
62	25%	30%	60%
63	25%	30%	60%
64	25%	30%	60%
65	25%	55%	60%
66	25%	30%	60%
67	25%	30%	60%
68	25%	30%	60%
69	25%	30%	60%
70+	100%	100%	100%

**Plan Expenses**

**No allowance for Plan administrative expenses has been included in the annual cost calculated.**

**Family Composition**

**All Participants are assumed to be married. Male spouses are assumed to be four years older than their wives.**

**Employment Status**

**No future transfers among member groups are assumed.**

## Termination

Termination rates were reviewed in the Actuarial Experience Study for 2001-2005.

Rates of termination for all Participants from causes other than death, disability, and service retirement are shown in the tables below. In each age group, the rate is shown at the central age. The rates are not applied to Participants eligible to retire.

The table below shows the assumed termination rates for ATU and IBEW members.

	<u>Prior Rates</u>		<u>Current Rates</u>			
	Under 3 Age Years	3+ Years	0-1 Years	2-3 Years	4-9 Years	10+ Years
20-24	25.0%	15.0%	25.0%	14.0%	8.0%	1.3%
25-29	22.6%	9.7%	25.0%	14.0%	8.0%	1.3%
30-34	20.2%	6.2%	25.0%	14.0%	8.0%	1.3%
35-39	17.8%	4.0%	25.0%	14.0%	8.0%	1.3%
40-44	15.3%	2.6%	25.0%	14.0%	8.0%	1.3%
45-49	12.9%	1.7%	25.0%	14.0%	8.0%	1.3%
50-54	10.5%	1.1%	25.0%	14.0%	8.0%	1.3%
55+	0.0%	0.0%	25.0%	14.0%	8.0%	0.0%

The table below shows the assumed termination rates for Non-Contract members.

Age	Prior Rates	<u>Current Rates</u>		
		0-3 Years Service	4-9 Years Service	10+ Years Service
20-24	8.0%	20.0%	7.0%	5.0%
25-29	7.1%	20.0%	7.0%	5.0%
30-34	6.3%	20.0%	7.0%	5.0%
35-39	5.5%	20.0%	7.0%	5.0%
40-44	4.9%	20.0%	7.0%	5.0%
45-49	4.3%	20.0%	7.0%	5.0%
50-54	0.0%	20.0%	7.0%	5.0%
55-59	0.0%	20.0%	7.0%	0.0%
60+	0.0%	0.0%	0.0%	0.0%

**Termination (Continued)**

The table below shows the assumed termination rates for clerical members. These are unchanged from the prior valuation.

<u>Age</u>	<u>Clerical</u>
20-24	40.00%
25-29	28.43%
30-34	20.21%
35-39	14.37%
40-44	10.21%
45-49	7.26%
50-52	5.16%
53+	0.00%

**Actuarial Value of Plan Assets**

Actuarial gains and losses from Plan investments over the four years prior to the valuation date are recognized at the rate of 20% per year in computing the actuarial value of Plan assets. The actuarial value of assets is constrained to within 20% of market value.

**Changes in Actuarial Methods and Assumptions**

There have been no changes in actuarial methods or assumptions since the prior review.

**Participant Data**

Data on active and inactive Members and their beneficiaries as of the valuation date was supplied by the Plan Administrator on electronic media. As is usual in studies of this type, Member data was neither verified nor audited.

## **Section 2:**

### **Asset Information**

## 2.1: Income Statement: July 1, 2008 through June 30, 2009

	<u>Market</u>	<u>Expected</u>
Balance July 1, 2008	\$155,622,695	\$155,622,695
Employer Contributions	5,275,088	5,275,088
Investment Income	(27,844,238)	12,356,225
Net Benefit Payments	(11,998,891)	(11,998,891)
Other Expenses	(891,052)	(891,052)
Balance June 30, 2009	\$120,163,602	\$160,364,065
Estimated Return	-18.34%	8.00%

## 2.2: Computation of Actuarial Value of Assets

<u>Plan Year<sup>1</sup></u>	<u>Assumed Earnings</u>	<u>Actual Earnings</u>	<u>Unexpected Earnings</u>	<u>Phase-In Factor</u>	<u>Phase-In Adjustment<sup>2</sup></u>
2006-07	12,165,718	21,767,825	9,602,107	0.4	3,840,843
2007-08	13,356,916	(5,265,896)	(18,622,812)	0.6	(11,173,687)
2008-09	12,356,225	(27,844,238)	(40,200,463)	0.8	(32,160,370)
Total Adjustment					(39,493,214)
Market Value June 30, 2009					120,163,602
Actuarial Value June 30, 2009 (Market Value less Total Adjustment, within 80%/120% Corridor of Market Value)					144,196,322
Ratio to Market Value					120.00%

<sup>1</sup> Five year asset smoothing was reset as of July 1, 2006 due to the change in valuation date from January 1 to July 1. 2006-07 and future investment gains and losses will be recognized over a period of five years.

<sup>2</sup> Phase-in factor times unexpected earnings

### **Section 3:**

### **Actuarial Computations**

### 3.1: Computation of Annual Contribution

	<u>July 1, 2008</u>	<u>July 1, 2009</u>
(1) <u>Active Accrued Liability</u>		
ATU	41,391,274	42,666,776
IBEW	15,460,610	15,626,873
Clerical	2,132,950	2,616,711
Non-Contract	<u>21,186,223</u>	<u>22,373,590</u>
Total	80,171,057	83,283,950
(2) <u>Active Projected Liability</u>		
ATU	54,100,162	55,577,287
IBEW	19,007,263	19,118,049
Clerical	2,396,058	2,983,649
Non-Contract	<u>22,802,697</u>	<u>23,833,752</u>
Total	98,306,180	101,512,737
(3) <u>Inactive Liability</u>		
ATU	62,609,387	64,292,228
IBEW	10,345,574	11,258,745
Clerical	3,138,375	3,095,279
Non-Contract	<u>39,359,763</u>	<u>40,159,226</u>
Total	115,453,099	118,805,478
(4) Total Actuarial Accrued Liability (1) + (3)	195,624,156	202,089,428
(5) Assets	164,759,680	144,196,322
(6) Unfunded Accrued Liability		
(4) – (5)	30,864,476	57,893,106
(7) 30-Year Amortization of Unfunded Accrued Liability	2,538,530	4,761,570
(8) Total Projected Liability		
(2) + (3)	213,759,279	220,318,215
(9) Present Value of Future Normal Costs		
(8) – (4)	18,135,123	18,228,787
(10) Present Value of Future Member Payroll	258,563,820	261,246,991
(11) Normal Cost (% of Member Payroll)		
(9) / (10)	7.014%	6.978%
(12) Projected Member Payroll	33,251,305	33,893,666
(13) Normal Cost (\$)		
(11) X (12)	2,332,177	2,364,967
(14) Total Cost		
(7) + (13)	4,870,707	7,126,537
(15) Total Cost (Interest Adjusted)		
(14) X 1.08	5,260,364	7,696,660
(16) Cost (% Member Payroll)		
(15) / (12)	15.820%	22.708%



## **Section 4:**

### **Disclosure Information**

#### 4.1: Schedules of Funding Status and Employer Contributions Required Under GASB Statement No. 25

The Governmental Accounting Standards Board (GASB) Statements No. 25 and 27 relate to the disclosure of pension liabilities on a public employer's financial statements. For accounting periods beginning after June 15, 1996, information required under these statements must be prepared for a public employer who seeks compliance with generally accepted accounting principles (GAAP) on behalf of its public employee retirement system.

GASB Statement No. 25 requires preparation of schedules of funding status and employer contributions, as well as the disclosure of plan provisions, actuarial assumptions, and other information.

The required schedules are shown below. In each case, we have relied upon information from our files and contained in the reports of prior actuaries employed by the employer in completing the schedules. While we have no reason to believe the information in our files or in prior actuaries' reports is inaccurate, we strongly recommend that employer personnel verify the schedules below before they are included in Plan or employer financial statements.

Schedule of Funding Status						
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percent of Payroll
7/1/94	41,150,550	48,598,130	7,447,580	85%	30,446,521	24%
7/1/95	43,088,223	49,675,115	6,586,892	87%	30,097,199	22%
7/1/96	52,287,086	51,786,729	(500,357)	101%	29,501,808	-2%
7/1/97	61,387,821	54,474,874	(6,912,947)	113%	32,932,552	-21%
7/1/98	65,958,070	62,203,756	(3,754,314)	106%	34,371,069	-11%
7/1/99	70,915,059	70,205,508	(709,551)	101%	36,705,306	-2%
4/1/00	76,603,624	83,858,909	7,255,285	91%	39,890,376	18%
1/1/01	75,196,033	94,343,205	19,147,172	80%	40,510,107	47%
1/1/02	74,859,876	119,777,766	44,917,890	62%	38,245,667	117%
1/1/03	56,330,528	125,584,398	69,253,870	45%	34,944,956	198%
1/1/04	78,667,471	132,307,053	53,639,582	59%	36,236,639	148%
1/1/05	152,877,022	162,878,929	10,001,907	94%	34,858,941	29%
1/1/06	153,083,086	168,877,304	15,794,218	91%	34,958,968	45%
7/1/07	160,696,946	186,611,461	25,914,515	86%	33,026,594	78%
7/1/08	164,759,680	195,624,156	30,864,476	84%	33,251,305	93%
7/1/09	144,196,322	202,089,428	57,893,106	71%	33,893,666	171%

We note in the schedule above that the in the valuation as of January 1, 2002, the Plan's assumptions were modified to incorporate the results of an actuarial experience study for the years 1997-2000. As a

result of these assumption changes and a minor benefit improvement, Plan liabilities and costs increased significantly.

In the valuation as of January 1, 2004, the Actuarial Value of Assets was changed from the market value to a five-year smoothing method. In 2004, a Pension Obligation Bond was issued, and subsequently \$76 million was contributed to the Plan, which is reflected in the January 1, 2005 asset value.

#### Schedule of Employer Contributions

Year Ending	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/96	1,774,262	1,774,262	100%
6/30/97	986,683	986,683	100%
6/30/98	446,001	446,001	100%
6/30/99	876,786	876,786	100%
6/30/00	1,351,090	1,351,090	100%
12/31/01	3,068,323	3,068,323 (Est)	100%
12/31/02	6,436,083	6,436,083 (Est)	100%
12/31/03	5,880,631	4,691,246	80%
12/31/04 <sup>1</sup>	7,135,333	76,282,335	1,069%
12/31/05 <sup>2</sup>	3,884,661	1,800,066	46%
6/30/07 <sup>3</sup>	4,575,781	4,575,781	100%
6/30/08 <sup>4</sup>	4,655,668	4,655,668	100%
6/30/09	5,275,088	5,275,088	100%

The table below summarizes certain information about this actuarial report.

Valuation date	July 1, 2009
Actuarial cost method	Aggregate entry age normal
Amortization method	Level dollar open
Remaining amortization period	30 Years (Level dollar open)
Asset valuation method	Market value less unrecognized investment gains or losses during the prior four years, phased in at 20% per year, but required to be within 20% of market value
Actuarial assumptions:	
Investment rate of return*	8.00%
Projected salary increases*	4.00 – 11.00% for drivers and mechanics 5.00% for administrative and clerical members
*Includes inflation at	3.50%
Cost of living adjustments	Up to 2% annually for certain Non-Contract members only

<sup>1</sup> Based on 1/1/04 contribution percentage multiplied by 2005 projected payroll

<sup>2</sup> Based on 1/1/05 contribution percentage multiplied by 2006 projected payroll

<sup>3</sup> Based on 1/1/06 contribution percentage multiplied by 2007 projected payroll

<sup>4</sup> Based on 1/1/06 contribution percentage multiplied by 2007-08 projected payroll



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## Agenda

Item No. 45

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

OPS 960.10

October 14, 2010

### SUBJECT:

SDTC: PENSION INVESTMENT STATUS (CLIFF TELFER)

### RECOMMENDATION:

That the Board of Directors receive a report for information.

#### Budget Impact

None at this time.

### DISCUSSION:

Attachments A - D are reports from RVKuhns & Associates, San Diego Transit Corporation's (SDTC's) pension investment consultant, which provide investment performance analyses for SDTC's employee retirement plans over the last two years.

As a follow-up to the actuarial review, Attachment A provides a summary of the investment market environment in 2009, which presents the backdrop of market conditions during the actuarial review period that ended in June 2009.

Attachment B provides an overview of SDTC's pension plan performance over that same time period (this report was previously provided in more detail at the August 20, 2009, Board meeting). The consultants will review the plan's current investment performance.

Attachment C covers the plan's performance for the year ending June 30, 2010, during which time the plan's assets increased by a net of \$9,010,472 and include investment returns of \$16,530,040 less the plan's net payouts for benefits and expenses of \$7,519,568. For the year, the plan had an investment return of 13.5%.



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

Attachment D provides an updated return through August 2010.

If the September results are available by the Board meeting date, they will be provided at the meeting. Pension plan investment advisors Bruno Grimaldi and Jeremy Miller will attend the meeting to discuss the capital market's performance in general and SDTC's pension plan performance specifically. This report is being provided an informational item only.



Paul C. Jablonski  
Chief Executive Officer

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

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- Attachments:
- A. SDTC Summary of Current Market Environment
  - B. SDTC Investment Performance Analysis – June 30, 2009
  - C. SDTC Investment Performance Analysis – June 30, 2010
  - D. SDTC Investment Performance Analysis – August 31, 2010

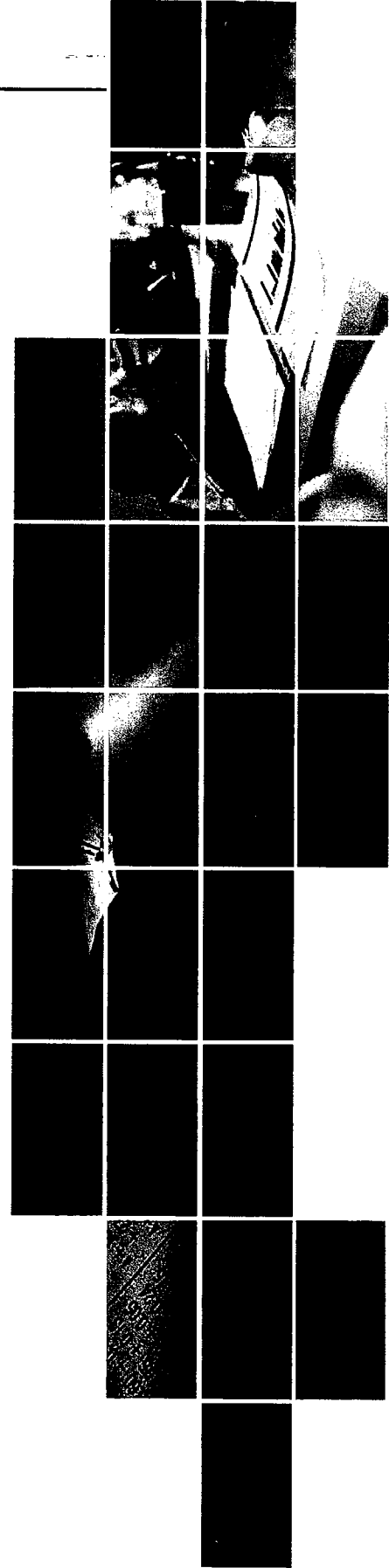
# RVKuhns

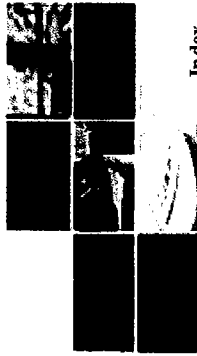
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## Summary of Current Market Environment (as of June 30, 2009)

R.V. Kuhns & Associates

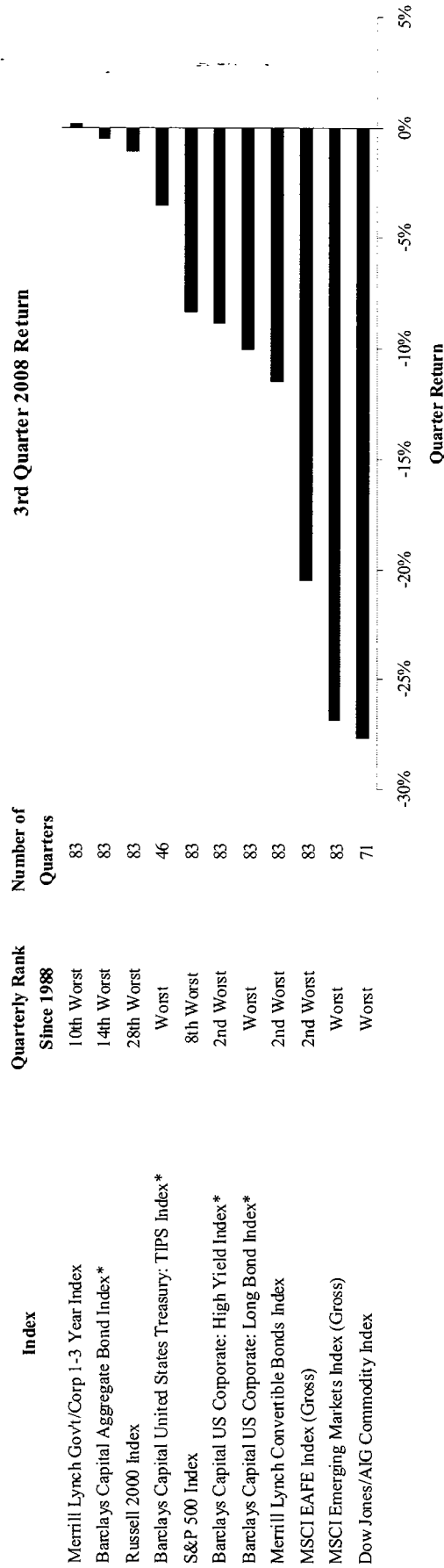
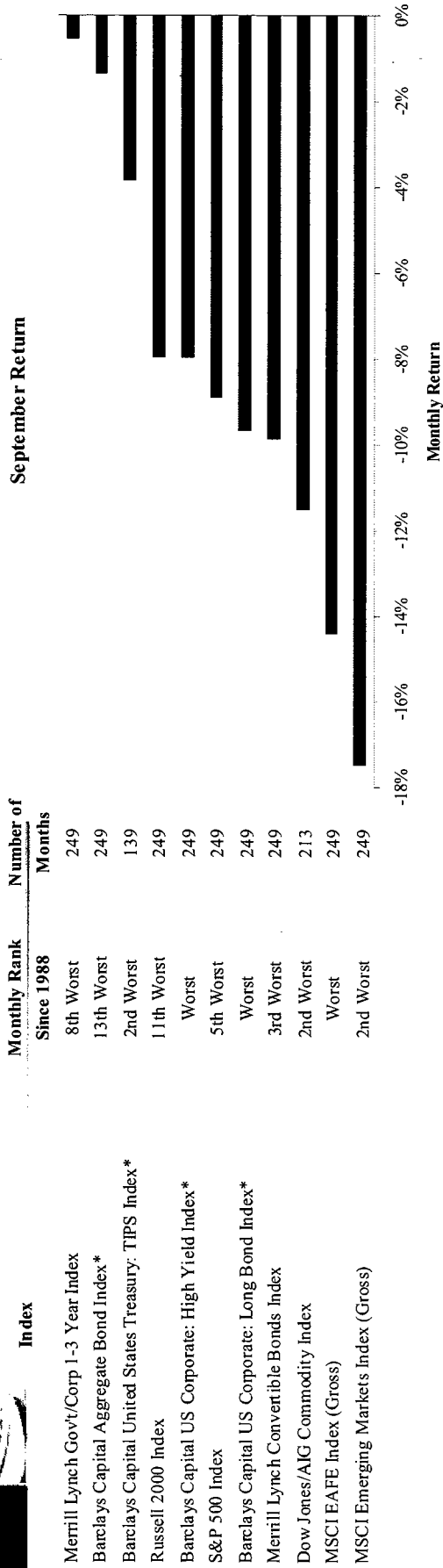
Att. A, AI 45, 10/14/10





## Capital Markets Review As of September 30, 2008

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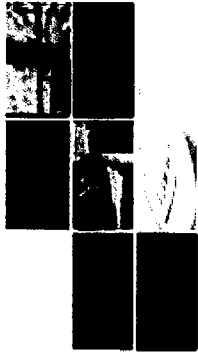


The Barclays Capital United States Treasury: TIPS Index return history begins in 1997 and the Dow Jones/AIG Commodity Index return history begins in 1991. The ranks shown for these indexes are since inception.

\*On November 3, 2008 Barclays Capital announced the re-branding of the Lehman Brothers indices.

\*All Lehman Brothers indices now reflect the Barclays Capital name.

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# Performance Update as of June 2009

	As of June 30, 2009										
	3rd Qtr 2008 Return	4th Qtr 2008 Return	Calendar Year 2008 Return	1st Qtr 2009 Return	June 2009 Return	2nd Qtr 2009 Return	YTD Return	1-Year Annualized Return	3-Year Annualized Return	5-Year Annualized Return	10-Year Annualized Return
Russell 1000 Index	-9.35%	-22.48%	-37.60%	-10.46%	0.24%	16.50%	4.32%	-26.69%	-8.20%	-1.85%	-1.75%
Russell 2000 Index	-1.11%	-26.12%	-33.79%	-14.95%	1.47%	20.69%	2.64%	-25.01%	-9.89%	-1.70%	2.38%
Russell 3000 Index	-8.73%	-22.78%	-37.31%	-10.80%	0.34%	16.82%	4.20%	-26.56%	-8.35%	-1.84%	-1.46%
MSCI EAFE Index (Gross)	-20.50%	-19.90%	-43.06%	-13.85%	-0.54%	25.85%	8.42%	-30.96%	-7.51%	2.79%	1.59%
MSCI EAFE Index (Local) (Gross)	-12.95%	-18.49%	-39.93%	-10.01%	-0.31%	17.31%	5.57%	-25.09%	-9.47%	1.11%	-0.72%
MSCI EAFE Small Cap Index (Gross)	-23.92%	-22.11%	-46.78%	-9.47%	1.98%	34.54%	21.79%	-27.83%	-9.52%	2.99%	5.44%
MSCI Emerging Markets Index (Gross)	-26.86%	-27.56%	-53.18%	1.02%	-1.33%	34.84%	36.22%	-27.82%	3.27%	15.08%	9.02%
MSCI AC World ex-US Index (Gross)	-21.84%	-22.29%	-45.24%	-10.62%	-1.07%	27.94%	14.35%	-30.54%	-5.35%	4.95%	2.94%
BC US Aggregate Bond Index	-0.49%	4.58%	5.24%	0.12%	0.57%	1.78%	1.90%	6.05%	6.43%	5.01%	5.98%
ML 3 Mo US T-Bill	0.63%	0.22%	2.06%	0.05%	0.01%	0.05%	0.10%	0.95%	3.25%	3.17%	3.23%
HFRI FOF: Conservative Index	-8.36%	-11.48%	-19.86%	0.67%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DJ-UBS Commodity Index	-27.70%	-30.04%	-35.65%	-6.31%	1.07%	15.05%	7.79%	-45.48%	-7.38%	0.37%	7.53%

## Recent Events

- ▶ Though still contracting, GDP measurements have shown an easing in the rate at which the economy is shrinking and consumer confidence reached its highest level in eight months
- ▶ Corporate profits after taxes rose in the 1<sup>st</sup> quarter of 2009, possibly providing evidence that business' efforts to weather the economic downturn were successful and corporations may have some cash to spend as the economy recovers
- ▶ Market sentiment has turned positive as many economists predict economic growth will begin by the end of this year.

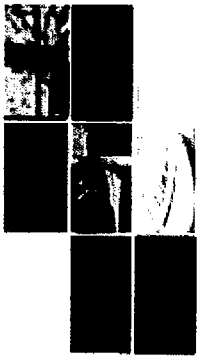
## Key Events in 2008

- ▶ Bear Stearns, Washington Mutual, Wachovia, and AIG represent four of the numerous companies that experienced significant changes in ownership which included the government taking equity stakes or the firm being acquired.
- ▶ The Treasury Department and the Federal Reserve placed Fannie Mae and Freddie Mac into conservatorship to help alleviate the strain caused by the housing crisis, including a new Secured Lending Credit Facility, serving as an "ultimate liquidity backstop."
- ▶ On September 17th, 2008, the Reserve Primary Fund, the oldest money market fund, "broke the buck," resulting in the Treasury Department announcing a money market insurance program that will restore any covered fund to \$1 NAV.
- ▶ Lehman Brothers declared bankruptcy citing assets of \$639 billion, which became the largest bankruptcy in US history. Lehman's failure had a far reaching negative impact on its counterparties and the financial markets.
- ▶ The Federal Reserve cut its target rates to the lowest levels in history.

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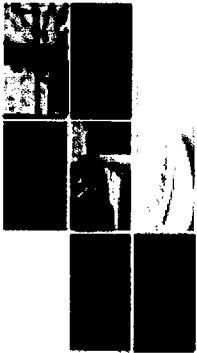
# Summary of Government Policy Actions

- ▶ **February 13, 2008 – President Bush signs the Economic Stimulus Act of 2008 into law**
  - ▶ Through tax credits, this plan provides relief to many American taxpayers and is estimated to total \$152 billion
- ▶ **July 30, 2008 – President Bush signs into law the Housing and Economic Recovery Act of 2008**
  - ▶ This authorizes the Treasury to purchase government-sponsored entity (GSE) obligations and reforms the regulatory supervision of the GSEs under a new Federal Housing Finance Agency
  - ▶ This also allows homeowners to refinance into more affordable, government-insured mortgages by providing up to \$300 billion of government insurance to lenders who voluntarily reduce mortgages for at-risk borrowers to at least 90% of the property's current value.
- ▶ **October 3, 2008 – President Bush signs into law the Emergency Economic Stabilization Act of 2008 (EESA)**
  - ▶ The EESA establishes the Troubled Asset Relief Program (TARP)
  - ▶ This program has an expected overall cost of \$700 billion
- ▶ **October 14, 2008 – TARP is officially announced**
  - ▶ Under TARP, the Treasury has established several programs designed to stabilize the financial system, restore the flow of credit, and address the foreclosure crisis
    - ▶ Examples of the programs established under TARP are: the Capital Purchase Program which allows the Treasury to provide capital to qualifying US-controlled banks through the purchase up to \$250 billion of senior preferred shares; the Consumer and Business Lending Initiative which would eventually create TALF (see below); and the Public-Private Investment Program (PPIP) (see below).
- ▶ **November 25, 2008 – The Federal Reserve Board announces the creation of the Term Asset-Backed Securities Lending Facility (TALF)**
  - ▶ TALF authorizes the Federal Reserve Bank of New York to lend up to \$200 billion on a non-recourse basis to holders of AAA-rated asset-backed securities and recently originated consumer and small business loans
    - ▶ In addition, the Treasury provided \$20 billion of TARP money for credit protection of this \$200 billion
- ▶ **February 10, 2009 – The Treasury creates the Public-Private Investment Program (PPIP) under TARP**
  - ▶ The PPIP, by combining \$75-\$100 billion in TARP capital with private capital, will create an estimated \$500 billion - \$1 trillion in funds to purchase troubled "legacy" assets from bank balance sheets
  - ▶ The combination of public and private funds is intended to put the risk on the private investor while allowing the taxpayer to share in profits
- ▶ **February 10, 2009 – The TALF program is expanded**
  - ▶ The reach of the program is expanded to as much as \$1 trillion using \$100 billion, rather than \$20 billion, in TARP funds as protection
- ▶ **February 17, 2009 – President Obama signs into law the American Recovery and Reinvestment Act of 2009**
  - ▶ The total dollar amount of this stimulus plan is \$787 billion
  - ▶ The plan consists of funding to various programs including, but not limited to: tax relief, state and local fiscal relief, infrastructure and science, healthcare, and education and training
- ▶ **February 18, 2009 – President Obama announces the Homeowner Affordability and Stability Plan**
  - ▶ The plan will use \$200 billion of capital from the Housing and Economic Recovery Act of 2008 to increase funding commitments to Fannie Mae and Freddie Mac; this money is intended to provide confidence in these GSEs, allowing up to 4-5 million borrowers to refinance mortgages backed by the two institutions
  - ▶ The government will also aid 3-4 million homeowners in their refinancing efforts by using \$75 billion of TARP capital to absorb some of the losses that lenders would face if they reduce interest rates or principal amounts owed.

Data provided by the St. Louis Federal Reserve ([timeline.stlouisfed.org](http://timeline.stlouisfed.org)) and the US Government ([FinancialStability.gov](http://FinancialStability.gov))

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# Looking Back on Other Market Crises

334 "Qtr Return" Observations, Average +2.91, Std Dev 11.37  
225 "Up Qtr Return" Observations, Average +8.06, Std Dev 9.19  
109 "Down Qtr Return" Observations, Average -7.73, Std Dev 7.34

Year	Qtr	Qtr Return	Qtr Return %tile Rank*	Down Qtr Return %tile Rank	Cumulative Return 1 Year Later	Cumulative Return 5 Years Later
1. 1932	Q2	-37.68	100	100	162.89	344.78
2. 1931	Q3	-33.61	100	99	-9.62	118.25
3. 1929	Q4	-27.75	99	98	-24.90	-40.70
4. 1974	Q3	-25.16	99	97	38.14	117.97
5. 1987	Q4	-22.53	99	96	16.61	108.91
6. 2008	Q4	-21.94	99	95	N/A	N/A
7. 1937	Q4	-21.40	98	95	31.12	25.33
8. 1962	Q2	-20.62	98	94	31.16	94.78
9. 1938	Q1	-18.59	98	93	35.18	84.48
10. 1946	Q3	-18.04	97	92	6.45	115.37
11. 1970	Q2	-18.03	97	91	41.83	56.22
12. 1930	Q2	-17.72	97	90	-23.44	-32.80
13. 2002	Q3	-17.28	96	89	24.40	105.13
14. 1940	Q2	-16.85	96	88	5.65	102.30
15. 1939	Q1	-16.07	96	87	17.63	49.31
16. 1930	Q4	-15.76	96	86	-43.34	16.59
17. 2001	Q3	-14.68	95	85	-20.49	40.08
18. 1933	Q1	-14.07	95	84	91.98	84.76
19. 1931	Q4	-13.77	95	84	-8.19	175.55
20. 1950	Q3	-13.74	94	83	31.16	121.43
21. 2002	Q2	-13.40	94	82	0.25	66.31
22. 1937	Q2	-12.94	94	81	-19.97	-26.74
23. 1941	Q4	-12.91	93	80	20.34	127.56
24. 1932	Q4	-12.41	93	79	53.99	95.01
25. 2001	Q1	-11.86	93	78	0.24	21.48
26. 2009	Q1	-11.01	93	77	N/A	N/A
27. 1975	Q3	-10.95	92	76	30.44	91.23
28. 1981	Q3	-10.23	92	75	9.91	150.64
29. 1935	Q1	-10.02	92	74	83.83	84.86
30. 1998	Q3	-9.95	91	73	27.80	5.08
31. 1931	Q2	-9.71	91	73	-67.56	32.97
32. 1937	Q3	-9.63	91	72	-5.46	-12.36
33. 1957	Q3	-9.59	90	71	22.79	57.12
34. 2008	Q1	-9.44	90	70	-38.09	N/A
35. 1926	Q1	-9.37	90	69	28.39	83.36
36. 1973	Q4	-9.31	90	68	-26.47	23.73
37. 1932	Q1	-9.07	89	67	-13.25	218.37
38. 1933	Q3	-9.04	89	66	-3.15	58.93
39. 1966	Q3	-8.85	89	65	30.59	51.43
40. 2008	Q3	-8.37	88	64	N/A	N/A

Average: -15.33 14.56 78.24

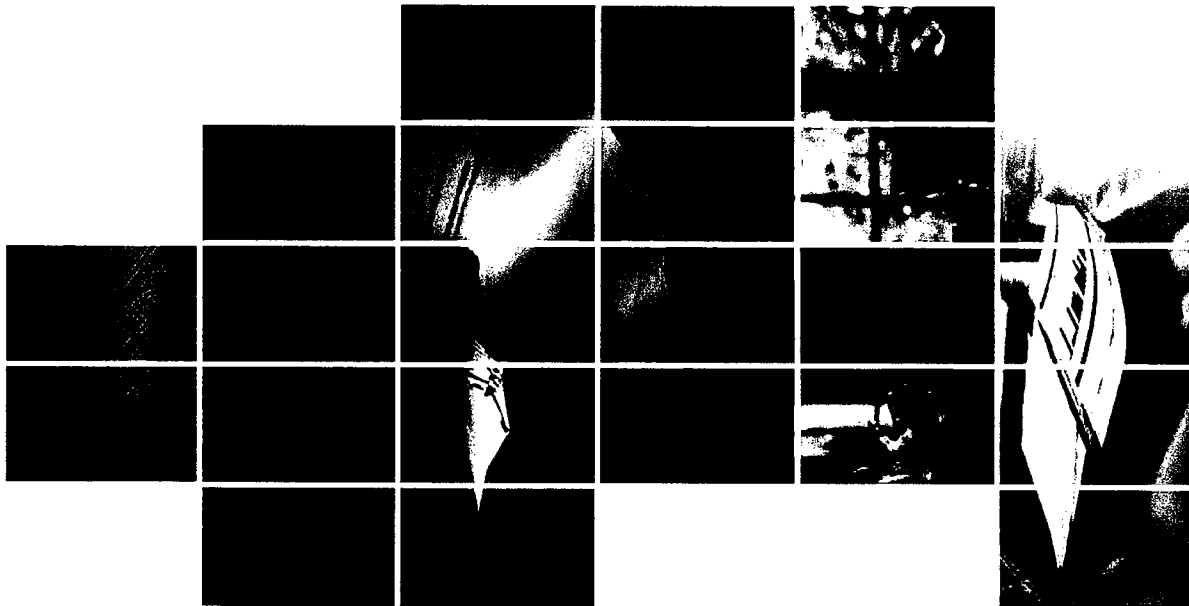
\* Qtr Return %tile Rank is out of 334 observations through June 30, 2009.  
The 2009Q2 return is 15.93%, which ranks at the 6th percentile.



## Comments

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- ▶ Historic period in capital markets
- ▶ No asset class immune to credit crisis fallout
- ▶ RVK recommends maintaining a long-term focus
  - ▶ Selling now locks in losses – how do you time when to invest again?
  - ▶ Eliminating an asset class will only add to volatility
- ▶ Keys to weathering a market crisis
  - ▶ Portfolio asset allocation consistent with risk tolerance
  - ▶ Broad diversification
  - ▶ Disciplined rebalancing



# **San Diego Transit Corporation Employees Retirement Plan**

Investment Performance Analysis

Month Ended  
**June 30, 2009**

Prepared By  
**Amanda Kingsbury**

Att. B, AI 45, 10/14/10

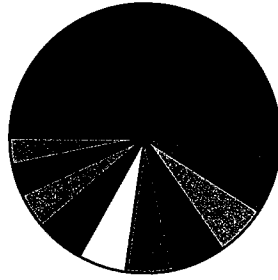
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San Diego Transit Corporation Employees Retirement Plan  
AA by Mgr, AA by Theme, and Schedule of Investable Assets  
San Diego Transit Total Fund  
As of June 30, 2009

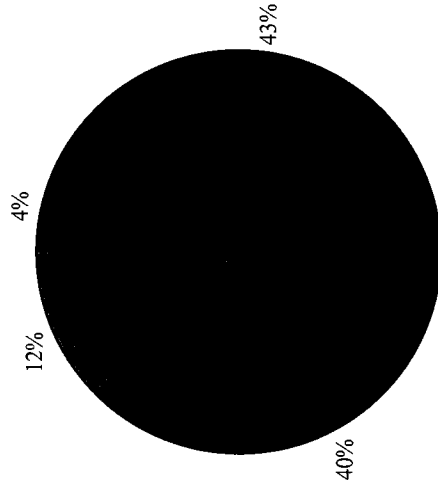
Asset Allocation by Manager

June 30, 2009 : \$121,492,227



	Market Value (\$)	Allocation (%)
■ PIMCO:Tot Rtn;Inst (PTTRX)	20,510,477	16.88
■ JPMorgan Core Bond Trust (CF)	19,979,801	16.45
■ Westwood Large Cap Value (CF)	11,827,871	9.74
■ Rainier Large Cap Equity (SA)	11,178,777	9.20
■ The Boston Co. SMid Cap Grth (CF)	8,132,022	6.69
■ Loomis Sayles World Bond Trust (CF)	7,663,152	6.31
■ Westwood SMidCap Equity (CF)	7,450,934	6.13
■ Brandes Global Equity (CF)	7,095,002	5.84
□ TT Int'l Inv Tr Active Int'l Eq (CF)	6,998,267	5.76
■ PIMCO:All Asset;Inst (PAAIX)	6,831,339	5.62
■ PAAMCO Pacific Hedged Strat (CF)	5,402,328	4.45
■ Wellington DIH Portfolio (CF)	4,508,085	3.71
■ Cohen & Steers Inst Rlty (CSRIX)	3,839,295	3.16
■ Disbursement Account	74,878	0.06

Asset Allocation by Theme



■ Alpha	■ Capital Appreciation
■ Capital Preservation	■ Inflation

Schedule of Investable Assets

Periods	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
FYTD	158,135,601	-8,987,425	-27,655,949	121,492,227	-17.34	82.66

Performance shown is gross of fees. Allocations shown may not sum up to 100% exactly due to rounding. Asset Allocation by Theme is based on dedicated manager allocations; as such, thematic allocations are approximations. Fiscal Year ends June 30.

**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of June 30, 2009**

	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2008	2007	2006	2005	Since Inception	Inception Date
<b>San Diego Transit Total Fund (Gross)</b>	<b>-17.34</b>	<b>-17.34</b>	<b>-2.75</b>	<b>1.51</b>	<b>3.54</b>	<b>2.79</b>	<b>-24.12</b>	<b>6.74</b>	<b>11.02</b>	<b>6.99</b>	<b>9.55</b>	<b>10/01/1982</b>
Policy Index	-16.83	-16.83	-2.83	1.54	3.67	2.25	-23.43	5.33	13.18	5.56	9.69	
Difference	-0.51	-0.51	0.08	-0.03	-0.13	0.54	-0.69	1.41	-2.16	1.43	-0.14	
All Corporate Plans (\$20M to \$250M)-Total Fund Median	-16.91	-16.91	-2.33	2.05	4.11	2.81	-25.54	7.85	12.76	7.44	N/A	
Percentile Rank	55	55	56	73	75	54	43	72	85	63	N/A	
<b>Westwood Large Cap Value (CF)</b>	<b>-29.00</b>	<b>-29.00</b>	<b>-6.35</b>	<b>2.41</b>	<b>3.52</b>	<b>2.53</b>	<b>-31.92</b>	<b>13.08</b>	<b>19.77</b>	<b>15.77</b>	<b>10.09</b>	<b>07/01/1986</b>
R 1000 Value Index	-29.03	-29.03	-11.11	-2.13	1.06	-0.15	-36.85	-0.17	22.25	7.05	8.79	
Difference	0.03	0.03	4.76	4.54	2.46	2.68	4.93	13.25	-2.48	8.72	1.30	
US Value/Large Cap Equity (SA+CF) Median	-26.04	-26.04	-8.61	-0.74	2.20	1.52	-35.73	3.59	19.03	8.28	9.70	
Percentile Rank	76	76	25	8	26	36	18	4	43	6	40	
<b>Rainier Large Cap Equity (SA)</b>	<b>-33.06</b>	<b>-33.06</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-40.86</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-21.08</b>	<b>09/01/2007</b>
R 1000 Growth Index	-24.50	-24.50	-5.45	-1.82	1.46	-4.18	-38.44	11.81	9.07	5.26	-17.04	
Difference	-8.56	-8.56	N/A	N/A	N/A	N/A	-2.42	N/A	N/A	N/A	-4.04	
US Growth/Large Cap Equity (SA+CF) Median	-25.24	-25.24	-5.76	-0.93	2.13	-0.63	-38.51	12.98	9.29	7.41	-17.05	
Percentile Rank	88	88	N/A	N/A	N/A	N/A	72	N/A	N/A	N/A	87	
<b>Westwood S/Mid Cap Equity (CF)</b>	<b>-19.02</b>	<b>-19.02</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-19.02</b>	<b>07/01/2008</b>
R 2500 Value Index	-26.24	-26.24	-11.23	-1.56	3.01	4.97	-31.99	-7.27	20.18	7.74	-26.24	
Difference	7.22	7.22	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7.22	
US Small/Mid Cap Value (SA+CF) Median	-23.63	-23.63	-7.70	1.46	5.47	7.07	-34.46	2.84	18.14	10.39	-23.63	
Percentile Rank	24	24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24	
<b>The Boston Co. S/Mid Cap Grth (CF)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>12.80</b>	<b>04/01/2009</b>
R 2500 Growth Index	-27.29	-27.29	-7.72	-0.65	3.95	0.66	-41.50	9.69	12.26	8.17	21.79	
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-8.99	
US Small/Mid Cap Growth (SA+CF) Median	-28.21	-28.21	-7.73	-0.79	3.95	2.34	-41.63	14.90	11.33	9.97	18.33	
Percentile Rank	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	85	
<b>Brandes Global Equity (CF)</b>	<b>-30.57</b>	<b>-30.57</b>	<b>-11.64</b>	<b>-2.36</b>	<b>2.51</b>	<b>N/A</b>	<b>-44.51</b>	<b>2.79</b>	<b>29.36</b>	<b>6.72</b>	<b>1.14</b>	<b>01/01/2002</b>
MSCI World Index (Gross)	-29.01	-29.01	-7.48	0.57	3.33	-0.37	-40.33	9.57	20.65	10.02	1.87	
Difference	-1.56	-1.56	-4.16	-2.93	-0.82	N/A	-4.18	-6.78	8.71	-3.30	-0.73	
Global Equity (SA+CF) Median	-28.30	-28.30	-6.33	1.83	4.86	2.55	-40.76	11.59	21.99	12.96	4.00	
Percentile Rank	64	64	95	97	91	N/A	75	90	9	90	91	

Performance versus SA+CF or plan sponsor peer groups is shown gross of fees, while performance versus MF peer groups is shown net of fees. Fiscal Year ends June 30. In accordance with GIPS, performance for investment managers and composites is calculated using differing methodologies.

**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of June 30, 2009**

	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2008	2007	2006	2005	Since Inception	Inception Date
<b>TT Int'l Inv Tr Active Int'l Eq (CF)</b>	<b>-37.95</b>	<b>-37.95</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-47.90</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-31.77</b>	<b>11/01/2007</b>
MSCI EAFE Index (Gross)	-30.96	-30.96	-7.51	2.79	5.26	1.59	-43.06	11.63	26.86	14.02	-27.60	
Difference	-6.99	-6.99	N/A	N/A	N/A	N/A	-4.84	N/A	N/A	N/A	-4.17	
International Equity All (SA+CF) Median	-30.57	-30.57	-6.37	3.74	6.42	4.30	-43.25	12.01	26.95	16.31	-27.11	
Percentile Rank	89	89	N/A	N/A	N/A	N/A	83	N/A	N/A	N/A	86	
<b>JPMorgan Core Bond Trust (CF)</b>	<b>7.50</b>	<b>7.50</b>	<b>7.20</b>	<b>5.64</b>	<b>N/A</b>	<b>N/A</b>	<b>3.27</b>	<b>7.47</b>	<b>4.65</b>	<b>2.95</b>	<b>4.83</b>	<b>06/01/2003</b>
BC US Agg Bond Index	6.05	6.05	6.43	5.01	5.08	5.98	5.24	6.97	4.33	2.43	4.12	
Difference	1.45	1.45	0.77	0.63	N/A	N/A	-1.97	0.50	0.32	0.52	0.71	
US Broad Market Core Fixed Income (SA+CF) Median	6.27	6.27	6.42	5.08	5.25	6.08	3.34	6.95	4.47	2.73	4.21	
Percentile Rank	33	33	25	20	N/A	N/A	52	20	32	27	16	
<b>PIMCO:Tot Rtn:Inst (PTTRX)</b>	<b>9.32</b>	<b>9.32</b>	<b>8.43</b>	<b>6.27</b>	<b>N/A</b>	<b>N/A</b>	<b>4.80</b>	<b>9.11</b>	<b>3.95</b>	<b>2.54</b>	<b>5.23</b>	<b>06/01/2003</b>
BC US Agg Bond Index	6.05	6.05	6.43	5.01	5.08	5.98	5.24	6.97	4.33	2.43	4.12	
Difference	3.27	3.27	2.00	1.26	N/A	N/A	-0.44	2.14	-0.38	0.11	1.11	
US Broad Market Core Funds (MF) Median	3.17	3.17	4.37	3.62	4.07	4.99	-3.40	5.33	3.93	1.83	3.01	
Percentile Rank	5	5	1	1	N/A	N/A	14	1	50	11	1	
<b>Loomis Sayles World Bond Trust (CF)</b>	<b>0.26</b>	<b>0.26</b>	<b>5.80</b>	<b>5.72</b>	<b>8.42</b>	<b>8.38</b>	<b>-3.53</b>	<b>9.24</b>	<b>9.06</b>	<b>-3.57</b>	<b>7.85</b>	<b>06/01/1998</b>
Citi Wld Gov't Bond Index	3.99	3.99	7.76	6.05	7.43	6.53	10.87	10.95	6.09	-6.87	6.28	
Difference	-3.73	-3.73	-1.96	-0.33	0.99	1.85	-14.40	-1.71	2.97	3.30	1.57	
Global Fixed Income (SA+CF) Median	1.81	1.81	5.95	5.63	7.38	6.79	0.40	8.78	6.15	-2.79	6.49	
Percentile Rank	67	67	52	46	20	17	62	46	20	56	19	
<b>Wellington DIH Portfolio (CF)</b>	<b>-42.44</b>	<b>-42.44</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-39.37</b>	<b>06/01/2008</b>
Consumer Price Index + 5%	3.50	3.50	7.16	7.73	7.76	7.77	5.10	9.29	7.67	8.59	4.58	
Difference	-45.94	-45.94	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-43.95	
<b>Wellington DIH Portfolio (CF)</b>	<b>-42.44</b>	<b>-42.44</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-39.37</b>	<b>06/01/2008</b>
Wellington Dvfd Infl Hedge Comp Index	-32.52	-32.52	0.07	N/A	N/A	N/A	-31.82	26.75	17.87	20.53	-29.55	
Difference	-9.92	-9.92	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-9.82	

Performance versus SA+CF or plan sponsor peer groups is shown gross of fees, while performance versus MF peer groups is shown net of fees. Fiscal Year ends June 30. In accordance with GIPS, performance for investment managers and composites is calculated using differing methodologies.

**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of June 30, 2009**

	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2007	2006	2005	Since Inception	Inception Date
<b>PIMCO:All Asset;Inst (PAAIX)</b>											
Consumer Price Index + 5%	-7.04	-7.04	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-7.79	06/01/2008
Difference	3.50	3.50	7.16	7.73	7.76	7.77	5.10	7.67	8.59	4.58	
	-10.54	-10.54	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-12.37	
<b>PIMCO:All Asset;Inst (PAAIX)</b>											
All Asset Composite Index	-7.04	-7.04	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-7.79	06/01/2008
Difference	-10.91	-10.91	0.92	3.92	5.96	5.69	-13.89	8.92	7.41	-11.67	
	3.87	3.87	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3.88	
<b>Cohen &amp; Steers Inst Rlty (CSRIX)</b>											
Wilshire US REIT Index	-39.77	-39.77	-16.99	N/A	N/A	N/A	-34.42	36.31	N/A	-5.01	04/01/2005
Difference	-45.26	-45.26	-19.69	-3.25	1.61	5.54	-39.20	35.97	13.82	-7.19	
	5.49	5.49	2.70	N/A	N/A	N/A	4.78	0.34	N/A	2.18	
Real Estate Sector Funds (MF) Median	-43.04	-43.04	-18.64	-3.15	1.78	4.93	-38.85	34.69	12.36	-7.02	
Percentile Rank	16	16	17	N/A	N/A	N/A	10	18	N/A	13	
<b>PAAMCO Pacific Hedged Strat (CF)</b>											
3 Month LIBOR Index + 5%	-16.77	-16.77	N/A	N/A	N/A	N/A	-21.93	N/A	N/A	-3.67	06/01/2007
Difference	7.13	7.13	9.06	8.95	8.21	8.72	8.22	10.49	8.81	8.37	
	-23.90	-23.90	N/A	N/A	N/A	N/A	-30.15	N/A	N/A	-12.04	
<b>PAAMCO Pacific Hedged Strat (CF)</b>											
HFRI FOF Cnsvt Index	-16.77	-16.77	N/A	N/A	N/A	N/A	-21.93	N/A	N/A	-3.67	06/01/2007
Difference	-15.13	-15.13	-1.95	1.52	2.81	4.13	-19.86	9.21	5.13	-7.44	
	-1.64	-1.64	N/A	N/A	N/A	N/A	-2.07	N/A	N/A	3.77	

Loomis Sayles World Bond Trust is comprised of Loomis Sayles Global Bond Fund (LSGBX) thru Jun-2008 and Loomis Sayles World Bond Trust (CF) thereafter.

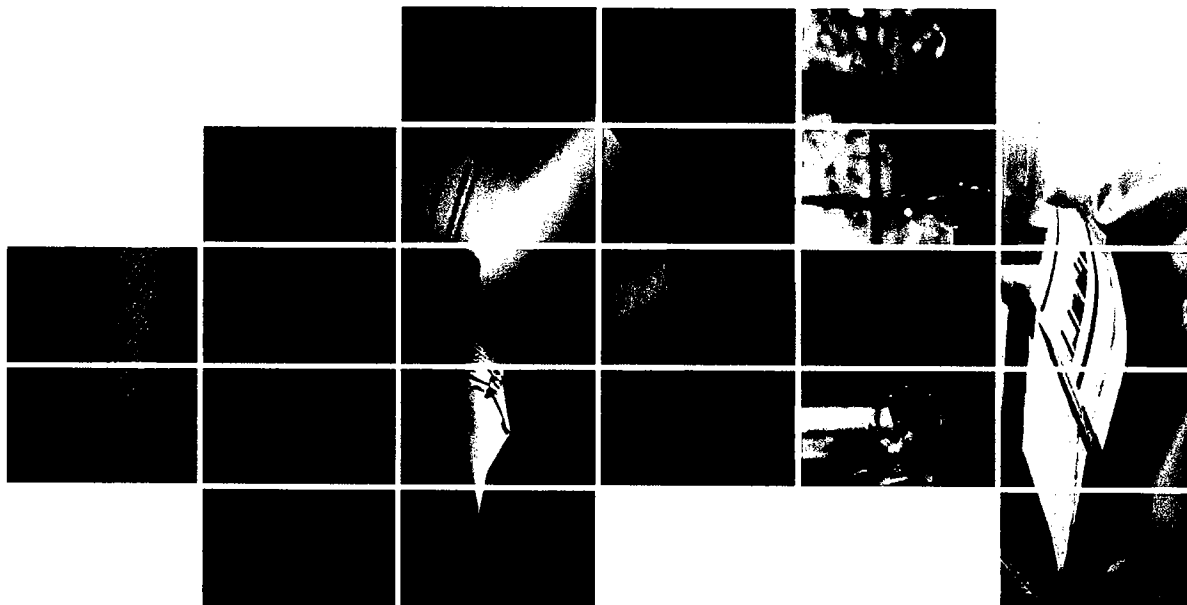
Performance shown for Wellington DJH Portfolio (CF) is gross of fees.

Performance shown for PIMCO:All Asset;Inst (PAAIX) and PAAMCO Pacific Hedged Strat (CF) is net of fees.

The Boston Co. SMid Cap Grth (CF) was inception 4/1/2009. R.V. Kuhns & Associates, Inc. calculates performance beginning with the first full month following inception.

Performance versus SA+CF or plan sponsor peer groups is shown gross of fees, while performance versus MF peer groups is shown net of fees. Fiscal Year ends June 30. In accordance with GIPS, performance for investment managers and composites is calculated using differing methodologies.





# RVKuhns

▶▶▶ & ASSOCIATES, INC.

## **San Diego Transit Corporation Employees Retirement Plan**

Investment Performance Analysis

Month Ended  
**June 30, 2010**

Prepared By  
**Amanda Kingsbury**

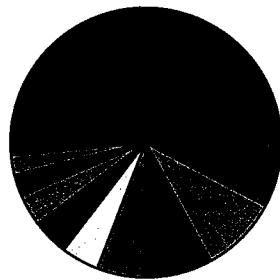
Att. C, AI 45, 10/14/10

1 Penn Plaza, Suite 2128  
New York, New York 10119  
646.805.7075  
[www.rvkuhns.com](http://www.rvkuhns.com)

**San Diego Transit Corporation Employees Retirement Plan**  
**AA by Mgr, AA by Theme, and Schedule of Investable Assets**  
**San Diego Transit Total Fund**  
**As of June 30, 2010**

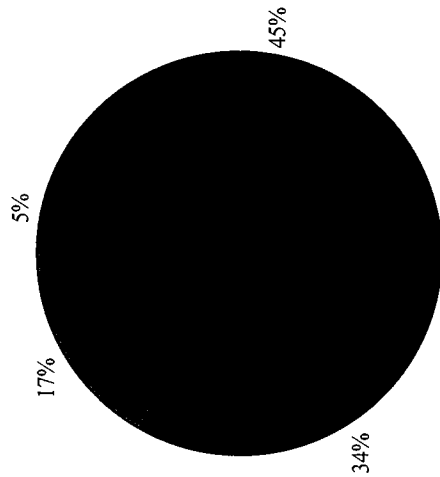
**Asset Allocation by Manager**

June 30, 2010 : \$130,502,699



	Market Value (\$)	Allocation (%)
■ JPMorgan Core Bond Trust (CF)	18,769,183	14.38
■ PIMCO:Tot Rtn;Inst (PTTRX)	16,966,470	13.00
■ Artio Int'l Equity II Group Trust (CF)	13,615,887	10.43
■ TT Int'l Inv Tr Active Int'l Eq (CF)	13,159,611	10.08
■ Westwood Large Cap Value (CF)	12,759,545	9.78
■ Rainier Large Cap Equity (SA)	12,263,394	9.40
■ PIMCO:All Asset;Inst (PAAIX)	10,959,749	8.40
■ Loomis Sayles World Bond Trust (CF)	6,795,320	5.21
□ Cohen & Steers Inst Rlty (CSRIX)	5,938,500	4.55
■ PAAMCO Pacific Hedged Strat (CF)	5,915,720	4.53
■ Wellington DIH Portfolio (CF)	4,947,949	3.79
■ The Boston Co. SMid Cap Grth (CF)	3,336,378	2.56
■ Westwood SMidCap Equity (CF)	3,220,125	2.47
■ Disbursement Account	1,854,866	1.42

**Asset Allocation by Theme**



■ Alpha	■ Capital Appreciation
■ Capital Preservation	■ Inflation

**Schedule of Investable Assets**

Periods	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
FYTD	121,492,227	-7,519,568	16,530,040	130,502,699	13.50	113.50

Performance shown is gross of fees. Allocations shown may not sum up to 100% exactly due to rounding. Asset Allocation by Theme is based on dedicated manager allocations; as such, thematic allocations are approximations. Fiscal Year ends June 30.

**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of June 30, 2010**

	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2009	2008	2007	2006	Since Inception	Inception Date
<b>San Diego Transit Total Fund (Gross)</b>	<b>13.50</b>	<b>13.50</b>	<b>-3.03</b>	<b>2.48</b>	<b>5.12</b>	<b>2.94</b>	<b>21.28</b>	<b>-24.12</b>	<b>6.74</b>	<b>11.02</b>	<b>9.69</b>	<b>10/01/1982</b>
Policy Index	14.40	14.40	-2.87	2.48	5.02	2.77	21.26	-23.43	5.33	13.18	9.85	
Difference	-0.90	-0.90	-0.16	0.00	0.10	0.17	0.02	-0.69	1.41	-2.16	-0.16	
All Corporate Plans (\$20M to \$250M)-Total Fund Median	13.69	13.69	-2.78	3.18	5.80	3.20	21.07	-24.79	7.89	12.91	N/A	
Percentile Rank	54	54	56	75	78	63	49	47	77	86	N/A	
<b>Westwood Large Cap Value (CF)</b>	<b>8.69</b>	<b>8.69</b>	<b>-9.84</b>	<b>1.10</b>	<b>5.56</b>	<b>2.81</b>	<b>13.86</b>	<b>-31.92</b>	<b>13.08</b>	<b>19.77</b>	<b>10.03</b>	<b>07/01/1986</b>
R 1000 Value Index	16.92	16.92	-12.33	-1.64	3.50	2.38	19.69	-36.85	-0.17	22.25	9.12	
Difference	-8.23	-8.23	2.49	2.74	2.06	0.43	-5.83	4.93	13.25	-2.48	0.91	
US Value/Large Cap Equity (SA+CF) Median	14.99	14.99	-10.18	-0.36	4.48	3.68	25.11	-35.73	3.59	19.03	9.89	
Percentile Rank	95	95	45	27	28	65	96	18	4	43	46	
<b>Rainier Large Cap Equity (SA)</b>	<b>10.26</b>	<b>10.26</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>25.14</b>	<b>-40.86</b>	<b>N/A</b>	<b>N/A</b>	<b>-11.19</b>	<b>09/01/2007</b>
R 1000 Growth Index	13.62	13.62	-6.91	0.38	2.90	-5.14	37.22	-38.44	11.81	9.07	-7.30	
Difference	-3.36	-3.36	N/A	N/A	N/A	N/A	-12.08	-2.42	N/A	N/A	-3.89	
US Growth/Large Cap Equity (SA+CF) Median	12.89	12.89	-7.01	0.48	3.71	-1.81	33.98	-38.51	12.98	9.29	-7.44	
Percentile Rank	75	75	N/A	N/A	N/A	N/A	84	72	N/A	N/A	92	
<b>Westwood SMID Cap Equity (CF)</b>	<b>23.33</b>	<b>23.33</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>35.63</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-0.06</b>	<b>07/01/2008</b>
R 2500 Value Index	26.46	26.46	-9.26	-0.09	6.61	7.58	27.68	-31.99	-7.27	20.18	-3.42	
Difference	-3.13	-3.13	N/A	N/A	N/A	N/A	7.95	N/A	N/A	N/A	3.36	
US Small/Mid Cap Value (SA+CF) Median	24.24	24.24	-7.22	2.86	8.79	9.45	35.39	-34.46	2.84	18.14	-1.82	
Percentile Rank	55	55	N/A	N/A	N/A	N/A	48	N/A	N/A	N/A	30	
<b>The Boston Co. SMID Cap Grth (CF)</b>	<b>17.45</b>	<b>17.45</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>25.24</b>	<b>04/01/2009</b>
R 2500 Growth Index	21.44	21.44	-7.10	1.81	6.26	-1.06	41.65	-41.50	9.69	12.26	36.77	
Difference	-3.99	-3.99	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-11.53	
US Small/Mid Cap Growth (SA+CF) Median	20.42	20.42	-7.37	2.20	6.57	0.57	37.85	-41.63	14.90	11.33	33.31	
Percentile Rank	77	77	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	87	
<b>Ariio Intl Equity U Group Trust (CF)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-8.53</b>	<b>10/01/2009</b>
MSCI ACW Ex US Index (Gross)	10.87	10.87	-10.28	3.84	9.36	2.29	42.14	-45.24	17.12	27.16	-7.43	
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-1.10	
International Equity All (SA+CF) Median	9.21	9.21	-11.19	2.75	8.38	2.69	34.24	-43.25	12.01	26.95	-7.56	
Percentile Rank	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	59	

Performance versus SA+CF or plan sponsor peer groups is shown gross of fees, while performance versus MF peer groups is shown net of fees. Fiscal Year ends June 30. In accordance with GIPS, performance for investment managers and composites is calculated using differing methodologies.

**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of June 30, 2010**

	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2009	2008	2007	2006	Since Inception	Inception Date
<b>TT Intl Inv Tr Active Intl Eq (CF)</b>	<b>8.47</b>	<b>8.47</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>31.59</b>	<b>-47.90</b>	<b>N/A</b>	<b>N/A</b>	<b>-18.82</b>	<b>11/01/2007</b>
MSCI EAFE Index (Gross)	6.37	6.37	-12.94	1.35	7.15	0.59	32.46	-43.06	11.63	26.86	-16.36	
Difference	2.10	2.10	N/A	N/A	N/A	N/A	-0.87	-4.84	N/A	N/A	-2.46	
International Equity All (SA+CF) Median	9.21	9.21	-11.19	2.75	8.38	2.69	34.24	-43.25	12.01	26.95	-14.98	
Percentile Rank	57	57	N/A	N/A	N/A	N/A	62	83	N/A	N/A	87	
<b>JPMorgan Core Bond Trust (CF)</b>	<b>12.86</b>	<b>12.86</b>	<b>9.31</b>	<b>6.76</b>	<b>6.04</b>	<b>N/A</b>	<b>11.93</b>	<b>3.27</b>	<b>7.47</b>	<b>4.65</b>	<b>5.93</b>	<b>06/01/2003</b>
BC US Agg Bond Index	9.50	9.50	7.55	5.54	4.96	6.47	5.93	5.24	6.97	4.33	4.87	
Difference	3.36	3.36	1.76	1.22	1.08	N/A	6.00	-1.97	0.50	0.32	1.06	
US Broad Market Core Fixed Income (SA+CF) Median	11.07	11.07	8.05	5.90	5.26	6.76	9.63	3.34	6.95	4.47	5.20	
Percentile Rank	25	25	11	9	6	N/A	28	52	20	32	8	
<b>PIMCO Tot Rtn Inst (PTIRX)</b>	<b>13.35</b>	<b>13.35</b>	<b>11.14</b>	<b>7.43</b>	<b>6.45</b>	<b>N/A</b>	<b>13.87</b>	<b>4.80</b>	<b>9.11</b>	<b>3.95</b>	<b>6.34</b>	<b>06/01/2003</b>
BC US Agg Bond Index	9.50	9.50	7.55	5.54	4.96	6.47	5.93	5.24	6.97	4.33	4.87	
Difference	3.85	3.85	3.59	1.89	1.49	N/A	7.94	-0.44	2.14	-0.38	1.47	
US Broad Market Core Funds (MF) Median	12.68	12.68	6.84	4.99	4.45	5.90	13.08	-3.40	5.33	3.93	4.39	
Percentile Rank	42	42	1	1	2	N/A	44	14	1	50	2	
<b>Leominster Savley World Bond Trust (CF)</b>	<b>9.45</b>	<b>9.45</b>	<b>6.75</b>	<b>5.82</b>	<b>6.38</b>	<b>9.48</b>	<b>16.87</b>	<b>-3.53</b>	<b>9.24</b>	<b>9.06</b>	<b>7.98</b>	<b>06/01/1998</b>
Citi Wld Gov't Bond Index	3.04	3.04	7.82	5.14	5.56	6.52	2.56	10.87	10.95	6.09	6.00	
Difference	6.41	6.41	-1.07	0.68	0.82	2.96	14.31	-14.40	-1.71	2.97	1.98	
Global Fixed Income (SA+CF) Median	10.47	10.47	7.38	5.66	6.17	7.24	12.78	0.40	8.78	6.15	6.66	
Percentile Rank	56	56	69	44	41	16	40	62	46	20	27	
<b>Wellington DIH Portfolio (CF)</b>	<b>10.70</b>	<b>10.70</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>43.89</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-19.05</b>	<b>06/01/2008</b>
Consumer Price Index + 5%	6.11	6.11	6.59	7.42	7.60	7.49	7.86	5.10	9.29	7.67	5.31	
Difference	4.59	4.59	N/A	N/A	N/A	N/A	36.03	N/A	N/A	N/A	-24.36	
<b>Wellington DIH Portfolio (CF)</b>	<b>10.70</b>	<b>10.70</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>43.89</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-19.05</b>	<b>06/01/2008</b>
Wellington Divd Inft Hedge Comp Index	7.63	7.63	-2.91	6.41	N/A	N/A	29.98	-31.82	26.75	17.87	-13.66	
Difference	3.07	3.07	N/A	N/A	N/A	N/A	13.91	N/A	N/A	N/A	-5.39	

Performance versus SA+CF or plan sponsor peer groups is shown gross of fees, while performance versus MF peer groups is shown net of fees. Fiscal Year ends June 30. In accordance with GIPS, performance for investment managers and composites is calculated using differing methodologies.

**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of June 30, 2010**

	FYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2009	2008	2007	2006	Since Inception	Inception Date
<b>PIMCO-All Asset Inst (PAAIX)</b>	<b>17.75</b>	<b>17.75</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>22.98</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3.69</b>	<b>06/01/2008</b>
Consumer Price Index + 5%	6.11	6.11	6.59	7.42	7.60	7.49	7.86	5.10	9.29	7.67	5.31	
Difference	11.64	11.64	N/A	N/A	N/A	N/A	15.12	N/A	N/A	N/A	-1.62	
<b>PIMCO-All Asset Inst (PAAIX)</b>	<b>17.75</b>	<b>17.75</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>22.98</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>3.69</b>	<b>06/01/2008</b>
All Asset Composite Index	13.62	13.62	2.07	4.25	5.93	6.11	16.69	-13.89	6.87	8.92	-0.33	
Difference	4.13	4.13	N/A	N/A	N/A	N/A	6.29	N/A	N/A	N/A	4.02	
<b>Cohen &amp; Steers Inst Rity (CSRIX)</b>	<b>54.68</b>	<b>54.68</b>	<b>-7.42</b>	<b>1.53</b>	<b>N/A</b>	<b>N/A</b>	<b>32.73</b>	<b>-34.42</b>	<b>-18.84</b>	<b>36.31</b>	<b>4.24</b>	<b>04/01/2005</b>
Wilshire US REIT Index	55.46	55.46	-10.33	-0.35	7.66	9.74	28.60	-39.20	-17.55	35.97	2.39	
Difference	-0.78	-0.78	2.91	1.88	N/A	N/A	4.13	4.78	-1.29	0.34	1.85	
Real Estate Sector Funds (MF) Median	51.92	51.92	-9.36	-0.09	7.55	8.97	29.22	-38.85	-17.18	34.69	2.44	
Percentile Rank	26	26	18	9	N/A	N/A	17	10	77	18	7	
<b>PAAMCO Pacific Hedged Strat (CF)</b>	<b>9.50</b>	<b>9.50</b>	<b>0.22</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>18.64</b>	<b>-21.93</b>	<b>N/A</b>	<b>N/A</b>	<b>0.42</b>	<b>06/01/2007</b>
3 Month LIBOR Index + 5%	5.37	5.37	7.30	8.46	8.04	8.11	5.79	8.22	10.58	10.49	7.38	
Difference	4.13	4.13	-7.08	N/A	N/A	N/A	12.85	-30.15	N/A	N/A	-6.96	
<b>PAAMCO Pacific Hedged Strat (CF)</b>	<b>9.50</b>	<b>9.50</b>	<b>0.22</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>18.64</b>	<b>-21.93</b>	<b>N/A</b>	<b>N/A</b>	<b>0.42</b>	<b>06/01/2007</b>
HFRI FOF Cnsvt Index	4.97	4.97	-3.83	1.57	2.58	3.12	9.65	-19.86	7.68	9.21	-3.59	
Difference	4.53	4.53	4.05	N/A	N/A	N/A	8.99	-2.07	N/A	N/A	4.01	

Loomis Sayles World Bond Trust is comprised of Loomis Sayles Global Bond Fund (LSGBX) thru Jun-2008 and Loomis Sayles World Bond Trust (CF) thereafter.

Performance shown for Wellington DIH Portfolio (CF) is gross of fees.

Performance shown for PIMCO-All Asset Inst (PAAIX) and PAAMCO Pacific Hedged Strat (CF) is net of fees.

Artio Int'l Equity II Group Trust (CF) was inception 10/1/2009. R.V. Kuhns & Associates, Inc. calculates performance beginning with the first full month following inception.

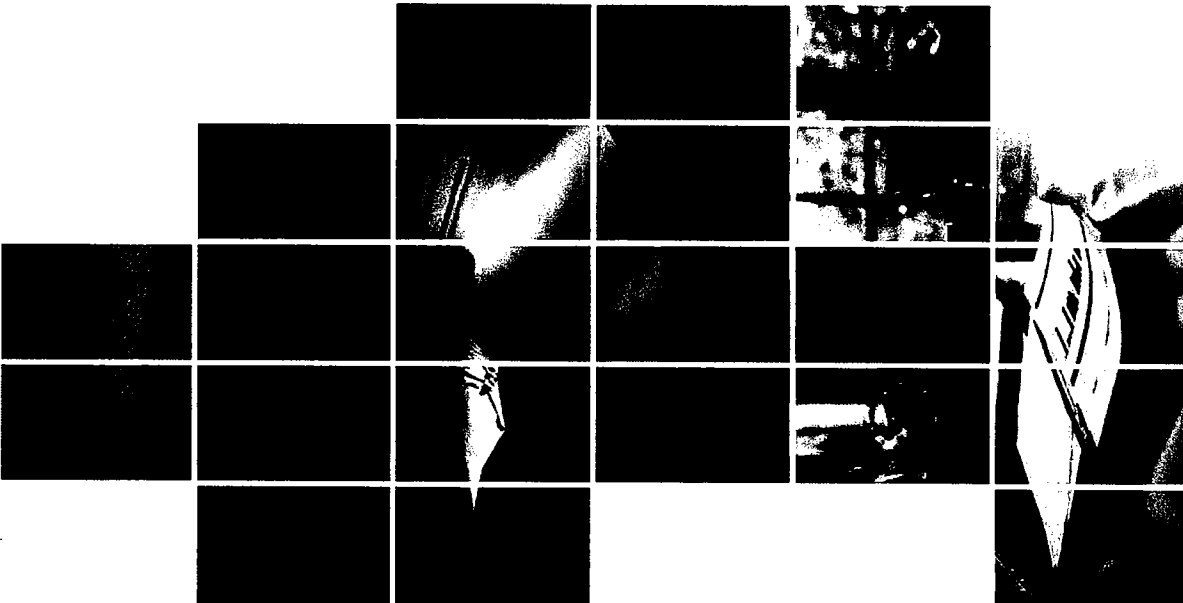
Performance versus SA+CF or plan sponsor peer groups is shown gross of fees, while performance versus MF peer groups is shown net of fees. Fiscal Year ends June 30. In accordance with GIPS, performance for investment managers and composites is calculated using differing methodologies.

**San Diego Transit Corporation  
Employees Retirement Plan**  
Investment Performance Analysis

Month Ended  
**August 31, 2010**

Prepared By  
**Amanda Kingsbury**

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**RVKuhns**  
▶▶▶ & ASSOCIATES, INC.

**San Diego Transit Corporation Employees Retirement Plan**  
**AA by Mgr, AA vs. Mgr, AA by Theme, and Schedule of Investable Assets**  
**San Diego Transit Total Fund**  
**As of August 31, 2010**

**Asset Allocation by Manager**

August 31, 2010 : \$133,470,469

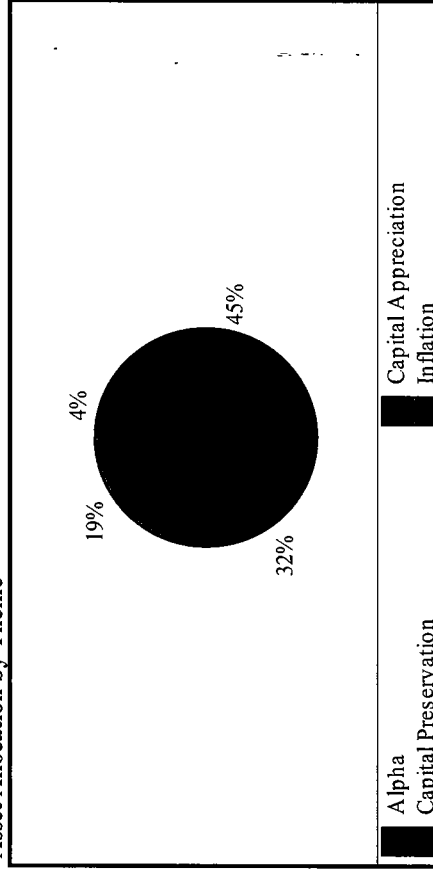


	Market Value (\$)	Allocation (%)
■ JPMorgan Core Bond Trust (CF)	17,523,053	13.13
■ PIMCO:Tot Rtn:Inst (PTTRX)	17,478,289	13.10
■ Artio Int'l Equity II Group Trust (CF)	14,269,820	10.69
■ TT Int'l Inv Tr Active Int'l Eq (CF)	13,978,908	10.47
■ Westwood Large Cap Value (CF)	13,077,999	9.80
■ Rainier Large Cap Equity (SA)	12,570,804	9.42
■ PIMCO:All Asset:Inst (PAAIX)	11,414,297	8.55
■ Loomis Sayles World Bond Trust (CF)	7,205,099	5.40
□ Cohen & Steers Inst Rlty (CSRIX)	6,411,230	4.80
■ PAAMCO Pacific Hedged Strat (CF)	5,942,168	4.45
■ Wellington DIH Portfolio (CF)	5,249,304	3.93
■ The Boston Co. SMid Cap Grth (CF)	3,342,010	2.50
■ Westwood SMidCap Equity (CF)	3,295,071	2.47
■ Vanguard Infl-Prot:Adm (VAIPX)	1,637,244	1.23
■ Disbursement Account	75,173	0.06

**Asset Allocation vs. Target Allocation**

	Market Value (\$)	Allocation (%)	Target (%)
Large Cap Equity	25,648,802	19.22	20.00
SMid Cap Equity	6,637,081	4.97	5.00
Broad International Equity	28,248,728	21.16	25.00
Domestic Fixed Income	35,076,515	26.28	20.00
TIPS	1,637,244	1.23	5.00
Global Fixed Income	7,205,099	5.40	5.00
Real Return	16,663,601	12.48	12.00
REITs	6,411,230	4.80	4.00
Absolute Return	5,942,168	4.45	4.00
Total Fund	133,470,469	100.00	100.00

**Asset Allocation by Theme**



**Schedule of Investable Assets**

Periods	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
CYTD	137,023,997	-6,217,432	2,663,904	133,470,469	2.03	102.03

Performance shown is gross of fees. Performance and market values are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding. Asset Allocation by Theme is based on dedicated manager allocations; as such, thematic allocations are approximations.

**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of August 31, 2010**

	MTD	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	2007	Since Inception	Inception Date
<b>San Diego Transit Total Fund</b>	<b>-1.14</b>	<b>4.00</b>	<b>2.03</b>	<b>8.77</b>	<b>-1.59</b>	<b>2.72</b>	<b>3.09</b>	<b>-24.12</b>	<b>6.74</b>	<b>10/01/1982</b>
Policy Index	-1.54	3.86	1.85	8.75	-1.42	2.77	2.93	-23.43	5.33	9.94
Difference	0.40	0.14	0.18	0.02	-0.17	-0.05	0.16	-0.69	1.41	-0.15
<b>Westwood Large Cap Value (CF)</b>	<b>-4.62</b>	<b>2.68</b>	<b>-5.59</b>	<b>2.20</b>	<b>-8.53</b>	<b>0.70</b>	<b>2.70</b>	<b>-31.92</b>	<b>13.08</b>	<b>07/01/1986</b>
R 1000 Value Index	-4.28	2.20	-3.03	4.96	-10.61	-1.69	1.92	-36.85	-0.17	9.15
Difference	-0.34	0.48	-2.56	-2.76	2.08	2.39	0.78	4.93	13.25	0.93
<b>Rainier Large Cap Equity (SA)</b>	<b>-4.99</b>	<b>2.87</b>	<b>-5.79</b>	<b>3.21</b>	<b>-9.76</b>	<b>N/A</b>	<b>N/A</b>	<b>-40.86</b>	<b>N/A</b>	<b>09/01/2007</b>
R 1000 Growth Index	-4.67	2.13	-5.68	6.14	-6.26	0.11	-5.36	-38.44	11.81	-6.26
Difference	-0.32	0.74	-0.11	-2.93	-3.50	N/A	N/A	-2.42	N/A	-3.50
<b>Westwood SMidCap Equity (CF)</b>	<b>-3.45</b>	<b>2.39</b>	<b>1.02</b>	<b>12.32</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>07/01/2008</b>
R 2500 Value Index	-5.55	1.40	-0.20	9.82	-6.60	-0.49	6.95	-31.99	-7.27	-2.54
Difference	2.10	0.99	1.22	2.50	N/A	N/A	N/A	N/A	N/A	3.58
<b>The Boston Co. SMid Cap Grth (CF)</b>	<b>-4.15</b>	<b>0.47</b>	<b>-2.51</b>	<b>5.46</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>04/01/2009</b>
R 2500 Growth Index	-6.34	-0.09	-1.91	10.34	-6.27	0.75	-1.43	-41.65	9.69	31.74
Difference	2.19	0.56	-0.60	-4.88	N/A	N/A	N/A	N/A	N/A	-9.36
<b>Artio Intl Equity II Group Trust (CF)</b>	<b>-1.90</b>	<b>5.11</b>	<b>-6.80</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>10/01/2009</b>
MSCI ACW Ex US Index (Gross)	-2.73	6.08	-5.38	3.27	-7.93	3.78	3.18	-45.24	17.12	-1.79
Difference	0.83	-0.97	-1.42	N/A	N/A	N/A	N/A	N/A	N/A	-2.06
<b>IT Intl Inv Tr Active Intl Eq (CF)</b>	<b>-3.16</b>	<b>6.40</b>	<b>-5.81</b>	<b>-1.50</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-47.90</b>	<b>N/A</b>	<b>11/01/2007</b>
MSCI EAFE Index (Gross)	-3.09	6.11	-7.61	-1.93	-10.30	1.43	1.53	-43.06	11.63	-13.69
Difference	-0.07	0.29	1.80	0.43	N/A	N/A	N/A	-4.84	N/A	-2.31
<b>JPMorgan Core Bond Trust (CF)</b>	<b>1.60</b>	<b>2.76</b>	<b>9.56</b>	<b>11.97</b>	<b>9.46</b>	<b>7.24</b>	<b>N/A</b>	<b>3.27</b>	<b>7.47</b>	<b>06/01/2003</b>
BC US Agg Bond Index	1.29	2.37	7.83	9.18	7.65	5.96	6.47	5.24	6.97	5.09
Difference	0.31	0.39	1.73	2.79	1.81	1.28	N/A	-1.97	0.50	1.10

Performance is preliminary and subject to change. Performance shown is gross of fees with the exception of PAAMCO, which is shown net of fees. Performance is annualized for periods greater than one year. In accordance with GIPS, performance for investment managers and composites is calculated using differing methodologies.



**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of August 31, 2010**

	MTD	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	2009	2008	2007	Since Inception	Inception Date
<b>PIMCO Tot Rtn: Inst (P-TRX)</b>	<b>1.52</b>	<b>3.09</b>	<b>9.38</b>	<b>12.59</b>	<b>11.79</b>	<b>8.43</b>	<b>N/A</b>	<b>14.39</b>	<b>5.25</b>	<b>9.58</b>	<b>7.09</b>	<b>06/01/2003</b>
BC US Agg Bond Index	1.29	2.37	7.83	9.18	7.65	5.96	6.47	5.93	5.24	6.97	5.09	
Difference	0.23	0.72	1.55	3.41	4.14	2.47	N/A	8.46	0.01	2.61	2.00	
<b>Vanguard Intl Prot: Adm (V-APX)</b>	<b>1.90</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>1.90</b>	<b>08/01/2010</b>
BC US Trsy: US TIPS Index	1.72	1.87	6.36	10.52	7.17	5.33	7.48	11.41	-2.35	11.63	1.72	
Difference	0.18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.18	
<b>Loomis Sayles World Bond: Frust (CF)</b>	<b>1.89</b>	<b>6.17</b>	<b>6.07</b>	<b>9.05</b>	<b>8.04</b>	<b>6.82</b>	<b>10.36</b>	<b>16.87</b>	<b>-3.53</b>	<b>9.24</b>	<b>8.40</b>	<b>06/01/1998</b>
Citi Wrld Gov't Bond Index	1.95	5.66	4.56	4.89	8.18	6.13	7.37	2.56	10.87	10.95	6.40	
Difference	-0.06	0.51	1.51	4.16	-0.14	0.69	2.99	14.31	-14.40	-1.71	2.00	
<b>Wellington DIH Portfolio (CF)</b>	<b>-0.32</b>	<b>6.33</b>	<b>3.27</b>	<b>10.25</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>43.89</b>	<b>N/A</b>	<b>N/A</b>	<b>-15.50</b>	<b>06/01/2008</b>
Consumer Price Index + 5%	0.55	0.98	4.44	6.21	6.72	7.24	7.48	7.86	5.10	9.29	5.36	
Difference	-0.87	5.35	-7.71	4.04	N/A	N/A	N/A	36.03	N/A	N/A	-20.86	
<b>Wellington DIH Portfolio (CF)</b>	<b>-0.32</b>	<b>6.33</b>	<b>3.27</b>	<b>10.25</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>43.89</b>	<b>N/A</b>	<b>N/A</b>	<b>-15.50</b>	<b>06/01/2008</b>
Wellington Dv'd Infl Hedge Comp Index	-0.34	5.89	-3.41	6.92	-1.12	6.06	N/A	29.98	-31.82	26.75	-10.47	
Difference	0.02	0.44	0.14	3.33	N/A	N/A	N/A	13.91	N/A	N/A	-5.03	
<b>PIMCO All Asset: Inst (PAAIX)</b>	<b>1.14</b>	<b>4.29</b>	<b>10.06</b>	<b>16.21</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>24.03</b>	<b>N/A</b>	<b>N/A</b>	<b>6.21</b>	<b>06/01/2008</b>
Consumer Price Index + 5%	0.55	0.98	4.44	6.21	6.72	7.24	7.48	7.86	5.10	9.29	5.36	
Difference	0.59	3.31	5.62	10.00	N/A	N/A	N/A	16.17	N/A	N/A	0.85	
<b>PIMCO All Asset: Inst (PAAIX)</b>	<b>1.14</b>	<b>4.29</b>	<b>10.06</b>	<b>16.21</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>24.03</b>	<b>N/A</b>	<b>N/A</b>	<b>6.21</b>	<b>06/01/2008</b>
All Asset Composite Index	0.27	4.09	5.40	11.19	3.14	4.61	6.25	16.69	-13.89	6.87	1.49	
Difference	0.87	0.20	4.66	5.02	N/A	N/A	N/A	7.34	N/A	N/A	4.72	
<b>Cohen &amp; Steers Inst Rlty (CSRIX)</b>	<b>-1.01</b>	<b>8.09</b>	<b>13.46</b>	<b>33.32</b>	<b>-3.66</b>	<b>3.22</b>	<b>N/A</b>	<b>33.71</b>	<b>-33.90</b>	<b>-18.21</b>	<b>6.38</b>	<b>04/01/2005</b>
Wilshire US REIT Index	-1.32	8.42	14.03	33.30	-7.13	0.58	10.06	28.60	-39.20	-17.55	3.85	
Difference	0.31	-0.33	-0.57	0.02	3.47	2.64	N/A	5.11	5.30	-0.66	2.53	

Performance is preliminary and subject to change. Performance shown is gross of fees with the exception of PAAMCO, which is shown net of fees. Performance is annualized for periods greater than one year. In accordance with GIPS, performance for investment managers and composites is calculated using differing methodologies.

**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of August 31, 2010**

	MTD	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	2009	2008	2007	Since Inception	Inception Date
<b>PAAMCO Pacific Hedged Strat (CF)</b>	<b>0.14</b>	<b>0.45</b>	<b>0.95</b>	<b>5.51</b>	<b>-0.08</b>	<b>N/A</b>	<b>N/A</b>	<b>18.64</b>	<b>-21.93</b>	<b>N/A</b>	<b>0.54</b>	<b>06/01/2007</b>
3 Month LIBOR Index + 5%	0.45	0.90	3.56	5.36	7.01	8.35	8.00	5.79	8.22	10.58	7.29	
Difference	-0.31	-0.45	-2.61	0.15	-7.09	N/A	N/A	12.85	-30.15	N/A	-6.75	
<b>PAAMCO Pacific Hedged Strat (CF)</b>	<b>0.14</b>	<b>0.45</b>	<b>0.95</b>	<b>5.51</b>	<b>-0.08</b>	<b>N/A</b>	<b>N/A</b>	<b>18.64</b>	<b>-21.93</b>	<b>N/A</b>	<b>0.54</b>	<b>06/01/2007</b>
HFRI FOF Cnsvt Index	0.02	0.30	0.45	2.95	-3.20	1.25	3.00	9.65	-19.86	7.68	-3.32	
Difference	0.12	0.15	0.50	2.56	3.12	N/A	N/A	8.99	-2.07	N/A	3.86	

Loomis Sayles World Bond Trust is comprised of Loomis Sayles Global Bond Fund (LSGBX) thru Jun-2008 and Loomis Sayles World Bond Trust (CF) thereafter.

Vanguard Infl-Prot,Adm (VAIPX) was funded on July 1, 2010. R.V. Kuhns & Associates, Inc. calculates performance beginning with the first full month following inception.

Performance is preliminary and subject to change. Performance shown is gross of fees with the exception of PAAMCO, which is shown net of fees. Performance is annualized for periods greater than one year. In accordance with GIPS, performance for investment managers and composites is calculated using differing methodologies.



# **San Diego Transit Corporation Employees Retirement Plan**

Investment Performance Analysis

Month Ended  
**September 30, 2010**

Prepared By  
**Amanda Kingsbury**

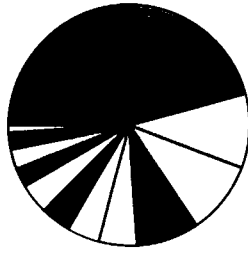
**RVKuhns**  
▶ ▶ ▶ & ASSOCIATES, INC.

1 Penn Plaza, Suite 2128  
New York, New York 10119  
646.805.7075  
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**San Diego Transit Corporation Employees Retirement Plan**  
**AA by Mgr, AA vs. Target, AA by Theme, and Schedule of Investable Assets**  
**San Diego Transit Total Fund**  
**As of September 30, 2010**

**Asset Allocation by Manager**

September 30, 2010 : \$141,054,291

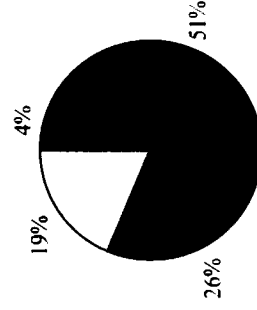


	Market Value (\$)	Allocation (%)
■ TT Int'l Inv Tr Active Int'l Eq (CF)	18,189,995	12.90
■ Arto Int'l Equity II Group Trust (CF)	18,104,492	12.84
■ Westwood Large Cap Value (CF)	14,210,227	10.07
■ JPMorgan Core Bond Trust (CF)	14,138,882	10.02
□ PIMCO:Tot Rtn:Inst (PTTRX)	14,069,087	9.97
□ Rainier Large Cap Equity (SA)	13,900,189	9.85
■ PIMCO:All Asset:Inst (PAAIX)	11,719,113	8.31
□ Loomis Sayles World Bond Trust (CF)	7,453,968	5.28
□ PAAMCO Pacific Hedged Strat (CF)	6,034,446	4.28
■ Wellington DIH Portfolio (CF)	5,654,100	4.01
□ Cohen & Steers Inst Rlty (CSRIX)	5,563,351	3.94
■ The Boston Co. SMid Cap Grth (CF)	3,698,487	2.62
■ Westwood SMidCap Equity (CF)	3,623,866	2.57
■ Vanguard Infl-Proti;Adm (VAIPX)	3,345,380	2.37
□ Disbursement Account	1,348,706	0.96

**Asset Allocation vs. Target Allocation**

	Market Value (\$)	Allocation (%)	Target (%)
Large Cap Equity	28,110,417	19.93	20.00
SMid Cap Equity	7,322,354	5.19	5.00
Broad International Equity	36,294,487	25.73	25.00
Domestic Fixed Income	29,556,675	20.95	20.00
TIPS	3,345,380	2.37	5.00
Global Fixed Income	7,453,968	5.28	5.00
Real Return	17,373,213	12.32	12.00
REITs	5,563,351	3.94	4.00
Absolute Return	6,034,446	4.28	4.00
Total Fund	141,054,291	100.00	100.00

**Asset Allocation by Theme**



■ Alpha	Capital Preservation
■ Capital Appreciation	Inflation

**Schedule of Investable Assets**

Periods	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
CYTD	137,023,997	-6,289,174	10,319,468	141,054,291	7.88	107.88

Performance shown is gross of fees. Performance and market values are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding. Asset Allocation by Theme is based on dedicated manager allocations; as such, thematic allocations are approximations.

**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of September 30, 2010**

	MTD	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	2009	2008	2007	Since Inception	Inception Date
<b>San Diego Transit Total Fund</b>	<b>5.74</b>	<b>9.97</b>	<b>7.88</b>	<b>11.34</b>	<b>-0.64</b>	<b>3.72</b>	<b>3.88</b>	<b>21.28</b>	<b>-24.12</b>	<b>6.74</b>	<b>9.97</b>	<b>10/01/1982</b>
Policy Index	5.90	10.00	7.87	11.52	-0.32	3.91	3.80	21.26	-23.43	5.33	10.14	
Difference	-0.16	-0.03	0.01	-0.18	-0.32	-0.19	0.08	0.02	-0.69	1.41	-0.17	
<b>Westwood Large Cap Value (CF)</b>	<b>8.66</b>	<b>11.57</b>	<b>2.58</b>	<b>8.35</b>	<b>-7.39</b>	<b>1.90</b>	<b>3.68</b>	<b>13.86</b>	<b>-31.92</b>	<b>13.08</b>	<b>10.42</b>	<b>07/01/1986</b>
R 1000 Value Index	7.76	10.13	4.49	8.90	-9.39	-0.48	2.59	19.69	-36.85	-0.17	9.45	
Difference	0.90	1.44	-1.91	-0.55	2.00	2.38	1.09	-5.83	4.93	13.25	0.97	
<b>Rainier Large Cap Equity (SA)</b>	<b>10.58</b>	<b>13.75</b>	<b>4.17</b>	<b>9.01</b>	<b>-8.42</b>	<b>N/A</b>	<b>N/A</b>	<b>25.14</b>	<b>-40.86</b>	<b>N/A</b>	<b>-6.51</b>	<b>09/01/2007</b>
R 1000 Growth Index	10.65	13.00	4.36	12.65	-4.36	2.06	-3.44	37.22	-38.44	11.81	-2.96	
Difference	-0.06	0.75	-0.19	-3.64	-4.06	N/A	N/A	-12.08	-2.42	N/A	-3.55	
<b>Westwood SMidCap Equity (CF)</b>	<b>9.98</b>	<b>12.61</b>	<b>11.10</b>	<b>18.74</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>35.63</b>	<b>N/A</b>	<b>N/A</b>	<b>5.36</b>	<b>07/01/2008</b>
R 2500 Value Index	9.86	11.39	9.64	14.74	-3.96	1.38	8.02	27.68	-31.99	-7.27	1.72	
Difference	0.12	1.22	1.46	4.00	N/A	N/A	N/A	7.95	N/A	N/A	3.64	
<b>The Boston Co. SMid Cap Grth (CF)</b>	<b>10.67</b>	<b>11.19</b>	<b>7.89</b>	<b>12.10</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>29.47</b>	<b>04/01/2009</b>
R 2500 Growth Index	13.25	13.15	11.09	17.27	-3.41	3.09	0.47	41.65	-41.50	9.69	40.96	
Difference	-2.58	-1.96	-3.20	-5.17	N/A	N/A	N/A	N/A	N/A	N/A	-11.49	
<b>Artis Int'l Equity II Group Trust (CF)</b>	<b>10.07</b>	<b>15.69</b>	<b>2.59</b>	<b>5.83</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>5.83</b>	<b>10/01/2009</b>
MSCI ACW Ex US Index (Gross)	9.97	16.66	4.06	8.00	-6.98	4.72	4.77	42.14	-45.24	17.12	8.00	
Difference	0.10	-0.97	-1.47	-2.17	N/A	N/A	N/A	N/A	N/A	N/A	-2.17	
<b>TT Int'l Inv Tr Active Int'l Eq (CF)</b>	<b>10.82</b>	<b>17.91</b>	<b>4.39</b>	<b>4.43</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>31.59</b>	<b>-47.90</b>	<b>N/A</b>	<b>-12.55</b>	<b>11/01/2007</b>
MSCI EAFE Index (Gross)	9.82	16.53	1.46	3.71	-9.06	2.45	2.99	32.46	-43.06	11.63	-10.50	
Difference	1.00	1.38	2.93	0.72	N/A	N/A	N/A	-0.87	-4.84	N/A	-2.05	
<b>JPMorgan Core Bond Trust (CF)</b>	<b>0.69</b>	<b>3.46</b>	<b>10.31</b>	<b>11.49</b>	<b>9.44</b>	<b>7.61</b>	<b>N/A</b>	<b>11.93</b>	<b>3.27</b>	<b>7.47</b>	<b>6.21</b>	<b>06/01/2003</b>
BC US Agg Bond Index	0.11	2.48	7.94	8.16	7.42	6.20	6.41	5.93	5.24	6.97	5.05	
Difference	0.58	0.98	2.37	3.33	2.02	1.41	N/A	6.00	-1.97	0.50	1.16	

Performance is preliminary and subject to change. Performance shown is gross of fees with the exception of PAAMCO, which is shown net of fees. Performance is annualized for periods greater than one year. In accordance with GIPS, performance for investment managers and composites is calculated using differing methodologies.

**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of September 30, 2010**

	MTD	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	2007	Since Inception	Inception Date
<b>PIMCO:Tot Rtn;Inst (PTTRX)</b>	<b>0.81</b>	<b>3.93</b>	<b>10.27</b>	<b>11.49</b>	<b>11.37</b>	<b>8.83</b>	<b>N/A</b>	<b>9.58</b>	<b>7.13</b>	<b>06/01/2003</b>
BC US Agg Bond Index	0.11	2.48	7.94	8.16	7.42	6.20	6.41	6.97	5.05	
Difference	0.70	1.45	2.33	3.33	3.95	2.63	N/A	2.61	2.08	
<b>Vanguard Infl-Prot;Adm (VAIPX)</b>	<b>0.78</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>2.70</b>	<b>08/01/2010</b>
BC US Trsy: US TIPS Index	0.60	2.48	7.00	8.89	6.91	5.49	7.49	11.63	2.34	
Difference	0.18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.36	
<b>Loomis Sayles World Bond Trust (CF)</b>	<b>3.45</b>	<b>9.84</b>	<b>9.74</b>	<b>9.70</b>	<b>8.29</b>	<b>7.89</b>	<b>9.99</b>	<b>9.24</b>	<b>8.64</b>	<b>06/01/1998</b>
Citi Wrld Gov't Bond Index	2.38	8.18	7.05	4.98	8.15	7.04	7.64	10.87	6.56	
Difference	1.07	1.66	2.69	4.72	0.14	0.85	2.35	-1.71	2.08	
<b>Wellington DIH Portfolio (CF)</b>	<b>7.71</b>	<b>14.53</b>	<b>4.19</b>	<b>12.88</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-12.24</b>	<b>06/01/2008</b>
Consumer Price Index + 5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9.29	N/A	
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>Wellington DIH Portfolio (CF)</b>	<b>7.71</b>	<b>14.53</b>	<b>4.19</b>	<b>12.88</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-12.24</b>	<b>06/01/2008</b>
Wellington Dvfd Infl Hedge Comp Index	7.20	13.52	3.55	11.16	-1.37	6.69	N/A	26.75	-7.39	
Difference	0.51	1.01	0.64	1.72	N/A	N/A	N/A	N/A	-4.85	
<b>PIMCO:All Asset;Inst (PAALX)</b>	<b>2.74</b>	<b>7.16</b>	<b>13.08</b>	<b>15.81</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>7.22</b>	<b>06/01/2008</b>
Consumer Price Index + 5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9.29	N/A	
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>PIMCO:All Asset;Inst (PAALX)</b>	<b>2.74</b>	<b>7.16</b>	<b>13.08</b>	<b>15.81</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>7.22</b>	<b>06/01/2008</b>
All Asset Composite Index	3.20	7.42	8.77	11.48	3.32	5.18	6.69	-13.89	2.82	
Difference	-0.46	-0.26	4.31	4.33	N/A	N/A	N/A	N/A	4.40	
<b>Cohen &amp; Steers Inst Rlty (CSRIX)</b>	<b>4.40</b>	<b>12.85</b>	<b>18.45</b>	<b>29.20</b>	<b>-3.70</b>	<b>3.96</b>	<b>N/A</b>	<b>-18.21</b>	<b>7.12</b>	<b>04/01/2005</b>
Wilshire US REIT Index	4.54	13.35	19.21	30.12	-6.94	1.39	10.14	-39.20	4.64	
Difference	-0.14	-0.50	-0.76	-0.92	3.24	2.57	N/A	-5.30	-2.48	

Performance is preliminary and subject to change. Performance shown is gross of fees with the exception of PAAMCO, which is shown net of fees. Performance is annualized for periods greater than one year. In accordance with GIPS, performance for investment managers and composites is calculated using differing methodologies.

**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of September 30, 2010**

	MTD	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	2009	2008	2007	Since Inception	Inception Date
<b>PAAMCO Pacific Hedged Strat (CF)</b>	<b>1.55</b>	<b>2.01</b>	<b>2.52</b>	<b>5.08</b>	<b>-0.27</b>	<b>N/A</b>	<b>N/A</b>	<b>18.64</b>	<b>-21.93</b>	<b>N/A</b>	<b>0.99</b>	<b>06/01/2007</b>
3 Month LIBOR Index + 5%	0.43	1.34	4.00	5.35	6.86	8.28	7.95	5.79	8.22	10.58	7.24	
Difference	1.12	0.67	-1.48	-0.27	-7.13	N/A	N/A	12.85	-30.15	N/A	-6.25	
<b>PAAMCO Pacific Hedged Strat (CF)</b>	<b>1.55</b>	<b>2.01</b>	<b>2.52</b>	<b>5.08</b>	<b>-0.27</b>	<b>N/A</b>	<b>N/A</b>	<b>18.64</b>	<b>-21.93</b>	<b>N/A</b>	<b>0.99</b>	<b>06/01/2007</b>
HFRI FOF Cnsvt Index	2.23	2.99	3.15	4.28	-2.73	1.58	3.33	9.65	-19.86	7.68	-2.46	
Difference	-0.68	-0.98	-0.63	0.80	2.46	N/A	N/A	8.99	-2.07	N/A	3.45	

Loomis Sayles World Bond Trust consists of Loomis Sayles Global Bond Fund (LSGBX) thru Jun-2008 and Loomis Sayles World Bond Trust (CF) thereafter.

The Consumer Price Index return for the month of Sep-2010 is currently unavailable.

Performance is preliminary and subject to change. Performance shown is gross of fees with the exception of PAAMCO, which is shown net of fees. Performance is annualized for periods greater than one year. In accordance with GIPS, performance for investment managers and composites is calculated using differing methodologies.



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## Agenda

Item No. 46

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

SRTP 830 (PC 50451)

October 14, 2010

### SUBJECT:

MTS: ANNUAL SERVICE PERFORMANCE MONITORING REPORT (DEVIN BRAUN)

### RECOMMENDATION:

That the Board of Directors receive a report for information.

#### Budget Impact

None.

### DISCUSSION:

MTS Board Policy No. 42 establishes a process for evaluating existing transit services to achieve the objective of developing a customer-focused, competitive, integrated, and sustainable system. The policy states that services will be evaluated annually and provides a set of measures for evaluation. This report represents the annual service evaluation for FY 2010.

FY 2010 was the second full fiscal year in which the system operated under the results of the Comprehensive Operational Analysis (COA). There were service adjustments in FY 2010 due to budget considerations, which impacted some of the data in this report. Those changes had the greatest impact on weekend service.

Attachment A provides route-specific details. Routes are designated into seven service categories based on route characteristics and compared against other similar services in the same category.





## DEVELOP A CUSTOMER-FOCUSED AND COMPETITIVE SYSTEM

The following measures of productivity and service quality are used to ensure that services are focused on providing competitive and attractive transportation that meets MTS's customers' needs.

- **Total Passengers** - *Percent change in passengers should equal or exceed percent change in average daily traffic within the MTS urban network area*

Route Categories	FY 2008	FY 2009	FY 2010	Chg. 08-09	Chg. 09-10
Premium Express	268,148	292,526	282,097	9.1%	-3.6%
Express	2,229,874	2,450,920	2,149,975	9.9%	-12.3%
Light Rail	37,620,944	36,928,284	30,468,981	-1.8%	-17.5%
Urban Frequent	37,005,041	39,113,634	37,101,318	5.7%	-5.1%
Urban Standard	11,949,335	11,830,577	11,552,482	-1.0%	-2.4%
Circulator	1,179,296	1,059,706	823,681	-10.1%	-22.3%
Rural	25,822	24,425	26,697	-5.4%	9.3%
Demand-Responsive	374,500	372,373	353,986	-0.6%	-4.9%
<b>Total MTS Passengers</b>	<b>90,652,960</b>	<b>92,072,445</b>	<b>82,759,217</b>	<b>1.6%</b>	<b>-10.1%</b>

System-wide ridership decreased 10.1 percent (9,313,228 passengers) between FY 2009 and FY 2010. In general, ridership decreases are due to the depressed economy and service cuts (a 5.5% decrease in revenue hours from FY 2009).

The largest percentage decrease was in Circulator routes (-22.3% or 236,025 passengers) due to a 27.2% decrease in revenue hours.

The largest decrease in terms of the number of passengers was on the trolley (6,459,303 passengers) or -17.5%. Staff believes that because trolley ridership is estimated, these numbers are highly variable and can only be used as a guideline. A one-day count of actual weekday boardings is completed each year in October. These one-day counts showed an actual decrease of 8.9% year over year, which is in-line with the MTS system-wide ridership trends.

MTS is currently installing Automatic Passenger Counters on 65 trolley cars. These devices will count each passenger boarding and alighting and provide a GPS coordinate with each count. MTS is working with the San Diego Association of Governments (SANDAG) on a new sampling program for better ridership figures. It is estimated that MTS will receive a full trolley-system count approximately every two weeks.

(Average Daily Traffic [ADT] statistics for the San Diego region are not available for FY 2010; therefore, the increase in ridership cannot be compared to the ADT for this report.)

- **Average Weekday Passengers - Improve ratio between ridership and average daily traffic within the MTS urban network area**

Route Categories	FY 2008	FY 2009	FY 2010	Chg. 08-09	Chg. 09-10
Premium Express	1,058	1,149	1,126	8.6%	-2.1%
Express	7,985	8,688	7,741	8.8%	-10.9%
Light Rail	114,119	109,882	91,284	-3.7%	-16.9%
Urban Frequent	119,396	124,892	119,764	4.6%	-4.1%
Urban Standard	39,573	39,094	38,474	-1.2%	-1.6%
Circulator	4,283	3,868	3,467	-9.7%	-10.4%
Rural	144	139	158	-3.9%	14.1%
Demand-Responsive	1,381	1,347	1,292	-2.5%	-4.0%
<b>Avg. Weekday Passengers</b>	<b>287,940</b>	<b>289,057</b>	<b>263,306</b>	<b>0.4%</b>	<b>-8.9%</b>

Average weekday ridership decreased 8.9% (25,751 passengers) between FY 2009 and FY 2010. The greatest decrease in bus ridership occurred in the Urban Frequent category with a decrease of 5,128 daily passengers per day. The 10.9% decline in Express routes can be attributed mainly to lower employment and furlough days as these routes are targeted specifically to weekday peak-period riders. Trolley ridership decreased 16.9% over the previous year based on the Trolley Ridership Estimation Program (TREP). However, the actual weekday count taken in each year shows a decrease of 8.9%, which is in-line with the system average.

(Transit's percent of Average Daily Traffic (ADT), or mode split, cannot be calculated at this time since ADT statistics are not available for FY 2010.

- **Passengers per Revenue Hour – Improve route category average**

Route Categories	FY 2008	FY 2009	FY 2010	Chg. 08-09	Chg. 09-10
Premium Express	20.7	23.6	23.5	14.2%	-0.6%
Express	25.5	29.0	28.9	13.8%	-0.4%
Light Rail	212.4	223.6	201.0	5.3%	-10.1%
Urban Frequent	32.9	34.9	34.4	6.2%	-1.5%
Urban Standard	23.1	25.2	25.7	9.0%	2.1%
Circulator	14.9	14.7	15.7	-1.7%	6.8%
Rural	5.56	5.64	6.05	1.5%	7.2%
Demand-Responsive	2.1	2.0	2.0	-3.3%	1.4%
<b>MTS System</b>	<b>41.5</b>	<b>43.5</b>	<b>41.4</b>	<b>4.9%</b>	<b>-4.9%</b>
Fixed-Route Bus Only	28.8	31.0	31.1	7.7%	0.0%

Passengers per revenue hour is an industry standard for assessing service productivity. Revenue hours include the time that vehicles are transporting passengers (in service) as well as the recovery time at the end of each trip.

Overall, passengers per revenue hour for the system declined by 4.9% from 43.5 to 41.4. Fixed-route bus service was almost flat and changed from 31.0 to 31.1 passengers per revenue hour. The largest percentage decrease was in trolley ridership (-10.1%).

Several route categories remained steady or slightly increased their productivity between fiscal years. This is because service was cut in proportion to the number of riders lost causing the productivity to remain the same.

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• **Passengers per In-Service Hour – Improve route category average**

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<b>Route Categories</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>Chg. 08-09</b>	<b>Chg. 09-10</b>
Premium Express	21.5	25.1	25.0	16.5%	-0.2%
Express	32.5	37.7	35.0	15.8%	-7.1%
Light Rail	250.2	241.4	205.7	-3.5%	-14.8%
Urban Frequent	42.4	43.8	42.5	3.3%	-2.9%
Urban Standard	31.6	34.4	34.3	9.2%	-0.4%
Circulator	27.4	25.2	24.2	-8.0%	-3.9%
Rural	5.78	5.6	5.5	-3.9%	-0.5%
Demand-Responsive					
<b>MTS System</b>	<b>57.6</b>	<b>59.0</b>	<b>54.6</b>	<b>2.6%</b>	<b>-7.5%</b>

Passengers per in-service hour represents a more accurate picture of productivity because in-service hours only include hours of operation solely dedicated to transporting passengers and does not include recovery time.

Overall, passengers per in-service hour were down 4.4 passengers per in-service hour or 7.5%. The largest decrease was in trolley ridership with a 14.8% decrease or 35.7 passengers per in-service hour. On the bus side, Express routes declined the most by 7.1%. As was shown in the Average Daily Ridership figures, these routes primarily operate in-service during the peak period with little layover, so any decrease in ridership affects the number of passengers per in-service hour.

- **Passenger Load Factor** – No more than 20% of revenue hours exceeding one standee per 4 ft<sup>2</sup> on local street operation (55 passengers on a standard bus and 90 passengers on an articulated bus) and seating capacity on freeway operations and minibuss service

Route	Type of Route	% Trips With Overcrowding
20	Freeway	19%
28	Urban	4%
150	Freeway	8%
701	Urban	2%
709	Urban	9%
712	Urban	1%
851	Community Shuttle	6%
905	Freeway	9%
932	Urban	5%
933/934	Urban	1%
955	Urban	1%

Due to a change in the passenger reporting system administered by SANDAG, overcrowding is only available on the trip level for FY 2008 and beyond; therefore, a figure for overcrowding is not available. As a result, the number of trips that had overcrowding at some point during the trip is reported above. These figures do not mean that buses were overcrowded for the whole trip—but rather at some time during the trip, they experienced overcrowding conditions based on the definition.

Overcrowded trips are uncommon, and when overcrowding becomes chronic, MTS adds tripper buses where needed and appropriate to pick up the extra passengers. Typically, buses are overcrowded on trips during the peak periods of the above-listed routes.

- **On-Time Performance** – 85% for Urban Frequent and 90% for all other route categories

Route Categories	Service Changes					
	Jun-08	Sep-08	Jan-09	Jun-09	Sept-09	Feb-10
Premium Express	86%	90%	92%	99%	99%	99%
Express	86%	85%	89%	81%	89%	84%
Light Rail	95%	95%	97%	96%	95%	94%
Urban Frequent	81%	83%	84%	86%	86%	85%
Urban Standard	87%	86%	87%	89%	87%	88%
Circulator	89%	91%	91%	89%	86%	86%
Rural	N/A	N/A	N/A	N/A	N/A	N/A
Demand-Responsive	N/A	N/A	N/A	N/A	N/A	N/A
<b>MTS System</b>	<b>86%</b>	<b>86%</b>	<b>87%</b>	<b>88%</b>	<b>88%</b>	<b>87%</b>

On-time performance is calculated as departing within 5 minutes of the scheduled time.

On-time performance is reported for service-change periods in order to isolate the changes made to routes so that staff can monitor the impact of scheduling changes on on-time performance and adjust them as needed.

MTS system-wide on-time performance has been consistent from service change to service change and varies only slightly when summer services begin or when schools are in or out of session. Where route categories have not reached their on-time performance goals, both the Planning and Scheduling and Bus Operations Departments work to improve on-time performance through driver counseling, improved running times, and strict oversight of contract operations. The Planning and Scheduling Department has been able to use new technologies in place on routes operated by MTS Bus to analyze running times in order to provide more realistic times. Furthermore, through the use of "ghost riders," the Planning and Scheduling Department monitors contracted bus routes to get on-time performance figures on a regular basis.

As more traffic signals and stop signs are added and as traffic congestion increases, routes will continue to be negatively impacted. The Planning and Scheduling Department will continue to monitor these routes and make schedule adjustments as the budget and available resources allow.

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• **Mean Distance Between Failures – Improve operator average**

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Operator	FY 2009	FY 2010	Chg 09-10
MTS Bus	5,433	5,248	-3.4%
MTS Contract Services	9,909	14,081	42.1%
MTS Rail	315,781	301,195	-4.6%

Mean distance between failures (MDBF) signifies the average mileage of transit vehicles between major mechanical failures. The Contract Services figure shows a 42.1% increase in MDBF, which is mostly due to retiring 73 1995 high-floor buses and replacing them with newer low-floor buses.

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• **Preventable Accidents per 100,000 Miles – Improve operator average**

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Operator	FY 2008	FY 2009	FY 2010	Chg 08-09	Chg 09-10
MTS Bus	1.53	1.76	1.73	15.0%	-1.6%
MTS Contract Services	2.56	1.73	1.00	-32.4%	-42.4%
MTS Rail	0.03	0.00	0.01	-100.0%	N/A

MTS Rail experienced one preventable accident in FY 2010. MTS Bus had a slight decrease in the preventable accident rate. MTS Contract Services shows a 42.4% decrease in preventable accidents. Continued operator retraining and improved driver safety-awareness programs and materials were used throughout the year to maintain relatively low incident levels for bus and trolley operators. Staff will continue to strive to improve the operator average.

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• **Complaints per 100,000 Passengers – Improve operator average**

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Operator	FY 2008	FY 2009	FY 2010	Chg 08-09	Chg 09-10
MTS Bus	13.6	10.7	8.9	-21.6%	-16.6%
MTS Contract Services FR	14.7	11.1	9.4	-24.5%	-14.9%
MTS Contract Services DR	27.8	N/A	N/A	N/A	N/A
MTS Rail	.94	1.79	2.37	51.9%	32.6%

The rate of complaints per 100,000 passengers has fallen for MTS Bus and for MTS Contract Services fixed-route buses. Complaints for MTS Rail have increased by 32.6%, which is attributable to better record-keeping due to a new in-house system for tracking complaints. Currently, all operators are using the same automated tracking system for complaints, and reported complaint levels will remain consistent.

Staff will continue to aggressively address complaints and seek to drive down the number of incidents.

#### DEVELOP A SUSTAINABLE SYSTEM

The following measures are used to ensure that transit resources are deployed as efficiently as possible and do not exceed budgetary constraints.

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##### • **In-Service Miles - *Not to exceed budget***

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Operator	FY 2010		Difference	
	Actual	Budget	Number	Percent
MTS Bus	8,624,617	8,797,321	-172,704	-2.0%
MTS Contract Service FR	9,522,109	9,854,723	-332,614	-3.4%
MTS Rail	7,848,443	7,892,483	-44,040	-0.6%

Operator	June 2009	June 2010	Chg 09-10
MTS Bus	193	195	+2
MTS Contract Services FR	235	242	+7
MTS Rail	94	94	0

In FY 2010, actual in-service miles were slightly below budget for all operators.

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##### • **In-Service Hours - *Not to exceed budget***

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Operator	FY 2010		Difference	
	Actual	Budget	Number	Percent
MTS Bus	643,227	670,268	-27,041	-4.0%
MTS Contract Service FR	689,233	708,982	-19,749	-2.8%
MTS Rail	359,700	374,110	-14,410	-3.9%

In FY 2010, actual in-service hours were slightly below budget for all operators.

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##### • **Weekday Peak-Vehicle Requirement - *Not to exceed budget***

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Operator	June 2009	June 2010	Chg 09-10
MTS Bus	193	195	+2
MTS Contract Services FR	235	242	+7
MTS Rail	94	94	0

The weekday peak-vehicle requirement is the maximum number of vehicles available to provide scheduled service during the heaviest service period of the week. Peak vehicles have seen a slight increase for MTS Bus and MTS Contract Service fixed-route services.

These increases are mainly due to increased running times, which require more buses to be placed on the road to operate service.

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• **In-Service Speeds - Improve operator average**

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Operator	June 2009	June 2010	Chg 09-10
MTS Bus	13.4	13.2	-1.5%
MTS Contract Services FR	14.0	14.0	0%
MTS Rail	21.2	21.3	+0.4%

In-service speeds were almost neutral for all modes of service between the June 2009 and June 2010 schedule periods. This demonstrates that traffic and increased ridership have not caused a marked increase in the bus running time from service change to service change.

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• **In-Service Miles/Total Miles - Improve operator average**

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Operator	June 09	June 10	Chg 09-10
MTS Bus	88.2%	87.7%	-0.6%
MTS Contract Services FR	N/A	N/A	N/A
MTS Rail	98.5%	98.8%	0.3%

In-service miles per total miles is only calculated for MTS in-house bus operations as the contractor is responsible for bus and driver assignments (run-cutting), which determines total mileage. MTS Bus ratios have been generally consistent over time with only a minor decrease in the ratio. As services have been reduced on weekends, it is often a better and more efficient solution to route a bus out of service to another location to complete a trip than to sit and wait at the terminal for the next trip. MTS Rail operates only minimal out-of-service miles.

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• **In-Service Hours/Total Hours - Improve operator average**

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Operator	June 09	June 10	Chg 09-10
MTS Bus	77.7%	77.2%	-0.6%
MTS Contract Services FR	N/A	N/A	N/A
MTS Rail	97.4%	97.8%	0.4%

As with the mileage statistic, in-service hours per total hours can only be calculated for MTS in-house bus operations. Efficiency of scheduling has shown that the in-service to total vehicle hours has remained steady for MTS Bus. MTS Rail operates only minimal out-of-service hours.

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• **Farebox Recovery Ratio - TDA requirement of 31.9 percent system wide for fixed-route (excluding regional routes that have a 20 percent requirement)**

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Operator	FY 2008	FY 2009	FY 2010	Chg 08-09	Chg 09-10
MTS FR (No Prem Exp)	32.1%	38.3%	38.1%	19.3%	-0.5%
Premium Express	45.0%	46.4%	53.1%	3.0%	14.4%
MTS Rail	55.4%	57.2%	55.3%	3.2%	-3.3%
System	38.7%	43.9%	41.5%	13.5%	-5.5%

For both system-wide and Premium Express services, farebox-recovery ratios continue to exceed the Transportation Development Act (TDA) target but have slightly decreased year over year. The decline is primarily due to service-level decreases, which cause ridership loss.

• **Subsidy per Passenger - Improve route category average**

Route Categories	FY 2008	FY 2009	FY 2010	Chg 08-09	Chg 09-10
Premium Express	\$3.54	\$3.74	\$3.50	5.6%	-6.5%
Express	\$2.74	\$2.19	\$2.46	-20.4%	12.5%
Light Rail	\$0.66	\$0.68	\$0.88	2.0%	29.2%
Urban Frequent	\$1.55	\$1.32	\$1.44	-14.5%	9.2%
Urban Standard	\$1.90	\$1.50	\$1.40	-21.3%	-6.7%
Circulator	\$2.68	\$2.46	\$1.96	-8.1%	-20.6%
Rural	\$24.11	\$23.50	\$20.28	-2.5%	-13.7%
Demand-Responsive	\$25.21	\$25.92	\$26.61	2.8%	2.7%
Fixed-Route Bus Average	\$1.71	\$1.43	\$1.50	-16.4%	4.3%
<b>MTS System</b>	<b>\$1.38</b>	<b>\$1.24</b>	<b>\$1.38</b>	<b>-10.6%</b>	<b>11.8%</b>

Overall, system-wide subsidy per passenger increased from \$1.24 to \$1.38 in FY 2010. For fixed-route bus service, subsidy per passenger increased from \$1.43 to \$1.50 in FY 2010 (but is still below FY 2008). Light rail increased from \$0.68 to \$0.88 over the last year, which is a result of decreases in the estimated ridership and increased costs to operate the trolley.

**COMPASS CARD AND PASS USAGE**

The Compass Card continued to be implemented in FY 2010. Different passes were converted from paper to Compass Cards throughout the year with the final conversion taking place on May 1, 2010.

Month	% Using Compass Card
May 2010	70.6%
June 2010	77.1%
July 2010	77.9%
August 2010	78.2%

There are two types of monthly passes currently sold at TVMs, Vons, and other outlets. The Monthly pass is good for one calendar month. The 30-day pass is good for any 30-day period. In addition, MTS began selling a 14-day pass, which is priced at 60% of the monthly pass price. The breakdown of pass type usage as a percentage of total pass usage is as follows:

Type of Pass	% Use
Monthly Pass	63%
30-Day Pass	37%
14-Day Pass	1%



Lastly, as a simple average, we can show typically how many times a passenger of each pass type uses their pass each month.

<b>Pass Type</b>	<b>Number of Monthly Uses</b>
Regular Monthly/30-Day	78.9
Premium Pass	27.1
Senior/Disabled Pass	47.9
Youth Pass	38.4
Day Pass	3.4



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Attachment: A. Key Route Statistics

**FY 2010 ANNUAL ROUTE STATISTICS**

Updated: 10/7/2010

**Att. A,  
AI 46,  
10/14/10**

<b>Route</b>	<b>Annual Passengers</b>	<b>Avg. Weekday Passengers</b>	<b>Passengers/ Revenue Hour</b>	<b>Subsidy per Passenger</b>	<b>Farebox Recovery</b>
Blue Line	17,262,857	52,416	277.2	\$0.33	76.5%
Orange Line	6,711,465	20,284	134.3	\$1.79	37.6%
Green Line	6,494,659	18,584	165.1	\$1.37	44.2%
1	1,554,282	5,011	33.0	\$2.01	32.7%
2	1,639,536	5,217	39.5	\$1.52	39.2%
3	1,776,351	5,893	38.3	\$0.21	82.5%
4	850,592	2,694	38.6	\$1.61	37.7%
5	840,818	2,807	44.2	\$1.26	43.7%
6	586,167	1,834	32.6	\$2.05	32.2%
7	3,748,442	11,715	47.5	\$1.10	47.1%
8	620,901	1,633	31.7	\$2.13	31.4%
9	586,512	1,684	34.4	\$1.89	34.1%
10	1,378,967	4,309	34.7	\$1.86	34.6%
11	2,565,548	8,303	32.7	\$2.04	32.5%
13	1,873,155	6,122	41.7	\$1.39	41.4%
14	102,888	403	13.8	\$6.15	13.7%
15	1,605,761	5,115	38.3	\$1.60	38.0%
18	46,481	180	16.2	\$2.02	32.5%
20	1,150,650	3,814	28.2	\$2.52	28.0%
25	114,119	447	17.6	\$1.75	36.2%
27	269,523	931	16.6	\$2.16	31.4%
28	429,820	1,391	33.0	\$0.24	80.1%
30	2,077,409	6,654	27.3	\$2.58	28.5%
31	94,693	369	19.4	\$4.10	19.3%
35	534,054	1,617	31.0	\$0.23	81.4%
41	1,175,637	3,888	35.0	\$1.78	36.7%
44	1,145,912	3,782	33.9	\$1.93	33.7%
50	290,241	1,139	22.8	\$3.35	22.6%
83	48,251	190	14.8	\$2.28	30.2%
84	44,554	170	13.7	\$2.55	27.9%
88	104,849	301	22.1	\$1.21	44.8%
105	405,760	1,290	23.9	\$3.14	23.8%
115	368,344	1,349	24.6	\$1.65	38.4%
120	1,017,471	3,335	29.9	\$2.32	29.7%
150	533,850	2,101	36.6	\$1.68	37.7%
201	402,538	1,348	21.7	\$3.38	25.5%
202	494,850	1,660	27.0	\$2.53	30.8%
210	85,834	338	29.7	\$2.34	29.5%
701	632,845	2,344	25.0	\$1.37	42.2%
703	12,142		30.5	\$1.38	41.9%
704	534,562	1,865	24.9	\$1.65	37.4%
705	303,768	1,061	26.0	\$1.02	49.0%
707	53,356	212	20.0	\$2.55	27.9%
709	1,060,749	3,831	39.6	\$0.68	59.0%
712	861,596	3,193	36.1	\$0.66	59.6%
810 (Note B)	137,099	545	30.3	\$2.54	60.6%
815	327,047	957	31.8	\$0.27	79.5%
816	326,860	1,288	31.1	\$0.69	60.0%
820 (Note B)	45,206	181	23.8	\$3.79	50.9%
832	58,960	206	15.9	\$1.54	40.0%
833	122,319	426	18.6	\$1.66	37.4%
834	18,742	89	16.0	\$3.66	22.0%
844/845	194,345	688	13.8	\$2.49	28.9%
848	329,741	1,053	23.4	\$1.34	43.6%
850 (Note B)	48,200	193	29.9	\$2.74	59.0%
851	105,419	415	22.6	\$1.14	46.6%

Route	Annual Passengers	Avg. Weekday Passengers	Passengers/ Revenue Hour	Subsidy per Passenger	Farebox Recovery
854	160,849	583	19.0	\$2.12	32.9%
855	271,135	915	29.3	\$0.70	59.7%
856 (Note A)	704,060	2,536	29.6	\$1.13	47.7%
860 (Note B)	40,739	164	28.0	\$3.34	54.1%
864 (Note F)	438,044	1,387	19.0	\$2.90	26.3%
870	10,694	41	10.2	\$3.39	22.5%
871/872	124,234	467	20.5	\$1.21	46.0%
874/875	503,017	1,603	26.7	\$1.17	46.9%
880 (Note B, G)	10,853	43	7.2	\$15.03	20.6%
888	1,318	13	2.3	\$63.18	5.4%
891	2,363	42	6.7	\$16.08	17.7%
892	1,024	17	2.9	\$41.54	7.7%
894	21,992	87	7.0	\$17.17	16.8%
901	1,037,917	3,203	24.5	\$2.33	29.9%
904	35,816	103	12.0	\$1.41	42.9%
905 (Note D)	404,530	1,462	29.1	\$1.38	51.9%
906/907	573,286	5,542	41.7	\$0.01	99.2%
916/917	272,056	905	19.5	\$2.29	29.9%
921	363,536	1,317	23.0	\$1.33	44.3%
923	263,546	982	18.0	\$1.57	38.9%
928	326,319	1,145	23.5	\$1.95	33.5%
929	2,705,865	8,627	33.6	\$0.66	60.1%
932	1,787,583	5,733	34.5	\$0.74	57.3%
933/934	1,933,608	6,293	33.5	\$1.13	46.4%
936 (Note A)	517,601	1,466	27.0	\$0.92	52.4%
955	1,573,222	5,054	37.2	\$0.49	66.8%
960 (Note E)	78,706	309	22.4	\$4.02	19.4%
961/962/963	1,218,481	4,157	28.4	\$1.18	45.6%
964	118,878	465	20.0	\$1.42	41.4%
965	68,498	234	13.2	\$2.67	27.0%
967	69,291	241	13.2	\$2.72	26.6%
968	66,252	228	12.5	\$3.44	22.3%
992	417,676	1,176	19.0	\$1.29	44.2%
ADA SUBURBAN	152,883	562	2.2	See Access	See Access
MTS ACCESS	201,103	731	2.0	\$26.61	15.5%
SVCC	75,545	301	14.6	\$2.44	39.1%

SERVICE CATEGORY	Annual Passengers	Avg. Weekday Passengers	Passengers/ Revenue Hour	Subsidy per Passenger	Farebox Recovery
Premium Express	282,097	1,126	23.5	\$3.50	53.1%
Express	2,149,975	7,741	28.9	\$2.46	28.6%
Light Rail	30,468,981	91,284	201.0	\$0.88	55.3%
Urban Frequent	37,101,318	119,764	34.4	\$1.44	40.7%
Urban Standard	11,552,482	38,474	25.7	\$1.40	42.0%
Circulator	823,681	3,467	15.7	\$1.96	37.6%
Rural (Note C)	26,697	158	6.0	\$20.28	14.6%
Demand-Responsive	353,986	1,292	2.0	\$26.61	15.5%

MODE	Annual Passengers	Avg. Weekday Passengers	Passengers/ Revenue Hour	Subsidy per Passenger	Farebox Recovery
Light Rail	30,468,981	91,284	201.0	\$0.88	55.3%
Fixed Route Bus	51,909,553	170,572	31.1	\$1.50	40.4%
Demand-Responsive	353,986	1,292	2.0	\$26.61	15.5%
Rural (Note C)	26,697	158	6.0	\$20.28	14.6%

Notes

- A: Routes 856 and 936 have erroneous passenger and revenue counts due to farebox issues related to interlining.
- B: I-15 station maintenance costs were assigned to the Premium Express routes.
- C: After Rural 5311 and 5311(c) federal grants, subsidy/passenger is \$9.50.
- D: After JARC grant, Route 905 subsidy/passenger is \$0.69.
- E: After JARC grant, Route 960 subsidy/passenger is \$2.01.
- F: After Rural 5311(c) federal grant, Route 864 subsidy/passenger is \$2.52.
- G: Route 880 subsidy fully-funded by the 4S Ranch transit fund.

## Metropolitan Transit System

# FY 2010 Annual Service Performance Monitoring Report

October 14, 2010



①

## Evaluation Criteria

CUSTOMER FOCUSED/COMPETITIVE		SUSTAINABLE	
PRODUCTIVITY	QUALITY	RESOURCES	EFFICIENCY
<ul style="list-style-type: none"> <li>• Total Passengers</li> <li>• Average Weekday Passengers</li> <li>• Passengers/Revenue Hour</li> <li>• Passengers/In Service Hour</li> </ul>	<ul style="list-style-type: none"> <li>• Passenger Load Factor</li> <li>• On Time Performance</li> <li>• Accidents/100,000 Miles</li> <li>• Complaints/100,000 Passengers</li> <li>• Mean Distance Between Failures</li> </ul>	<ul style="list-style-type: none"> <li>• In Service Miles</li> <li>• In Service Hours</li> <li>• Peak Vehicle Requirement</li> </ul>	<ul style="list-style-type: none"> <li>• In Service Speeds</li> <li>• In Service/Total Miles</li> <li>• In Service/Total Hours</li> <li>• Farebox Recovery Ratio</li> <li>• Subsidy/Passenger</li> </ul>



②

## Total Passengers

*Percent change in passengers should equal or exceed percent change in average daily traffic within the MTS urban network area*

Route Categories	FY 2008	FY 2009	FY 2010	Chg. 08-09	Chg. 09-10	% Rev Hrs Chg
Premium Express	268,148	292,526	282,097	9.1%	-3.6%	-2.9%
Express	2,229,874	2,450,920	2,149,975	9.9%	-12.3%	-11.9%
Light Rail	37,620,944	36,928,284	30,468,981	-1.8%	-17.5%	-8.2%
Urban Frequent	37,005,041	39,113,634	37,101,318	5.7%	-5.1%	-3.7%
Urban Standard	11,949,335	11,830,577	11,552,482	-1.0%	-2.4%	-4.4%
Circulator	1,179,296	1,059,706	823,681	-10.1%	-22.3%	-27.2%
Rural	25,822	24,425	26,697	-5.4%	9.3%	1.9%
Demand-Responsive	374,500	372,373	353,986	-0.6%	-4.9%	-6.3%
<b>Total MTS Passengers</b>	<b>90,652,960</b>	<b>92,072,445</b>	<b>82,759,217</b>	<b>1.6%</b>	<b>-10.1%</b>	<b>-5.5%</b>



(3)

## Average Weekday Passengers

*Improve ratio between ridership and average daily traffic within the MTS urban network area*

Route Categories	FY 2008	FY 2009	FY 2010	Chg. 08-09	Chg. 09-10
Premium Express	1,058	1,149	1,126	8.6%	-2.1%
Express	7,985	8,688	7,741	8.8%	-10.9%
Light Rail	114,119	109,882	91,284	-3.7%	-16.9%
Urban Frequent	119,396	124,892	119,764	4.6%	-4.1%
Urban Standard	39,573	39,094	38,474	-1.2%	-1.6%
Circulator	4,283	3,868	3,467	-9.7%	-10.4%
Rural	144	139	158	-3.9%	14.1%
Demand-Responsive	1,381	1,347	1,292	-2.5%	-4.0%
<b>Avg. Weekday Passengers</b>	<b>287,940</b>	<b>289,057</b>	<b>263,306</b>	<b>0.4%</b>	<b>-8.9%</b>



(4)

## Passengers per Revenue Hour

*Improve route category average*

Route Categories	FY 2008	FY 2009	FY 2010	Chg. 08-09	Chg. 09-10	% Rev Hrs Chg
Premium Express	20.7	23.6	23.5	14.2%	-0.6%	-2.9%
Express	25.5	29.0	28.9	13.8%	-0.4%	-11.9%
Light Rail	212.4	223.6	201.0	5.3%	-10.1%	-8.2%
Urban Frequent	32.9	34.9	34.4	6.2%	-1.5%	-3.7%
Urban Standard	23.1	25.2	25.7	9.0%	2.1%	-4.4%
Circulator	14.9	14.7	15.7	-1.7%	6.8%	-27.2%
Rural	5.56	5.64	6.05	1.5%	7.2%	1.9%
Demand-Responsive	2.1	2.0	2.0	-3.3%	1.4%	-6.3%
<b>MTS System</b>	<b>41.5</b>	<b>43.5</b>	<b>41.4</b>	<b>4.9%</b>	<b>-4.9%</b>	<b>-5.5%</b>



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## Passengers per In-Service Hour

*Improve route category average*

Route Categories	FY 2008	FY 2009	FY 2010	Chg 08-09	Chg 09-10
Premium Express	21.5	25.1	25.0	16.5%	-0.2%
Express	32.5	37.7	35.0	15.8%	-7.1%
Light Rail	250.2	241.4	205.7	-3.5%	-14.8%
Urban Frequent	42.4	43.8	42.5	3.3%	-2.9%
Urban Standard	31.6	34.4	34.3	9.2%	-0.4%
Circulator	27.4	25.2	24.2	-8.0%	-3.9%
Rural	5.78	5.6	5.5	-3.9%	-0.5%
Demand-Responsive					
<b>MTS System</b>	<b>57.6</b>	<b>59.0</b>	<b>54.6</b>	<b>2.6%</b>	<b>-7.5%</b>



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## On-Time Performance

*85% for Urban Frequent, and 90% for all other route categories*

Service Changes						
Route Categories	Jun-08	Sep-08	Jan-09	Jun-09	Sep-09	Feb-10
Premium Express	82.7%	88.1%	98.5%	98.9%	99.3%	99.4%
Express	88.5%	88.2%	85.1%	81.3%	88.9%	83.5%
Light Rail	94.5%	94.8%	97.0%	95.9%	95.4%	93.6%
Urban Frequent	80.7%	82.6%	84.3%	85.6%	86.3%	84.7%
Urban Standard	87.0%	86.4%	87.2%	89.4%	87.0%	88.1%
Circulator	89.4%	90.6%	90.8%	89.4%	86.1%	85.8%
Rural	N/A	N/A	N/A	N/A	N/A	N/A
Demand-Responsive	N/A	N/A	N/A	N/A	N/A	N/A
MTS System	85.6%	86.4%	87.6%	88.2%	87.7%	87.1%



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## Mean Distance Between Failures

*Improve operator average*

Operator	FY 2009	FY 2010	Chg 09-10
MTS Bus	5.433	5.248	-3.4%
MTS Contract Services	9.909	14.081	42.1%
MTS Rail	315.781	301.195	-4.6%



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## Preventable Accidents per 100,000 Miles

*Improve operator average*

Operator	FY 2008	FY 2009	FY 2010	Chg 08-09	Chg 09-10
MTS Bus	1.53	1.76	1.73	15.0%	-1.6%
MTS Contract Services	2.56	1.73	1.00	-32.4%	-42.4%
MTS Rail	0.03	0.00	0.01	-100.0%	N/A



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## Complaints per 100,000 Passengers

*Improve operator average*

Operator	FY 08	FY 09	FY 10	Chg 08-09	Chg 09-10
MTS Bus	13.6	10.7	8.9	-21.6%	-16.6%
MTS Contract Services FR	14.7	11.1	9.4	-24.5%	-14.9%
MTS Rail	1.18	1.79	2.37	51.9%	32.6%



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## In-Service Miles

*Not to exceed budget*

Operator	FY 2010		Difference	
	Actual	Budget	Number	Percent
MTS Bus	8 624 617	8 797 321	-172 704	-2.0%
MTS Contract Service FR	9 522 109	9 854 723	-332 614	-3.4%
MTS Rail	7 848 443	7 892 483	-44 040	-0.6%

## In-Service Hours

*Not to exceed budget*

Operator	FY 2010		Difference	
	Actual	Budget	Number	Percent
MTS Bus	643 227	670 268	-27 041	-4.0%
MTS Contract Service FR	689 233	708 982	-19 749	-2.8%
MTS Rail	359 700	374 110	-14 410	-3.9%



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## Peak-Vehicle Requirement

*Not to exceed budget*

Operator	June 09	June 10	Chg 09-10
MTS Bus	198	195	-3
MTS Contract Services FR	245	242	-3
MTS Rail	94	94	0



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## Farebox Recovery Ratio

*Meet TDA Requirement of 31.9% system-wide for fixed-route, excluding regional routes which only require 20%*

Operator	FY 2008	FY 2009	FY 2010	Chg 08-09	Chg 09-10
MTS Bus (excluding Premium Exp)	32.1%	38.3%	38.0%	19.3%	-0.8%
Premium Express	45.0%	46.4%	59.3%	3.0%	27.8%
MTS Rail	55.4%	57.2%	55.3%	3.2%	-3.3%
System	38.7%	43.9%	41.5%	13.5%	-5.5%



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## Subsidy per Passenger

*Improve Route Category Average*

Route Categories	FY 08	FY 09	FY 10	Chg 08-09	Chg 09-10
Premium Express	\$3.54	\$3.74	\$3.50	5.6%	-6.5%
Express	\$2.74	\$2.19	\$2.46	-20.4%	12.5%
Light Rail	\$0.66	\$0.68	\$0.88	2.0%	29.2%
Urban Frequent	\$1.55	\$1.32	\$1.44	-14.5%	9.2%
Urban Standard	\$1.90	\$1.50	\$1.40	-21.3%	6.7%
Circulator	\$2.68	\$2.46	\$1.96	-8.1%	-20.6%
Rural	\$24.11	\$23.50	\$20.28	-2.5%	-13.7%
Demand-Responsive	\$25.21	\$25.92	\$26.61	2.8%	2.7%
<i>Fixed-Route Bus Average</i>	<i>\$1.71</i>	<i>\$1.43</i>	<i>\$1.50</i>	<i>-16.4%</i>	<i>4.3%</i>
MTS System	\$1.38	\$1.24	\$1.38	-10.6%	11.8%



(14)

**Metropolitan Transit System**

**FY 2010 Annual Service Performance  
Monitoring Report**

October 14, 2010



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

Item No. 47

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

October 14, 2010

### SUBJECT:

MTS: OPERATIONS BUDGET STATUS REPORT FOR AUGUST 2010  
(MIKE THOMPSON)

### RECOMMENDATION:

That the Board of Directors receive the MTS operations budget status report for August 2010.

#### Budget Impact

None at this time.

### DISCUSSION:

This report summarizes MTS's operating results for August 2010 compared to the approved fiscal year 2011 budget. Attachment A-1 combines the operations, administration, and other activities results for August 2010. Attachment A-2 details the August 2010 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 August 2010 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 August 2010 MTS net-operating subsidy unfavorable variance totaled \$380,000 (-2.0%). Operations produced a

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

\$418,000 (-2.2%) unfavorable variance, and the administrative/other activities areas were favorable by \$38,000.

## MTS COMBINED RESULTS

### Revenues

Year-to-date combined revenues through August 2010 were \$16,629,000 compared to the year-to-date budget of \$16,720,000, which represents a \$91,000 (-0.5%) negative variance. This is primarily due to unfavorable variance within other operating revenue.

### Expenses

Year-to-date combined expenses through August 2010 were \$35,791,000 compared to the year-to-date budget of \$35,502,000, which results in a \$290,000 (-0.8%) unfavorable variance.

- Personnel Costs. Year-to-date personnel-related costs totaled \$18,038,000 compared to a year-to-date budgetary figure of \$17,697,000, producing an unfavorable variance of \$341,000 (-1.9%). This is primarily due to unfavorable year-to-date variances within transit service operations due to pension costs. As brought to the MTS Board previously, the transit pension rate is 22.71% versus a budgetary assumption of 17%, and this will continue to cause a variance until the budget is amended at midyear.
- Outside Services and Purchased Transportation. Total outside services for the first two months of the fiscal year totaled \$11,892,000 compared to a budget of \$11,794,000, which results in a year-to-date unfavorable variance of \$99,000 (-0.8%). This is primarily due to purchased transportation unfavorable variances within paratransit operations.
- Materials and Supplies. Total year-to-date materials and supplies expenses totaled \$1,102,000 compared to a budgetary figure of \$1,189,000, which results in a favorable expense variance of \$87,000 (7.3%). This is primarily due to materials and supplies favorable variances within transit service operations.
- Energy. Total year-to-date energy costs were \$3,802,000 compared to the budget of \$3,796,000, which results in a year-to-date unfavorable variance of \$6,000 (-0.2%). Year-to-date diesel prices averaged \$2.393 per gallon compared to the budgetary rate of \$2.600 per gallon. Year-to-date CNG prices averaged \$0.924 per therm compared to the budgetary rate of \$0.941 per therm.
- Risk Management. Total year-to-date expenses for risk management were \$619,000, compared to the year-to-date budget \$689,000, which results in a favorable variance totaling \$70,000 (10.1%).

- General and Administrative. Year-to-date general and administrative costs, including vehicle and facilities leases, were \$1,000 (-0.3%) unfavorable to budget, totaling \$339,000 through August 2010, compared to a year-to-date budget of \$338,000.

#### YEAR-TO-DATE SUMMARY

The August 2010 year-to-date net-operating subsidy totaled an unfavorable variance of 380,000 (-2.0%). These factors include favorable variances in passenger revenue, materials and supplies, and risk management offset by unfavorable variances in other operating revenue, personnel costs, and outside services.



---

Paul C. Jablonski  
Chief Executive Officer

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

OCT14-10.47.OPS BUDGET AUG.MTHOMPSON.doc

Attachment: A. Comparison to Budget

## SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Att. A, AI 47,  
10/14/10MTS  
CONSOLIDATED

## COMPARISON TO BUDGET - FISCAL YEAR 2011

AUGUST 31, 2011

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 15,590	\$ 15,481	\$ 109	0.7%
Other Revenue	1,040	1,240	(200)	-16.1%
<b>Total Operating Revenue</b>	<b>\$ 16,629</b>	<b>\$ 16,720</b>	<b>\$ (91)</b>	<b>-0.5%</b>
Personnel costs	\$ 18,038	\$ 17,697	\$ (341)	-1.9%
Outside services	11,892	11,794	(99)	-0.8%
Transit operations funding	-	-	-	-
Materials and supplies	1,102	1,189	87	7.3%
Energy	3,802	3,796	(6)	-0.2%
Risk management	619	689	70	10.1%
General & administrative	242	215	(27)	-12.4%
Vehicle/facility leases	97	122	26	21.1%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(0)	(0)	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 35,791</b>	<b>\$ 35,502</b>	<b>\$ (290)</b>	<b>-0.8%</b>
<b>Operating income (loss)</b>	<b>\$ (19,162)</b>	<b>\$ (18,782)</b>	<b>\$ (380)</b>	<b>-2.0%</b>
<b>Total public support and nonoperating revenues</b>	<b>(476)</b>	<b>(512)</b>	<b>35</b>	<b>-6.9%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (19,638)</b>	<b>\$ (19,293)</b>	<b>\$ (345)</b>	<b>1.8%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

**Att. A, AI 47,  
10/14/10**

**OPERATIONS**

**CONSOLIDATED OPERATIONS**

**COMPARISON TO BUDGET - FISCAL YEAR 2011**

**AUGUST 31, 2011**

**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ 15,590	\$ 15,481	\$ 109	0.7%
Other Revenue	45	131	(86)	-65.9%
<b>Total Operating Revenue</b>	<b>\$ 15,634</b>	<b>\$ 15,611</b>	<b>\$ 23</b>	<b>0.1%</b>
Personnel costs	\$ 15,928	\$ 15,414	\$ (514)	-3.3%
Outside services	10,311	10,230	(80)	-0.8%
Transit operations funding	-	-	-	-
Materials and supplies	1,100	1,185	85	7.2%
Energy	3,730	3,674	(57)	-1.5%
Risk management	540	629	89	14.1%
General & administrative	43	51	8	15.6%
Vehicle/facility leases	76	105	28	26.9%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	3,536	3,536	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 35,265</b>	<b>\$ 34,824</b>	<b>\$ (441)</b>	<b>-1.3%</b>
<b>Operating income (loss)</b>	<b>\$ (19,631)</b>	<b>\$ (19,213)</b>	<b>\$ (418)</b>	<b>-2.2%</b>
<b>Total public support and nonoperating revenues</b>	<b>401</b>	<b>365</b>	<b>35</b>	<b>9.7%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (19,230)</b>	<b>\$ (18,848)</b>	<b>\$ (382)</b>	<b>2.0%</b>



**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2011**  
**AUGUST 31, 2011**  
**(in \$000's)**

**Att. A, AI 47,**  
**10/14/10**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ 4,412	\$ 4,594	\$ (182)	-4.0%
Other Revenue	0	10	(10)	-97.3%
<b>Total Operating Revenue</b>	<b>\$ 4,412</b>	<b>\$ 4,604</b>	<b>\$ (192)</b>	<b>-4.2%</b>
Personnel costs	\$ 10,536	\$ 10,058	\$ (478)	-4.8%
Outside services	308	312	4	1.3%
Transit operations funding	-	-	-	-
Materials and supplies	611	703	91	13.0%
Energy	900	919	19	2.1%
Risk management	232	286	54	18.9%
General & administrative	15	22	7	30.1%
Vehicle/facility leases	38	43	5	11.1%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	1,228	1,228	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 13,869</b>	<b>\$ 13,571</b>	<b>\$ (298)</b>	<b>-2.2%</b>
<b>Operating income (loss)</b>	<b>\$ (9,457)</b>	<b>\$ (8,967)</b>	<b>\$ (489)</b>	<b>-5.5%</b>
<b>Total public support and nonoperating revenues</b>	<b>(410)</b>	<b>(445)</b>	<b>35</b>	<b>-8.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (9,867)</b>	<b>\$ (9,413)</b>	<b>\$ (454)</b>	<b>4.8%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2011**  
**AUGUST 31, 2011**  
**(in \$000's)**

**Att. A, AI 47,**  
**10/14/10**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ 6,898	\$ 6,288	\$ 609	9.7%
Other Revenue	44	121	(76)	-63.3%
<b>Total Operating Revenue</b>	<b>\$ 6,942</b>	<b>\$ 6,409</b>	<b>\$ 533</b>	<b>8.3%</b>
Personnel costs	\$ 5,091	\$ 5,037	\$ (54)	-1.1%
Outside services	509	560	51	9.2%
Transit operations funding	-	-	-	-
Materials and supplies	489	479	(10)	-2.0%
Energy	1,545	1,494	(51)	-3.4%
Risk management	309	343	35	10.1%
General & administrative	27	27	0	0.2%
Vehicle/facility leases	25	35	10	28.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	2,060	2,060	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 10,055</b>	<b>\$ 10,037</b>	<b>\$ (18)</b>	<b>-0.2%</b>
<b>Operating income (loss)</b>	<b>\$ (3,113)</b>	<b>\$ (3,628)</b>	<b>\$ 515</b>	<b>14.2%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (3,113)</b>	<b>\$ (3,628)</b>	<b>\$ 515</b>	<b>-14.2%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**MULTIMODAL OPERATIONS (FIXED ROUTE)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2011**  
**AUGUST 31, 2011**  
**(in \$000's)**

**Att. A, AI 47,**  
**10/14/10**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ 3,567	\$ 3,802	\$ (236)	-6.2%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 3,567</b>	<b>\$ 3,802</b>	<b>\$ (236)</b>	<b>-6.2%</b>
Personnel costs	\$ 45	\$ 55	\$ 10	18.3%
Outside services	6,591	6,645	54	0.8%
Transit operations funding	-	-	-	-
Materials and supplies	-	3	3	-
Energy	867	873	6	0.6%
Risk management	-	-	-	-
General & administrative	0	1	1	98.9%
Vehicle/facility leases	13	27	14	50.2%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	168	168	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 7,684</b>	<b>\$ 7,771</b>	<b>\$ 87</b>	<b>1.1%</b>
<b>Operating income (loss)</b>	<b>\$ (4,118)</b>	<b>\$ (3,969)</b>	<b>\$ (149)</b>	<b>-3.8%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (4,118)</b>	<b>\$ (3,969)</b>	<b>\$ (149)</b>	<b>3.8%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**MULTIMODAL OPERATIONS (PARATRANSIT)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2011**  
**AUGUST 31, 2011**  
**(in \$000's)**

**Att. A, AI 47,**  
**10/14/10**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ 296	\$ 264	\$ 33	12.4%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 296</b>	<b>\$ 264</b>	<b>\$ 33</b>	<b>12.4%</b>
Personnel costs	\$ 21	\$ 28	\$ 7	26.4%
Outside services	1,812	1,592	(219)	-13.8%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	327	281	(47)	-16.7%
Risk management	-	-	-	-
General & administrative	0	1	0	51.7%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	59	59	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 2,219</b>	<b>\$ 1,960</b>	<b>\$ (258)</b>	<b>-13.2%</b>
<b>Operating income (loss)</b>	<b>\$ (1,922)</b>	<b>\$ (1,697)</b>	<b>\$ (225)</b>	<b>-13.3%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (1,922)</b>	<b>\$ (1,697)</b>	<b>\$ (225)</b>	<b>13.3%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**CONSOLIDATED CHULA VISTA TRANSIT OPERATIONS**  
**COMPARISON TO BUDGET - FISCAL YEAR 2011**  
**AUGUST 31, 2011**  
**(in \$000's)**

**Att. A, AI 47,**  
**10/14/10**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ 417	\$ 533	\$ (115)	-21.6%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 417</b>	<b>\$ 533</b>	<b>\$ (115)</b>	<b>-21.6%</b>
Personnel costs	\$ 46	\$ 46	\$ -	0.0%
Outside services	913	942	29	3.1%
Transit operations funding	-	-	-	-
Materials and supplies	0	1	1	90.2%
Energy	90	107	16	15.1%
Risk management	-	-	-	-
General & administrative	0	0	0	41.3%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	21	21	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 1,071</b>	<b>\$ 1,117</b>	<b>\$ 46</b>	<b>4.2%</b>
<b>Operating income (loss)</b>	<b>\$ (653)</b>	<b>\$ (585)</b>	<b>\$ (69)</b>	<b>-11.8%</b>
<b>Total public support and nonoperating revenues</b>	<b>788</b>	<b>788</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 135</b>	<b>\$ 204</b>	<b>\$ (69)</b>	<b>-33.7%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

**Att. A, AI 47,  
10/14/10**

**OPERATIONS  
CORONADO FERRY**

**COMPARISON TO BUDGET - FISCAL YEAR 2011**

**AUGUST 31, 2011**

**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	23	23	-	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	-
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 23</b>	<b>\$ 23</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Operating income (loss)</b>	<b>\$ (23)</b>	<b>\$ (23)</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total public support and nonoperating revenues</b>	<b>22</b>	<b>22</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (1)</b>	<b>\$ (1)</b>	<b>\$ -</b>	<b>0.0%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

**Att. A, AI 47,  
10/14/10**

**ADMINISTRATION  
CONSOLIDATED**

**COMPARISON TO BUDGET - FISCAL YEAR 2011**

**AUGUST 31, 2011**

**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	902	1,038	(136)	-13.1%
<b>Total Operating Revenue</b>	<b>\$ 902</b>	<b>\$ 1,038</b>	<b>\$ (136)</b>	<b>-13.1%</b>
Personnel costs	\$ 2,016	\$ 2,175	\$ 159	7.3%
Outside services	1,576	1,531	(45)	-2.9%
Transit operations funding	-	-	-	-
Materials and supplies	1	3	2	66.9%
Energy	70	120	49	41.2%
Risk management	73	54	(19)	-35.5%
General & administrative	181	147	(34)	-23.0%
Vehicle/facility leases	20	18	(2)	-13.1%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(3,550)	(3,550)	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 387</b>	<b>\$ 498</b>	<b>\$ 110</b>	<b>22.2%</b>
<b>Operating income (loss)</b>	<b>\$ 515</b>	<b>\$ 540</b>	<b>\$ (25)</b>	<b>4.7%</b>
<b>Total public support and nonoperating revenues</b>	<b>(877)</b>	<b>(877)</b>	<b>0</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (362)</b>	<b>\$ (337)</b>	<b>\$ (25)</b>	<b>7.6%</b>

OTHER ACTIVITIES  
CONSOLIDATED

## COMPARISON TO BUDGET - FISCAL YEAR 2011

AUGUST 31, 2011

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	93	71	22	31.1%
<b>Total Operating Revenue</b>	<b>\$ 93</b>	<b>\$ 71</b>	<b>\$ 22</b>	<b>31.1%</b>
Personnel costs	\$ 94	\$ 109	\$ 14	13.1%
Outside services	6	32	26	82.6%
Transit operations funding	-	-	-	-
Materials and supplies	0	0	0	5.7%
Energy	1	2	1	53.0%
Risk management	6	6	(0)	-0.3%
General & administrative	18	17	(1)	-5.8%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	14	14	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 139</b>	<b>\$ 180</b>	<b>\$ 41</b>	<b>22.6%</b>
<b>Operating income (loss)</b>	<b>\$ (46)</b>	<b>\$ (109)</b>	<b>\$ 63</b>	<b>57.7%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (46)</b>	<b>\$ (109)</b>	<b>\$ 63</b>	<b>-57.7%</b>



# Metropolitan Transit System FY 2011 - August 2010 Financial Review

MTS Board of Directors Meeting  
October 14, 2010



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## COMBINED MTS TRANSIT OPERATORS COMPARISON TO BUDGET - AUGUST 31, 2010 - FY 2011 (in \$000's)

	ACTUAL	BUDGET	VARIANCE	% VAR
Fare Revenue	\$15,590	\$15,481	\$109	0.7%
Other Revenue	45	131	(86)	-65.9%
Total Operating Revenue	\$15,634	\$15,611	\$23	0.1%

### Fare Revenue variance compared to Budget

- Ridership: -3.3% lower than budget, -\$511K variance
- Average Fares: 4.2% higher than budget, \$620K variance

### Fare Revenue comparison to Prior Year

- Ridership decreased by -0.2%
- Average Fares increased by 6.5%



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**COMBINED MTS TRANSIT OPERATORS**  
**COMPARISON TO BUDGET - AUGUST 31, 2010 - FY 2011**  
(in \$000's)

	ACTUAL	BUDGET	VARIANCE	% VAR
Personnel Costs	\$15,928	\$15,414	(\$514)	-3.3%
Purchased Transportation	9,103	8,911	(192)	-2.2%
Other Outside Services	1,207	1,319	112	8.5%
Energy	3,730	3,674	(57)	-1.5%
Other Expenses	5,297	5,507	210	3.8%
<b>Total Expenses</b>	<b>\$35,265</b>	<b>\$34,824</b>	<b>(\$441)</b>	<b>-1.3%</b>

**Energy - Year to date August rates:**

- CNG averaged \$0.924 per therm vs. budget of \$0.941
- Diesel averaged \$2.393 per gallon vs. budget of \$2.600

**Other**

- Personnel: Transit operations costs unfavorable by \$478,000
- Purchased Transportation: Paratransit revenue hours 15% higher than budget, -\$219K



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**METROPOLITAN TRANSIT SYSTEM**  
**COMPARISON TO BUDGET - AUGUST 31, 2010 - FY 2011**  
**TOTAL OPERATING REVENUE LESS EXPENSES (\$000's)**

**Combined Net Operating Variance**

MTS Operating Revenue	\$	23
MTS Operating Expenses		<u>(441)</u>
Combined MTS Operators	\$	(418)
MTS Administration / Other Activities		<u>38</u>
<b>Total Combined Net Operating Variance</b>	<b>\$</b>	<b>(380)</b>



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**METROPOLITAN TRANSIT SYSTEM**  
**COMPARISON TO BUDGET - AUGUST 31, 2010 - FY 2011**  
**ON-GOING CONCERNS DASHBOARD**

	FY11			Status
	Budget	YTD	Projection	
<b>Sales Tax Subsidy Revenue</b>	1.9%	7.7%	1.9%	<b>Y</b>
<b>Energy Prices</b>				
CNG	0.941	0.924	0.941	<b>Y</b>
Diesel	2.600	2.393	2.600	
Gas	2.800	2.925	2.800	
<b>Passenger Levels</b>	82.6 M	14.1 M	82.6 M	<b>Y</b>
<b>State of California Budget</b>	0	\$18.8 M	\$18.8 M	<b>G</b>

**G** Positive    **Y** Holding    **R** Negative



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**Metropolitan Transit System**  
**FY 2011 - August 2010**  
**Financial Review**

MTS Board of Directors Meeting  
 October 14, 2010



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

## Agenda

Item No. 62

Chief Executive Officer's Report

ADM 121.7

October 14, 2010

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 September 14, 2010, through October 5, 2010.

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## EXPENSE CONTRACTS

Doc #	Organization	Subject	Amount	Day
L5242.0-11	ACTION RESEARCH C/O BOYS & GIR	ROE PERMIT FOR LITTER CLEAN UP EL CAJON	\$0.00	9/14/2010
G1078.5-07	RYAN MERCALDO & WORTHINGTON LL	LEGAL SERVICES - GENERAL & TORT LIABILIT	\$35,000.00	9/16/2010
G1351.0-11	CITY OF SAN DIEGO	CONSTRUCTION AND MAINTENANCE AGREE QUIET	\$0.00	9/16/2010
L0986.0-11	JEAN ISAACS SAN DIEGO DANCE TH	ROE PRMIT FOR TROLLEY DANCE	\$0.00	9/20/2010
G1347.0-11	CANON BUSINESS SOLUTIONS, INC.	PURCHASE 1 CANON COLOR COPIER	\$10,070.16	9/23/2010
G1354.0-11	THE DÉCOR PLAN	ROE PERMIT FOR BANNER INSTALLATION	\$3,000.00	9/27/2010
L6640.0-11	PB AMERICAS INC	JROE PERMIT SANDAG MID COAST DESIGN PROJ	\$0.00	9/27/2010
S200-11-464	NASLAND ENGINEERING	ROE PERMIT GRAL LAND SURVEY MURAOKA PROJ	\$0.00	9/27/2010
B0540.0-11	VEHICLE TECHNICAL CONSULTANTS	IN-PLANT INSPECTIONS, PRE-DELIVERY INSPE	\$8,000.00	9/30/2010
L6644.0-11	UNDERGROUND SOLUTIONS INC	ROE PERMIT NCTD/SANDAG	\$0.00	9/30/2010
G1067.11-07	MCDUGAL LOVE ECKIS SMITH BOEH	LEGAL SERVICES - GENERAL & TORT LIABILIT	\$90,000.00	10/4/2010
G1165.4-08	OPPER & VARCO LLP	LEGAL SERVICES ENVIRONMENTAL LAW	\$45,000.00	10/4/2010
G1349.0-11	VISITOR INDUSTRY CONSULTANT	CONS FOR VISITOR INDS GROUP SALES AND SP	\$25,000.00	10/4/2010
L7043.0-11	CITY OF SAN DIEGO	STORM WATER MGMT DISCHARGE CTRL MAINT	\$0.00	10/4/2010
PWL116.1-09	OMEGA ELEVATOR CORP.	AMEND 1 ACQUISITION OF OMEGA ELEVATOR CO	\$0.00	10/4/2010
PWL125.1-10	ELECTRO SPECIALTY SYSTEMS	CCTV FOR 8 TROLLEY STATIONS	\$152.15	10/4/2010

## REVENUE CONTRACTS

Doc #	Organization	Subject	Amount	Day
L6641.0-11	AQUARIUS MARINE, INC.	LEASE AGREEMENT AT MIRAMAR WYE	(\$6,300.00)	9/16/2010
L6643.0-11	CITY OF SAN DIEGO	JROE PERMIT CITY SD SLIT REMOVAL SORRENT	(\$500.00)	9/23/2010
L0989.0-11	OLYMPIQUE	ROE PERMIT-WINDOW WASHING SDHC SMART COR	(\$1,000.00)	9/23/2010
L5716.0-11	SDG&E	JROE PERMIT SDGE W BROADWAY MH 13 ACCESS	(\$1,325.00)	9/27/2010
S200-10-458	BURTECH PIPELINE INC	ROE PERMIT SD CITY SEWER GRP 745 COMMERC	(\$2,400.00)	9/27/2010
L0990.0-11	HTA ENGINEERING & CONSTRUCTION	ROE PERMIT C ST SAFETY ENHANCE PROJECT	(\$2,100.00)	9/30/2010
S200-11-465	SDG&E	EASEMENT FOR SUNRISE POWERLINK PLASTER C	(\$2,500.00)	10/4/2010
S200-11-466	SDG&E	EASEMENT FOR SUNRISE POWERLINK OCATILLO	(\$2,500.00)	10/4/2010
S200-11-467	SDG&E	EASEMENT FOR SUNRISE POWERLINK JACUMBA	(\$4,000.00)	10/4/2010

<b>PURCHASE ORDERS</b>				
<b>DATE</b>	<b>Organization</b>	<b>Subject</b>	<b>AMOUNT</b>	
9/16/2010	FIBEROPTICS.COM INC.	PRO CORE ALIGNMENT FUSION SPLICER	\$17,850.41	
9/16/2010	ASPLUNDH TREE EXPERT	REMOVE 6 PINE TREES AND 4 MELUCA TR	\$1,693.28	
9/20/2010	PIXEL IMAGING MEDIA	RENEWAL DECALS	\$2,444.10	
9/20/2010	RAPHAEL'S PARTY RENTAL	RENTALS FOR GROUND BREAKING	\$626.11	
9/20/2010	CUSTOM LOGOS	TROLLEY RENEWAL INFO CARD HOLDERS	\$912.96	
9/20/2010	ARTISTIC VISUALS	PHOTOGRAPHY FIOR TROLLEY EVENTS	\$815.00	
9/20/2010	VISIBLE INK	RENEWAL POSTERS	\$739.50	
9/20/2010	REPROHAUS	RENEWAL SIGNS 2 SIDED	\$1,004.85	
9/20/2010	USD VISTA	1/4 PG ADS BLACK AND WHITE FALL	\$1,584.00	
9/20/2010	MULTICARD SYSTEMS	COLOR RIBBON	\$2,479.50	
9/23/2010	SAN DIEGO CONVENTION AND VISIT	FULL PAGE ADS	\$7,440.00	
9/23/2010	PIXEL IMAGING MEDIA	DECALS REPRINT FOR MICHAEL ALLEN	\$1,222.08	
9/23/2010	SOUTHWESTERN COMMUNITY COLLEGE	1/4 PG ADS BLACK AND WHITE FALL/SPR	\$1,250.00	
9/23/2010	101 THINGS TO DO SAN DIEGO	FULL PAGE ADS, COLOR	\$8,640.00	
9/27/2010	PIXEL IMAGING MEDIA	BUSKING DOMESTIC VIOLENA ENG	\$2,477.33	
9/30/2010	EFI ACTUARIES	PERFORM ACTUARIAL ANALYSIS SVCS	\$15,000.00	
9/30/2010	US POSTAL SERVICE	POSTAGE FOR HASSELT WT-135	\$6,000.00	
9/30/2010	KRONOS INCORPORATED	SUPPORT RENEWAL QUOTE 1184955	\$9,651.40	
9/30/2010	UNION TRIBUNE	4X4 ADS IN THE U/T KIDS NEWS DAY	\$665.00	
10/4/2010	BOCKS AWARDS INC	SPIKE PLATE AND MOUNTING	\$910.78	
10/4/2010	ABTECH SYSTEMS INC	SUPPORT SVCS FOR IT DEPT	\$19,212.00	
10/4/2010	SAP AMERICA INC	SUPPORT SVCS FOR IT DEPT	\$7,854.48	
10/4/2010	THE UCSD GUARDIAN UC REGENTS	1/4 BLACK AND WHITE ADS FALL, WINTER	\$3,000.00	
<b>WORK ORDERS</b>				
<b>Doc #</b>	<b>Organization</b>	<b>Subject</b>	<b>Amount</b>	<b>Day</b>
G1245.0-09.03.02	KIMLEY-HORN & ASSOC	HAZARD WASTE SVCS 1313 &1344 NATION	\$6,900.00	9/20/2010