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Agenda

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

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

May 27, 2010

» » 9:00 a.m. « «

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

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FINANCE WORKSHOP - 9:00 a.m.

ACTION RECOMMENDED

1. Roll Call
2. MTS: Fiscal Year 2011 Operating Budget (Larry Marinesi) Receive
Action would receive a report on the MTS fiscal year (FY) 2011 operating budget
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.
4. Adjournment

Please turn off cell phones and pagers
during the meeting

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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.

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

5. a. Roll Call
- b. Approval of Minutes - May 13, 2010 Approve
- c. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please furnish a copy to the Clerk of the Board.

CONSENT ITEMS

6. MTS: Radio Communication Support Services - Contract Award Approve
Action would authorize the CEO to execute MTS Doc. No. L0947.0-10 with Day Wireless Systems for radio communication support services for a five-year period.
7. MTS: Investment Report - March 2010 Receive
Action would receive a report for information.
8. MTS: Motorola Regional Transit Management System - Contract Amendment Ratify/
Approve
Action would: (1) ratify MTS Doc. No. G0867.9-03 with Motorola as executed by the CEO at a cost of \$25,466.51; (2) authorize the CEO to execute MTS Doc. No. G0867.10-03 to the Motorola Regional Transit Management System (RTMS) contract to fund the Service Support Agreement; and (3) authorize the CEO to execute MTS Doc. No. G0868.5-03 with North County Transit District (NCTD) for a Fund Transfer Agreement.
9. SDTC: Leased Bus Tires and Related Services - Contract Award Approve
Action would authorize the CEO to execute MTS Doc. No. B0530.0-10 with Goodyear Tire and Rubber Company to lease bus tires on a tire-mile basis, including all related tire services. The resulting contract would be for a three-year base period with 2 one-year options.

CLOSED SESSION

24. a. MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code 54956.9(a) Metropolitan Transit System v. San Diego State University (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 Properties: 1313 National Avenue, San Diego, California (Assessor Parcel No. 535-612-01; 1344 National Avenue, San Diego, California (Assessor Parcel No. 535-613-04) Agency Negotiators: Tiffany Lorenzen, General Counsel; Tim Allison, Manager of Real Estate Assets Negotiating Parties: George Davis Trust; ISD Triangle LLC Under Negotiation: Price and Terms of Payment Possible
Action

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. MTS: Compressed Natural Gas (CNG) Station Capital Improvement Upgrades and Operating and Maintenance Agreement (Claire Spielberg) Approve
Action would authorize the CEO to award to Trillium USA, LLC (doing business as California Trillium Company): (1) MTS Doc. No. PWB127.0-10 for capital improvement upgrades to the MTS-owned CNG fueling facilities; and (2) MTS Doc. B0522.0-09 for a ten-year follow-on operations and maintenance service agreement.

REPORT ITEMS

45. MTS: Trolley Rehabilitation Project Update (John Haggerty of SANDAG) Possible
Action would (1) receive a report on the Trolley Rehabilitation Project; and (2) authorize the Executive Committee to take the lead on project oversight. Action
46. MTS: Operations Budget Status Report for April 2010 (Mike Thompson) Receive
Action would receive the MTS operations budget status report for April 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 Comments.
65. Next Meeting Date: June 10, 2010
66. Adjournment

****Coca-Cola scholarship awards immediately following today's meeting (by the Clock Tower)****



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Agenda

Item No. 2

MTS OPERATORS FINANCE WORKSHOP

FIN 310.1 (PC 50601)

May 27, 2010

SUBJECT:

MTS: FISCAL YEAR 2011 OPERATING BUDGET (LARRY MARINESI)

RECOMMENDATION:

That the Board of Directors receive a report on the MTS fiscal year (FY) 2011 operating budget development.

Budget Impact

None at this time.

DISCUSSION:

FY 11 Budget Recap

The following is a recap of the FY 11 budget process:

- MTS's first Budget Development Committee (BDC) and Finance Workshop meetings took place in November 2009 to discuss the significant reduction in subsidy revenues, specifically TDA and TransNet, due to declining sales tax receipts. In total, MTS's share of TransNet and TDA revenues dropped by approximately \$14 million.

As part of its discussions in November, the BDC recommended service adjustments to assist in the budget-balancing strategy for fiscal year 2011. Additionally, the BDC recommended implementation in fiscal year 2010 as a strategy to begin saving money either for use in the current fiscal year or in the next fiscal year 2011.

- In December 2009, the MTS Board of Directors approved the February 2010 service adjustment.

- In early March, staff met with the BDC and MTS Board. Within these two meetings, staff discussed and received approval of the FY 10 midyear budget adjustment and discussed preliminary revenues and assumptions for FY 11, including a projected budget shortfall of \$1.9 million using \$8.2 million in one-time funds.

FY 11 Operating Budget

The fiscal year 2011 total budgeted revenue is projected at \$219,326,000, and total projected expenses are budgeted at \$219,326,000 resulting in a balanced budget for fiscal year 2011.

FY 11 Revenues

Attachment A summarizes the total operating and nonoperating revenues in a schedule format. As indicated within the schedule, FY 11 combined revenues total \$219.3 million, which is a decrease from the FY 10 amended budget of \$11.5 million (-5.0 percent).

Operating revenue totals \$88.8 million, which is an increase from the FY 10 amended budget of \$2.8 million (3.3 percent). This is primarily due to a projected increase in ridership.

Subsidy revenue totals \$117.2 million, which is a decrease from the FY 10 amended budget of \$4.4 million (-3.7 percent) primarily due to the American Recovery and Reinvestment Act (ARRA) one-time funding in FY 10.

Nonrecurring revenue totaled \$92,000, which is a decrease from the FY 10 amended budget of \$8.6 million due to the usage of reserve revenue for the pension obligation bonds (POB) refinance in FY 10.

As the Board directed in March, the current operating budget utilizes \$8.2 million in one-time funds (\$5 million in TDA capital funds and \$3.2 million previously earmarked for capital).

FY 11 Expenses

Attachment E contains the total revenues as detailed above and the total proposed expenses for the 2011 fiscal year. As indicated within the schedule, FY 11 combined expenses total \$219.3 million, which is a decrease from the FY 10 amended budget of \$11.5 million (-5.0 percent). Within operating expenses, personnel expenses decreased from the FY 10 amended budget by \$2.9 million (-2.7 percent) while energy expenses decreased by \$3.7 million (-14.6 percent).

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

Attachments G, H, I, and J detail the energy rate assumptions for the 2011 fiscal year. Staff projects rates for CNG, diesel, and gasoline at \$0.941 per therm, \$2.60 per gallon, and \$2.80 per gallon, respectively.

Five-Year Operating Forecast

Attachment K provides a look at MTS operations through FY 15.

Passenger revenues are projected to increase by approximately 2% over the next four years. Early sales tax projections for FY 12 show a slight increase of approximately 1%, which impacts MTS's TDA and TransNet subsidy revenue. Expenses are projected to increase by approximately 2.5% over the following four fiscal years primarily due to expected continued operating expense increases, including energy costs.

The MTS FY 11 operating budget closing strategy includes the utilization of one-time funds, including \$5 million in TDA capital funds and \$3.2 million in CNG credits that previously have been used in the capital budget. Since these one-time funds are removed beginning in FY 12, MTS's projected deficits range from \$11 million in FY 12 to \$15.6 million in FY 15.



Paul C. Jablonski
Chief Executive Officer

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

MAY27-10.C2.FY 11 OPERATING BUDGET.LMARINESI.doc

Attachments:

- A. Operating Revenue Summary
- B. Operating Revenue
- C. Nonoperating Revenue
- D. Operating Statistics
- E. Operating Budget – Consolidated
- F. Total Operating Budget
- G. FY 11 Projected CNG Price
- H. FY 11 Projected Diesel Price
- I. FY 11 Projected Gasoline Price
- J. Energy Impact on Operations
- K. Five-Year Financial Projections

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
REVENUE SUMMARY
FISCAL YEAR 2011**

	<u>BUDGET FY10</u>	<u>PROJECTED FY10</u>	<u>BUDGET FY11</u>	<u>DOLLAR CHANGE BUDGET/ PROJECTED</u>	<u>% CHANGE BUDGET/ PROJECTED</u>
OPERATING REVENUE					
PASSENGER REVENUE	93,680,214	85,910,826	88,752,066	2,841,240	3.3%
ADVERTISING REVENUE	1,274,432	729,744	1,359,800	630,056	86.3%
CONTRACT SERVICE REVENUE	29,400	30,000	30,000	0	-
OTHER INCOME	5,719,548	5,125,387	4,269,247	(856,140)	-16.7%
Total Operating Revenue	<u>100,703,594</u>	<u>91,795,957</u>	<u>94,411,114</u>	<u>2,615,157</u>	<u>2.8%</u>
SUBSIDY REVENUE					
FEDERAL REVENUE	38,224,175	44,533,668	38,624,305	(5,909,362)	-13.3%
TRANSPORTATION DEVELOPMENT ACT (TDA)	51,299,413	53,246,444	53,551,399	304,955	0.6%
STATE TRANSIT ASSISTANCE (STA)	0	0	0	0	-
STATE REVENUE - OTHER	1,000,000	1,000,000	1,600,000	600,000	60.0%
TRANSNET	22,768,984	18,551,047	19,014,315	463,268	2.5%
OTHER LOCAL SUBSIDIES	1,633,578	4,356,491	4,452,306	95,816	2.2%
Total Subsidy Revenue	<u>114,926,150</u>	<u>121,687,650</u>	<u>117,242,326</u>	<u>(4,445,324)</u>	<u>-3.7%</u>
OTHER REVENUE					
OTHER FUNDS	7,584,715	7,584,715	7,580,764	(3,951)	-0.1%
RESERVES REVENUE	1,891,928	9,783,867	92,217	(9,691,650)	-99.1%
Total Other Revenues	<u>9,476,643</u>	<u>17,368,582</u>	<u>7,672,981</u>	<u>(9,695,601)</u>	<u>-55.8%</u>
GRAND TOTAL REVENUES	<u><u>225,106,386</u></u>	<u><u>230,852,189</u></u>	<u><u>219,326,421</u></u>	<u><u>(11,525,768)</u></u>	<u><u>-5.0%</u></u>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
OPERATING REVENUE
FISCAL YEAR 2011**

	<u>BUDGET FY10</u>	<u>PROJECTED FY10</u>	<u>BUDGET FY11</u>	<u>DOLLAR CHANGE BUDGET/ PROJECTED</u>	<u>% CHANGE BUDGET/ PROJECTED</u>
<u>Passenger Revenue</u>					
Internal Bus Operations	27,229,225	26,659,513	27,208,351	548,838	2.1%
Rail Operations - Base	36,829,934	31,788,271	33,576,682	1,788,411	5.6%
MCS - Fixed route	23,637,303	21,980,359	23,220,777	1,240,417	5.6%
MCS - Paratransit	2,228,634	1,861,488	1,482,817	(378,671)	-20.3%
Chula Vista Transit	3,755,118	3,621,194	3,263,439	(357,755)	-9.9%
Total Passenger Revenue	<u>93,680,214</u>	<u>85,910,826</u>	<u>88,752,066</u>	<u>2,841,240</u>	<u>3.3%</u>
<u>Advertising Revenue</u>					
Administration	1,274,432	729,744	1,359,800	630,056	86.3%
Total Advertising Revenue	<u>1,274,432</u>	<u>729,744</u>	<u>1,359,800</u>	<u>630,056</u>	<u>86.3%</u>
<u>Contract Service Revenue</u>					
Internal Bus Operations	29,400	30,000	30,000	-	-
Total Contract Service Revenue	<u>29,400</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>-</u>
<u>Other Income</u>					
Internal Bus Operations	60,000	60,000	60,000	-	-
Rail Operations - Base	520,400	536,876	724,956	188,080	35.0%
Administrative	4,274,148	3,531,115	2,509,285	(1,021,830)	-28.9%
Taxicab	750,000	840,396	819,900	(20,496)	-2.4%
SD&AE	115,000	157,000	155,106	(1,894)	-1.2%
Total Other Income	<u>5,719,548</u>	<u>5,125,387</u>	<u>4,269,247</u>	<u>(856,140)</u>	<u>-16.7%</u>
TOTAL OPERATING REVENUE	<u>100,703,594</u>	<u>91,795,957</u>	<u>94,411,114</u>	<u>2,615,157</u>	<u>2.8%</u>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
NON OPERATING REVENUE
FISCAL YEAR 2011**

	BUDGET FY10	PROJECTION FY10	BUDGET FY11	DOLLAR CHANGE BUDGET/ PROJECTED	% CHANGE BUDGET/ PROJECTED
<u>FEDERAL</u>					
FTA 5307 - Planning	17,500	17,500	17,500	-	-
FTA 5307/5309 - Preventative Maintenance	33,200,000	33,200,000	33,200,000	-	-
ADA PM	3,600,000	4,089,500	4,253,000	163,500	4.0%
ARRA - 10%	-	5,860,000	-	(5,860,000)	-100.0%
JARC	1,079,005	1,045,954	804,999	(240,956)	-23.0%
FTA 5311 / 5311(f) - Rural	327,670	320,713	348,806	28,093	8.8%
Total Federal Funds	38,224,175	44,533,668	38,624,305	(5,909,362)	-13.3%
<u>TRANSPORTATION DEVELOPMENT ACT (TDA)</u>					
TDA - Article 4.0 MTS Area	47,235,682	49,719,700	49,897,106	177,406	0.4%
TDA - Article 4.5 (ADA)	3,696,972	3,188,412	3,198,045	9,633	0.3%
TDA - Article 8.0	366,758	338,332	456,248	117,916	34.9%
Total TDA Funds	51,299,413	53,246,444	53,551,399	304,955	0.6%
<u>STATE REVENUE - OTHER</u>					
MediCal	1,000,000	1,000,000	1,600,000	600,000	60.0%
Total State Funds	1,000,000	1,000,000	1,600,000	600,000	60.0%
<u>TRANSNET</u>					
TransNet - 40% Operating Support	20,020,739	15,799,228	16,232,685	433,458	2.7%
TransNet - Access ADA	676,943	564,966	576,464	11,498	2.0%
TransNet - Superloop	2,071,302	2,186,853	2,205,166	18,312	0.8%
Total TransNet Funds	22,768,984	18,551,047	19,014,315	463,268	2.5%
<u>OTHER LOCAL</u>					
City of San Diego	824,016	428,918	428,918	-	-
SANDAG - Inland Breeze	500,000	500,000	500,000	-	-
SANDAG - 4S Ranch	180,120	182,459	175,202	(7,257)	-4.0%
Other	129,442	125,113	148,186	23,073	18.4%
CNG Rebates	-	3,120,000	3,200,000	80,000	2.6%
Other Local Funds	1,633,578	4,356,491	4,452,306	95,816	2.2%
<u>LEASE-LEASEBACK / RESERVES</u>					
Lease-Leaseback	7,584,715	7,584,715	7,580,764	(3,951)	-0.1%
Reserve Utilization	1,891,928	9,783,867	92,217	(9,691,650)	-99.1%
Total Lease-Leaseback / Reserves	9,476,643	17,368,582	7,672,981	(9,695,601)	-55.8%
TOTAL NON OPERATING REVENUE	124,402,792	139,056,232	124,915,307	(14,140,925)	-10.2%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
OPERATING STATISTICS
FISCAL YEAR 2011**

**FINANCE WORKSHOP
Att. D, AI 2, 5/27/10**

	BUDGET FY10	PROJECTED FY10	INITIAL FY11 BUDGET	DOLLAR CHANGE BUDGET/ PROJECTED	% CHANGE BUDGET/ PROJECTED
<u>Total Passenger Levels</u>					
Internal Bus Operations	28,003,992	26,859,168	26,526,680	(332,488)	-1.2%
Rail Operations - Base	37,195,944	29,672,640	30,784,239	1,111,599	3.7%
MCS - Fixed Route	22,753,541	20,489,963	21,681,964	1,192,001	5.8%
MCS - Paratransit	564,384	421,382	395,605	(25,777)	-6.1%
Chula Vista Transit	3,703,126	3,604,984	3,218,193	(386,192)	-10.7%
Total	92,220,986	81,048,138	82,606,980	1,558,843	1.9%
<u>Total Average Fare</u>					
Internal Bus Operations	0.972	0.993	1.026	0.033	3.3%
Rail Operations - Base	0.990	1.071	1.091	0.019	1.8%
MCS - Fixed Route	1.039	1.073	1.071	(0.002)	-0.2%
MCS - Paratransit	3.949	4.418	3.748	(0.669)	-15.2%
Chula Vista Transit	1.014	1.004	1.014	0.009	0.9%
Total	1.016	1.060	1.074	0.014	1.4%
<u>Revenue Miles</u>					
Internal Bus Operations	8,797,321	8,623,796	8,095,626	(528,171)	-6.1%
Rail Operations - Base	8,172,920	7,892,483	7,784,860	(107,623)	-1.4%
MCS - Fixed Route	8,672,530	8,396,451	8,061,318	(335,133)	-4.0%
MCS - Paratransit	3,636,328	3,081,809	3,110,554	28,745	0.9%
Chula Vista Transit	1,182,164	1,132,435	1,028,243	(104,192)	-9.2%
Total	30,461,264	29,126,974	28,080,600	(1,046,374)	-3.6%
<u>Total Miles</u>					
Internal Bus Operations	10,204,892	9,733,402	9,096,743	(636,659)	-6.5%
Rail Operations - Base	8,277,621	7,983,429	7,875,806	(107,623)	-1.3%
MCS - Fixed Route	10,549,430	10,016,269	9,587,804	(428,466)	-4.3%
MCS - Paratransit	4,845,399	4,168,798	4,003,070	(165,728)	-4.0%
Chula Vista Transit	1,371,345	1,247,998	1,135,967	(112,031)	-9.0%
Total	35,248,686	33,149,896	31,699,389	(1,450,506)	-4.4%
<u>Revenue Hours</u>					
Internal Bus Operations	813,623	787,134	740,525	(46,609)	-5.9%
Rail Operations - Base	441,145	374,110	370,436	(3,674)	-1.0%
MCS - Fixed Route	790,963	768,745	742,854	(25,892)	-3.4%
MCS - Paratransit	215,160	180,940	154,921	(26,020)	-14.4%
Chula Vista Transit	113,681	109,493	100,531	(8,962)	-8.2%
Total	2,374,572	2,220,421	2,109,266	(111,156)	-5.0%
<u>Total Hours</u>					
Internal Bus Operations	862,441	825,804	775,181	(50,623)	-6.1%
Rail Operations - Base	447,698	381,425	377,834	(3,591)	-0.9%
MCS - Fixed Route	857,007	818,907	791,026	(27,882)	-3.4%
MCS - Paratransit	277,698	237,223	205,433	(31,790)	-13.4%
Chula Vista Transit	120,502	115,108	105,750	(9,358)	-8.1%
Total	2,565,346	2,378,467	2,255,223	(123,244)	-5.2%

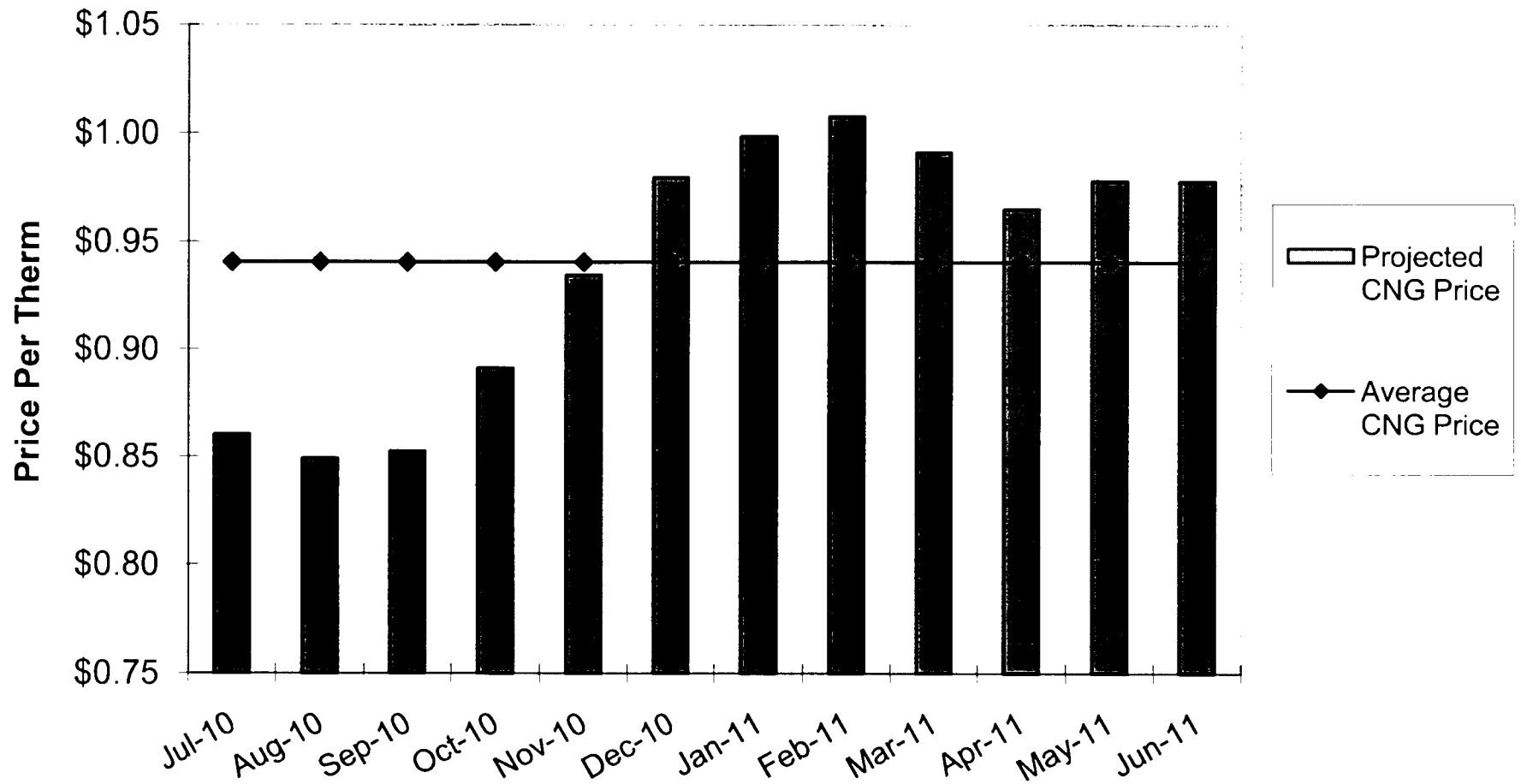
SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET - CONSOLIDATED
FISCAL YEAR 2011
in (\$000s)

	ORIGINAL BUDGET FY10	AMENDED BUDGET FY10	ORIGINAL BUDGET FY11	\$ VARIANCE FY11 BUDGET TO FY10 AMENDED	% VARIANCE FY11 BUDGET TO FY10 AMENDED
PASSENGER REVENUE	93,680	85,911	88,752	2,841	3.3%
OTHER REVENUE	7,023	5,885	5,659	(226)	-3.8%
TOTAL OPERATING REVENUES	100,704	91,796	94,411	2,615	2.8%
TOTAL NON-OPERATING REVENUE	124,403	139,056	124,915	(14,141)	-10.2%
TOTAL REVENUES	225,106	230,852	219,326	(11,526)	-5.0%
PERSONNEL EXPENSES	101,263	107,479	104,608	(2,871)	-2.7%
OUTSIDE SERVICES	15,777	16,484	16,332	(151)	-0.9%
PURCHASED TRANSPORTATION	56,076	53,112	52,522	(590)	-1.1%
MATERIALS AND SUPPLIES	6,990	6,980	7,002	22	0.3%
ENERGY	26,971	25,303	21,616	(3,687)	-14.6%
RISK MANAGEMENT	4,033	4,236	4,142	(94)	-2.2%
GENERAL AND ADMINISTRATIVE	1,241	1,328	1,308	(21)	-1.5%
VEHICLE / FACILITY LEASE	624	613	634	21	3.4%
DEBT SERVICE	12,131	15,318	11,161	(4,156)	-27.1%
TOTAL OPERATING EXPENSES	225,106	230,852	219,326	(11,526)	-5.0%
OVERHEAD ALLOCATION	-	-	-	-	-
TOTAL REVENUES LESS TOTAL EXPENSE	0	(0)	(0)	(0)	-
NET OPERATING SUBSIDY	(124,403)	(139,056)	(124,915)	14,141	10.2%

San Diego Metropolitan Transit System
Total Operating Budget
Fiscal Year 2011
(in \$000's)

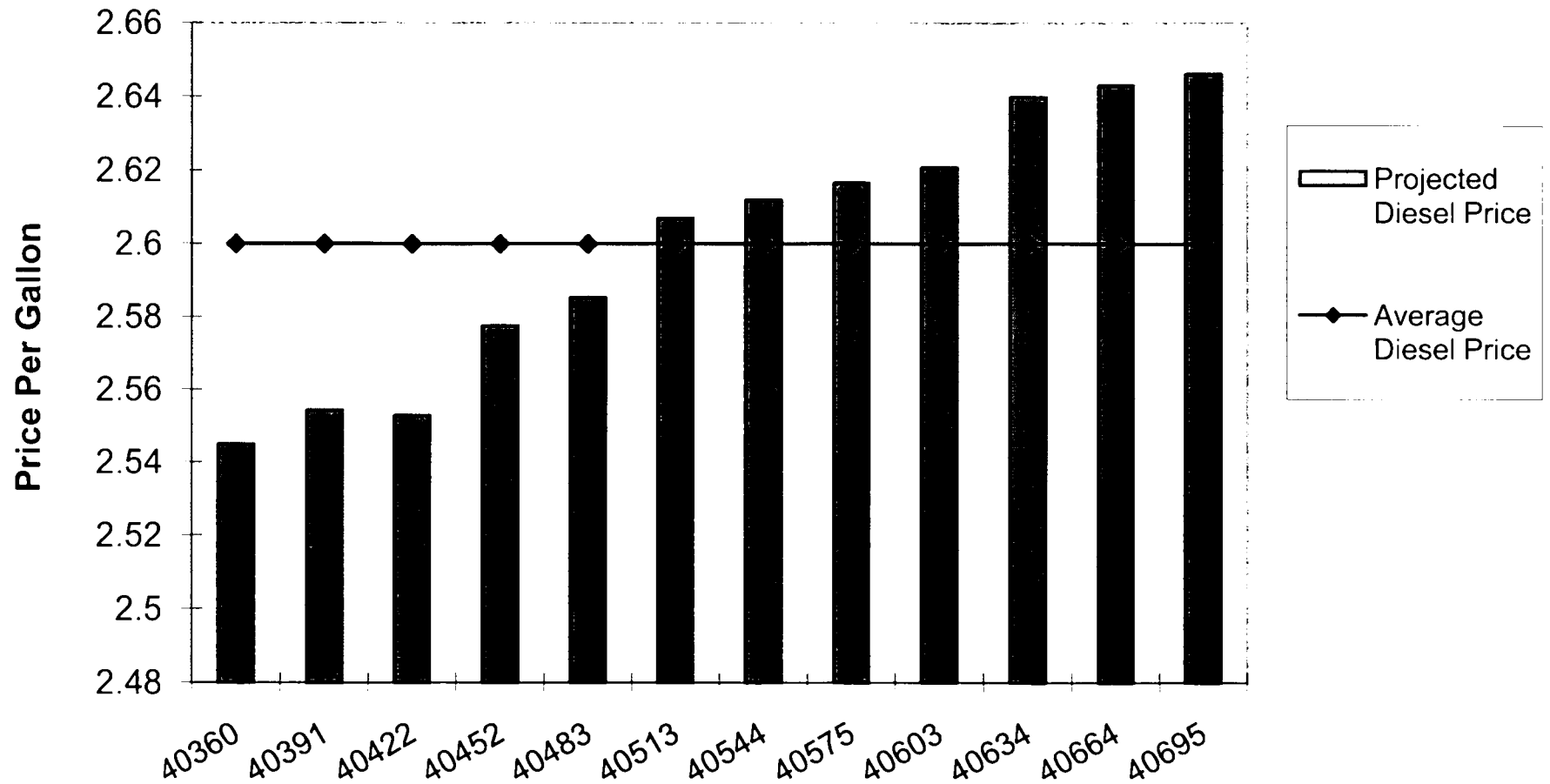
	FY 2010 Mid Year Expense Budget	FY 2011 Current Expense Budget	Difference	Percent Variance
Operations				
Internal Bus Operations	85,249	75,835	(9,413)	-11.0%
Rail Operations	47,283	47,046	(237)	-0.5%
Contract Services - Fixed Route	46,422	44,639	(1,783)	-3.8%
Contract Services - Paratransit	11,420	11,281	(139)	-1.2%
Chula Vista Transit	6,542	6,289	(253)	-3.9%
Coronado Ferry	137	139	3	1.9%
Administrative Pass Through	344	344	-	0.0%
Combined Operations	197,397	185,574	(11,823)	-6.0%
Other Operations				
Taxicab Administration	925	838	(87)	-9.5%
San Diego & Arizona Eastern	176	147	(28)	-16.0%
Combined Other Operations	1,101	985	(116)	-10.5%
Administrative				
Board of Directors	93	96	3	3.2%
BOD Admin	141	144	3	2.0%
Bus Bench / Bus Shelter	283	281	(2)	-0.7%
Executive	495	505	10	2.1%
Finance	1,347	1,377	30	2.2%
Fringes	4,044	4,079	35	0.9%
General	9,774	9,604	(171)	-1.7%
Human Resources	1,336	1,376	40	3.0%
Information Technology	1,977	2,136	159	8.1%
Land Management	409	418	9	2.2%
Legal	266	337	71	26.8%
Marketing	1,267	1,477	210	16.6%
Multimodal Operations	-	-	-	0.0%
Operations Planning	620	633	13	2.0%
Procurement	644	698	54	8.4%
Revenue	-	-	-	0.0%
Risk	710	656	(54)	-7.6%
Security	7,997	8,025	27	0.3%
Telephone Information Services	654	579	(76)	-11.6%
Transit Store	297	347	50	16.9%
Combined Administrative	32,354	32,767	413	1.3%
Combined Grand Total	230,852	219,326	(11,526)	-5.0%

FY11 CNG Projection



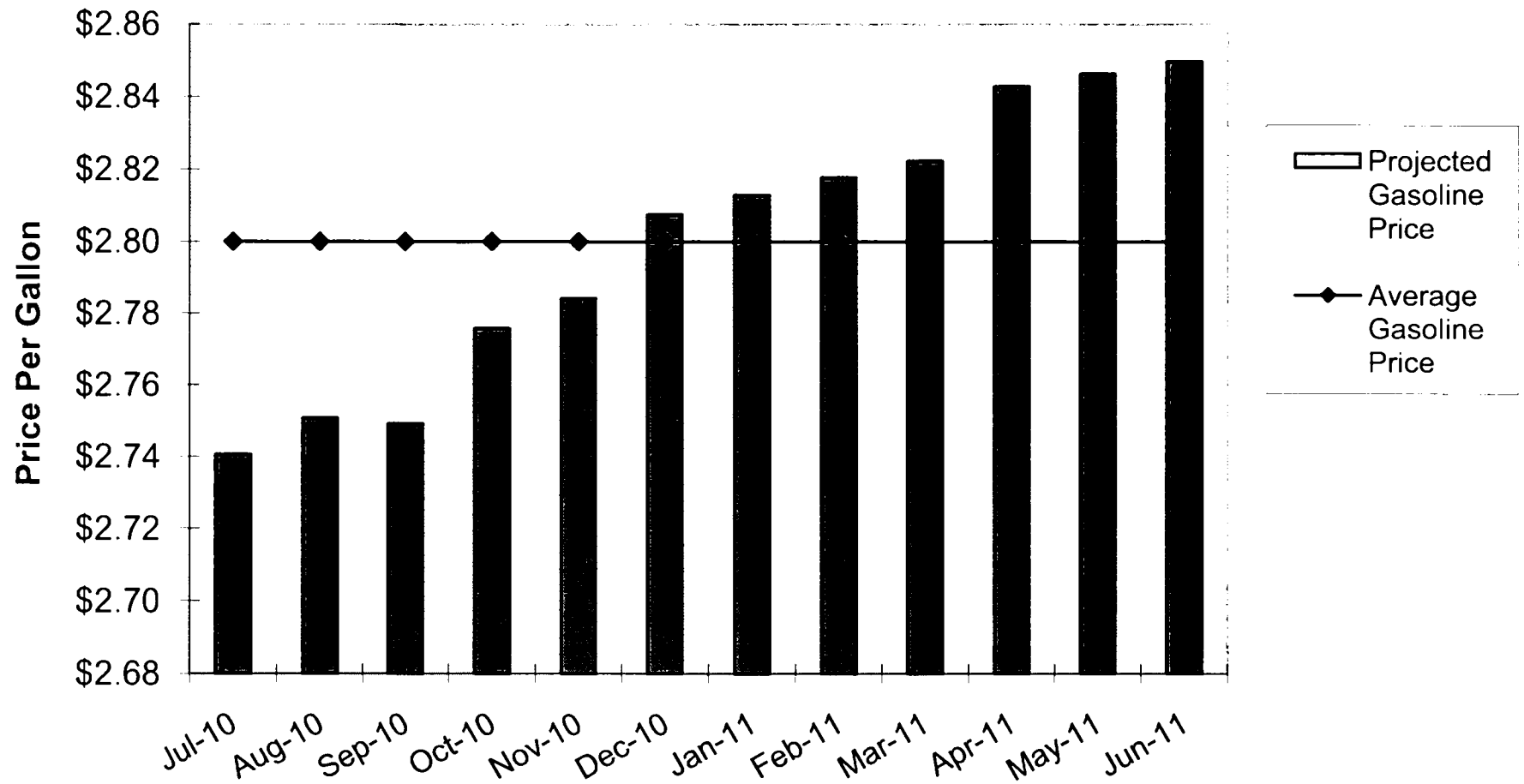
FY11 Projected Average CNG Price = \$0.941

FY11 Diesel Projection



FY11 Projected Average Diesel Price = \$2.60

FY11 Gasoline Projection



FY11 Projected Average Gasoline Price = \$2.80

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Fiscal Year 2011

Energy Impact on Operations

Average annual cost per \$0.01 increase in price

	CNG		Diesel		Gasoline	
	<hr/>		<hr/>		<hr/>	
	74,082		8,273		11,017	
Annual budgetary impact at annual average prices	<hr/>		<hr/>		<hr/>	
	CNG		Diesel		Gasoline	
	Average	Annual	Average	Annual	Average	Annual
	Annual Price	Budgetary Impact	Annual Price	Budgetary Impact	Annual Price	Budgetary Impact
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	0.881	(444,491)	2.400	(165,466)	2.600	(220,342)
	0.911	(222,246)	2.500	(82,733)	2.700	(110,171)
Budget Rate	0.941	-	2.600	-	2.800	-
	0.971	222,246	2.700	82,733	2.900	110,171
	1.001	444,491	2.800	165,466	3.000	220,342
	1.031	666,737	2.900	248,199	3.100	330,513

* CNG usage represents 92% of San Diego Transit operations

MTS FY11 Budgeted Cost Per Mile

CNG		Diesel	
<hr/>		<hr/>	
\$	0.448	\$	0.647

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FIVE YEAR FINANCIAL PROJECTIONS
FISCAL YEAR 2011**

	APPROVED BUDGET FY10	AMENDED BUDGET FY10	PROPOSED BUDGET FY11	PROJECTED FY12	PROJECTED FY13	PROJECTED FY14	PROJECTED FY15
TOTAL OPERATING REVENUES	100,703,594	91,795,957	94,411,114	96,111,000	97,972,000	99,884,000	101,836,000
RECURRING SUBSIDY FUNDING	114,926,150	121,687,650	117,242,326	109,776,300	111,152,300	113,251,300	116,130,300
TOTAL RECURRING REVENUES	215,629,743	213,483,607	211,653,440	205,887,300	209,124,300	213,135,300	217,966,300
BASE COMBINED OPERATOR TRANSP. SERVICES	191,450,125	197,397,278	185,574,088	190,213,000	194,968,000	199,842,000	204,838,000
ADMINISTRATIVE EXPENSES	25,132,618	24,769,474	25,186,472	25,816,000	26,461,000	27,123,000	27,801,000
OTHER ACTIVITIES	938,928	1,100,723	985,098	1,010,000	1,035,000	1,061,000	1,088,000
TOTAL RECURRING OPERATING EXPENSES	217,521,671	223,267,474	211,745,657	217,039,000	222,464,000	228,026,000	233,727,000
ANNUAL RECURRING EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	(1,891,928)	(9,783,867)	(92,218)	(11,151,700)	(13,339,700)	(14,890,700)	(15,760,700)
NON RECURRING REVENUES	1,891,928	9,783,867	92,217	160,000	160,000	160,000	160,000
NET DEBT SERVICE/LEASE REVENUE/(EXPENSE)	-	-	-	-	-	-	-
ANNUAL EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	(0)	0	(0)	(10,991,700)	(13,179,700)	(14,730,700)	(15,600,700)

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

May 13, 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 April 22, 2010, MTS Board of Directors meeting. Mr. Van Deventer seconded the motion, and the vote was 11 to 0 in favor. Mr. Rindone abstained from voting due to the fact that he was not present at the April 22, 2010, Board meeting.

3. Public Comments

Virginia Conway: Ms. Conway pointed out that there will be a television show regarding street cars that create their own energy on Cox cable, Science Channel 102 at 5:30pm and again at 8:30pm. Ms. Conway also expressed her concern about the trolley running close to schools. She stated that she preferred the Alternative 1 route.

Mr. Mathis responded to Ms. Conway's comment, that while he appreciated her concern, he feels that the need for public transportation to schools is one that cannot be dismissed.

CONSENT ITEMS:

6. MTS: San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Railway Company Board of Directors at its meeting on April 20, 2010.

Action would: (1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Carrizo Gorge Railway, Inc. (Carrizo) quarterly reports; and (2) ratify actions taken by the San Diego and Arizona Eastern (SD&AE) Railway Company Board of Directors at its meeting on April 20, 2010.

7. MTS: Increased Authorization for Legal Services - Wheatley Bingham & Baker

Action would authorize the CEO to enter into MTS Doc. No. G1111.15-07 with Wheatley Bingham & Baker for legal services and ratify prior amendments entered into under the CEO's authority.

8. MTS: Taxicab Maximum Allowable City and Airport Rates of Fare - Stabilization of Rates for 2010

Action would approve Resolution No. 10-11 stabilizing the 2009 maximum allowable City of San Diego and airport rates of fare for the year 2010.

9. MTS: Mincom Annual Support Renewal - Contract Amendment

Action would authorize the CEO to execute MTS Doc. No. G0740.10-02 with Mincom Inc. for annual software support maintenance for the Ellipse financial system and Enterprise Resource Planning (ERP) package.

10. MTS - GIRO, Inc. Regional Scheduling System (RSS) – Contract Amendment

Action would authorize the CEO to execute MTS Doc. No. G0856.14-03 with GIRO, Inc. to fund the HASTUS Maintenance and Service Support Contract for the Regional Scheduling System (RSS) contract.

Action on Recommended Consent Items

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

CLOSED SESSION:

24. Closed Session Items

The Board convened to Closed Session at 9:08 a.m.

MTS: CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION SIGNIFICANT EXPOSURE TO LITIGATION Pursuant to California Government Code section 54956.9(b): (One Potential Case)

The Board reconvened to Open Session at 9:14 a.m.

Oral Report of Final Actions Taken in Closed Session

Ms. Lorenzen reported the following:

- a. The Board received a report from the General Counsel and CEO.

NOTICED PUBLIC HEARINGS:

- 25. None

DISCUSSION ITEMS:

30. MTS: Mid-Coast Corridor Transit Project (Sharon Cooney)

The Mid-Coast Corridor Transit Project will extend service from the Old Town Transit Center to University City serving major centers, such as the University of California, San Diego (UCSD),

University Towne Center (UTC) and downtown San Diego. Ms. Cooney explained that MTS supports Light Rail Transit (LRT) Alternative 1 as the locally preferred alternative for the Mid-Coast Corridor Transit Project. Cost effectiveness and past operating experience are the main reasons that MTS supports Alternative 1. LRT Alternative 6 will entail a couple sharp curves that will in turn cause greater infrastructure wear, slow operating speeds, and will generate excessive track noise that may be of nuisance to the community. LRT Alternative 3 is similar to Alternative 1 but it is felt that the service plan is not as superior as the LRT Alternative 1 service plan because it will serve fewer stations and will not supply as direct service to the UCSD campus.

Mr. Roberts explained that scoping started last week and will continue for 30 days - all three alternatives that Ms. Cooney discussed have been taken to scoping. At the end of the scoping, recommendations will be made to the SANDAG Transportation Committee and then to the SANDAG Board. The thrust right now is to have a preferred alternative so we carry one alternative into the environmental assessment and impact period, which would last for roughly 12 months. If everything goes well, this line could be in operation in 2015 (with a slight possibility that it could begin in 2014).

Mr. Roberts mentioned that there is not going to be a more significant expansion for light rail transit taking place in the next decade. Alternative 1 is the route that is strongly endorsed by every other group he has spoken to about the Mid-Coast Corridor Transit Project, including UCSD. Within days of Chancellor Fox assuming leadership at the university, she was given an opportunity to ride the trolley to San Diego State University before it opened, and she has become an advocate for the trolley expansion to UCSD. The Mormon Temple is also pleased to have the trolley in their area and supportive of Alternative 1 as it will provide a station across the street from the temple, and they plan to bring a public walkway from Nobel Drive to the temple. The Lawrence Family Jewish Community Center also expressed strong support, on record, in favor of Alternative 1. Alternative 1 will provide a stop at Executive Drive that they feel will be advantageous for their senior programs. Friends of Rose Canyon also strongly supports Alternative 1, and it appears there is an almost an unheard of consensus in support of Alternative 1 by the community. Mr. Roberts would like to encourage his colleagues to be involved in one of the most highly rated programs in the country and adopt, as the preferred alternative recommendation to SANDAG, Alternative 1.

Mr. Roberts further explained that the Mid-Coast Corridor Transit Project was the subject of both ballot proposals; the establishment of TransNet and the expansion of TransNet. The project was identified as a high-priority expansion program for TransNet in San Diego. The second ballot proposal added the operating expense of the line, so this line is unique in that it has operations built in for as long as TransNet is around and does not count against SANDAG's operational expense caps.

Mr. Mathis commented that he received a telephone call earlier in the morning from Janay Kruger, Chair of the University City Planning Group, who wanted to express support for Alternative 1 and share that when they voted, Alternative 1 was unanimously in favor, at 19 to 0. Mr. Mathis also mentioned that in a meeting with UCSD's Chancellor Fox, she shared her importance for the project.

Mr. McClellan expressed concern about the TransNet funding and the possibility of having to cut service in the future. He also mentioned that he and his wife recently rode the trolley after a Padres game and his wife felt unsafe. He feels that adding security cameras to prevent crime and vandalism on the trolley is necessary. Mr. Mathis responded that extensive investments

are being made to install cameras on many trolley lines. Mr. Roberts cited a study that was recently completed by SANDAG, and statistics have shown that there is no real difference in safety when using public transit.

Ms. Lightner commented that she is delighted to support this motion. About a year ago, she held an emergency meeting on the project, and people in the community wanted to make sure that the project would happen this time. She feels that it is a terrific project and is happy to see it happen and for the service to begin soon.

Mr. Rindone appreciates the leadership that Mr. Roberts and Ms. Lightner have provided on this project. He reaffirmed that the UCSD campus leaders are very much involved in the planning this time around and mentioned how successful the San Diego State University service has been, and these factors are proof that the project will get done this time.

Mr. Ewin feels that light rail transit to this area is going to be a great thing particularly with all of the medical facilities located in this area. Light rail is going to be much faster than using the surface streets and it will appeal to those patrons whom are reluctant to ride the bus.

Action Taken

Mr. Roberts made a motion to support SANDAG's Light Rail Transit Alternative 1. Mr. Rindone seconded the motion, and the vote was 14 to 0 in favor.

REPORT ITEMS:

45. MTS: Commuter Express Pilot Project (Mike Daney)

MTS has been working with the United States Navy and (SANDAG) as part of a transportation demand-management initiative to develop a neutral-cost express bus service between the Navy's Murphy Canyon Housing Complex, the Tierrasanta community, and the San Diego Naval Base.

Mr. Mike Daney, Senior Transportation Planner with MTS, reviewed the details of the Murphy Canyon Express Pilot Project. He stated that the commuter population from Murphy Canyon to the San Diego Naval Base was the highest at 68%; currently 94% of commuters drive alone and thus the project is exploring express bus service from Murphy Canyon to the San Diego Naval Base.

Currently, navy personnel can apply for Transportation Incentive Program (TIP) vouchers, which provide \$220 a month for transit paid for by the navy, and 22,000 navy personnel are already using the TIP vouchers. MTS would need 158 registries to start express service, and research shows there are roughly 3,251 people commuting from the Murphy Canyon Housing Complex to the San Diego Naval Base. Ms. Sharon Cooney, Director of Governmental Affairs for MTS, further stated that the Navy is very supportive of the project and, all the way up the command, Navy personnel want the pilot to be very successful.

Once Board approvals from MTS and SANDAG have been given, MTS and SANDAG will enter into an interagency agreement for full funding of the project. MTS may receive \$400 for every 10 passengers who sign up for the service from SANDAG to help get the project started through their vanpool program. Collaborative marketing to Murphy Canyon residents will begin, media fare process will be finalized, and implementation of service can begin in September coinciding

with September service changes. MTS is requiring full-cost recovery from SANDAG and included in the MOU will be a clause to allow the discontinuance of service if it is not working as designed.

Ms. Emerald commented that this is very exciting project. She feels that now is the right time to start this service; Murphy Canyon traffic is getting heavier and with the slowed economy, riders will benefit with cash in their pockets. Since this is the area she is representing, she will be happy to help promote this project in any way she can. She expressed her concern that the pilot be long enough to ensure it will become successful as well as frequency to ensure that riders can get to work early and have options for getting home. Ms. Emerald would like to be kept informed on the pilot program so that she can help with some community outreach if needed.

Mr. Rindone commented that the Executive Committee previously asked staff to find out whether or not the navy would be willing to use its own transportation shuttles inside the base. Ms. Cooney replied that after meeting with the Commanding Officer, the navy is not interested in using its own shuttle service and would not be able to use its TIP funding if they did.

Mr. Ovrom is disappointed that the numbers show that service to the Naval Air Station North Island would probably not be economically feasible because the traffic from the I-5 San Diego side of the bridge is very heavy. After having talks with the navy himself, base maintenance funds have been cut heavily, so if the navy can use the TIP money, it is more than happy to try and do so.

Action Taken

Ms. Emerald made a motion to receive the report. Mr. Ovrom seconded the motion, and the vote was 14 to 0 in favor.

46. MTS: Mid-City Rapid Update (Denis Desmond and Eric Adams of SANDAG)

Denis Desmond, Senior Transportation Planner with MTS, explained the details of the Mid-City Rapid Project. He explained that the project will provide 'rapid bus' service between downtown San Diego and San Diego State University (SDSU) via Park and El Cajon Boulevards. This new route will replace MTS's existing Route 15; however, it will have improvements that will make the route more attractive to riders. The new route will have traffic signal priority (TSP) and is one of the first TSP routes in San Diego. The new service will operate seven days a week, every 15 minutes except during peak hours running every 10 minutes. The plan also calls for 15 articulated busses adding to increased ridership capacity.

The design phase of the project is in the final stages, and Eric Adams of SANDAG presented to the Board, renderings of the proposed stations that the project team will present to the City of San Diego. Because of federal New Starts grant and TransNet funds, the capital and operating costs for the service are minimal. The final station design is a sleek design supported by a round pole on the right side and a corrugated metal roof with a pronounced arch. Seating has been tied into the overall structure with a perforated metal screen to provide visibility to the business and provide shelter to riders. Real-time information signs will have their own separate structure as will trash reciprocals.

Two types of stations will be presented--a sidewalk bus stop wherein the bus would pull up next to the sidewalk in a third travel lane; the other is a center median bus stop wherein the riders

would wait on platforms housed on both sides of vehicular traffic with a dedicated bus lane in the middle. The Mid-City Rapid Project is expected to be in operation by June 2012. Some diagonal parking spaces will need to be converted to parallel parking spaces to accommodate the new stations on Park Boulevard. The idea is to take nearby streets and convert parallel parking to diagonal parking to absorb the loss of parking space. This would result in a net loss of 10 parking spaces on a portion of Park Boulevard which will need City Council approval.

Mr. Gloria is very supportive of the project and excited to get this service for his area. He understands that the downtown stations might lag by about a year and that service will be enhanced but the stations will not be enhanced in that area. The first phase of the project will be the 28 signals for signal priority on El Cajon Boulevard. Mr. Gloria expressed that his community has made it clear that they would like the old terrazzo preserved and since the entire sidewalk has to be removed to accommodate raised grates, it could be a deal breaker for his constituents. He also expressed his concern for contacting the community before construction begins and gave his personal commitment to help with the project.

Ms. Emerald also gave her personal support for the project and will go door to door if needed because she wants this project to be successful and clear cars from congested streets.

Action Taken

Ms. Emerald moved to receive the report with direction given to staff. Mr. Gloria seconded the motion and the vote was 12 to 0 in favor.

47. MTS: Service Performance Monitoring Report for January through March 2010
(Devin Braun)

Devin Braun, Senior Transportation Planner, provided a report on service performance for the third quarter of the fiscal year 2010. Total passenger ridership is down 12.2%, trolley ridership is down 21.9% for the quarter. To try to learn why ridership is down, a ridership vs. unemployment analysis was conducted. Average weekday passenger ridership is down 11.2% probably due to unemployment. Sunday ridership shows an initial reduction in service equating to less riders, but the routes have become more productive. Passengers per revenue hour showed a 7.9% decrease, and passengers per in service hour have decreased 10.1%.

On-time performance remains fairly consistent, and complaints per 100,000 passengers are up to 37.6% due to a new tracking process. TDA triennial audit results revealed that from 2006 to 2009, passengers per revenue hour has increased by 13%, which is not a typical trend usually seen by public transit agencies.

Mr. Jablonski noted that ridership is down across the country. While MTS' ridership is also down also our revenue has been relatively stable compared to last year.

Action Taken

Ms. Boyak moved to receive a report. Mr. Selby seconded the motion, and the vote was 8 to 0 in favor.

48. MTS: Route 880 (4S Ranch-Sorrento Valley/UTC Express) Status Update (Brent Boyd)

Brent Boyd, Senior Transportation Planner, gave an update to the Board on MTS Route 880, which is a premium express route servicing 4S Ranch, Rancho Bernardo, Sorrento Valley, and University Towne Centre. A marketing effort and a fare-free period of two weeks were launched in an effort to increase ridership. Although ridership has increased 50%, it remains lower than any other express bus route at an average of only 10 passengers. Funding for this route will run out near June 2012 if ridership remains low. MTS will report with another update in 90 days.

Action Taken

Mr. Van Deventer moved to receive a report. Mr. McClellan seconded the motion, and the vote was 10 to 0 in favor.

49. MTS: Operations Budget Status Report for March 2010 (Mike Thompson)

Mike Thompson, Assistant Budget Manager, provided the Board with an update on MTS operating results for March 2010 compared to the fiscal year 2010 amended budget. The year-to-date March 2010 MTS net-operating subsidy unfavorable variance totaled \$299,000 or negative .3%. Operations produced an \$80,000 or negative .1% unfavorable variance, and the administrative/other activities areas were unfavorable by \$219,000.

Compared to the fiscal year 2010 budget, unfavorable variances in personnel costs, other revenue, outside services, and risk management partially offset by a favorable variance in passenger revenue and energy and expenses are expected to even out to balance the budget. Mr. Jablonski mentioned that the next Board meeting will include a financial workshop.

Action Taken

Mr. McClellan moved to receive a report. Mr. Van Deventer seconded the motion, and the vote was 10 to 0 in favor.

60. Chairman's Report

There was no Chairman's Report.

61. Audit Oversight Committee Chairman's Report

There was no Audit Oversight Committee Chairman's Report.

62. Chief Executive Officer's Report

Mr. Jablonski attended the American Public Transportation Association Bus and Paratransit Conference last week in Cleveland, Ohio.

Yesterday, he traveled with Wayne Terry, Chief Operating Officer of Rail, and Lee Summerlott, Superintendent of Light Rail Vehicles, to Sacramento to meet with Siemens relative to the new car order. During the visit, they had a chance to take some photos of the Utah cars that were ready to be shipped. They also viewed a prototype of car window frames that will be similar to the zipper window frames that we ordered. A couple of pictures were shown to the Board of zipper window frames, (of note, was the inch border glossed in black). An orange peel meter was used on the Utah cars that consistently measured in the 9's (with 10 being perfect) indicating that the Siemens paint quality has improved.

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 May 27, 2010, which includes a Finance Workshop. Immediately following the meeting, the Coca Cola Scholarship Awards will take place in front of the clock tower.

66. Adjournment

Chairman Mathis adjourned the meeting at 11:06 a.m.

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: A. Roll Call Sheet

METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): May 13, 2010

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 9:08 a.m.

RECONVENE: 9:14 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:06 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
CUNNINGHAM	<input type="checkbox"/> (Boyack) <input checked="" type="checkbox"/>	9:17 a.m.	
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
EMERALD	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:22 a.m.	
GLORIA	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		10:42 a.m.
JANNEY	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		10:13 a.m.
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 checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>		11:03 a.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:04 a.m.	
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		X
SELBY	<input checked="" type="checkbox"/> (England) <input type="checkbox"/>		
VAN DEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>		10:48 a.m.

SIGNED BY THE OFFICE OF THE CLERK OF THE BOARD Valerie Vizkeletti

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL [Signature]



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.

OPS 970.4

May 27, 2010

SUBJECT:

MTS: RADIO COMMUNICATION SUPPORT SERVICES – CONTRACT AWARD

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L0947.0-10 (in substantially the same form as Attachment A) with Day Wireless Systems for radio communication support services for a five-year period.

Budget Impact

This contract would be for a five-year period with a total cost not to exceed \$293,916.00. Funding would come from the MTS trolley operating budget (fiscal years 11 through 15) comprised of 80% percent federal and 20% percent local funds.


DISCUSSION:

MTS Policy No. 52, Procurement of Goods and Services, requires a formal competitive bidding process for procurements exceeding \$100,000. In accordance with FTA Circular 4220.1F, a price analysis is required when only a single responsive bid is received for any type of formal procurement.

MTS issued an Invitation for Bids on February 25, 2010, for Radio Communication Support Services for a five-year period for San Diego Trolley rail divisions. One responsive bid was received from Day Wireless Systems. Since it was single bid, a price analysis was conducted, and it was determined that the bid prices were fair and reasonable (see cost analysis - Attachment B).



Therefore, staff recommends authorizing the CEO to execute MTS Doc. No. L0947.0-10 with Day Wireless Systems for radio communication support services for a five-year period.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Marco Yniguez, 619.557.4576, marco.yniguez@sdmts.com

MAY27-10.6.RADIO COMM SPPT SVCS.MYNIGUEZ.doc

Attachments: A. Draft MTS. Doc. No. L0947.0-10
B. Cost Analysis
C. Bid Pricing

STANDARD SERVICES AGREEMENT

DRAFT

L0947.0-10
 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: Day Wireless Systems Address: 8300 Juniper Creek Lane

Form of Business: Corporation San Diego, CA 92126-1072
 (Corporation, partnership, sole proprietor, etc.)

Telephone: 858.537.0709

Authorized person to sign contracts: Joseph L. Carrillo Area Business 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 radio communication support services for five-year period as stipulated in MTS's invitation for Bids, (IFB) MTS Doc. No L0947.0-10: including Addenda, Responses to Approved Equals/Clarifications; and in accordance with the Standard Services Agreement, including the Standard Conditions for Services, Federal Requirements, MTS's Safety Program, and Bid Proposal dated April 22, 2010 (hereinafter "Contract Documents"). If there are any inconsistencies between the Contract Documents, the following order of precedence will govern the interpretation of the contract.

1. Invitation for Bids, Addenda, Responses to Approved Equals/Clarifications, MTS's Safety Program, and the Contractor's Bid.
2. Standard Services Agreement, including the Standard Conditions Services, and Federal Requirements.

This contract shall be effective 7/01/2010 through 6/30/2015. The total amount of this contract shall not exceed \$293,916.00.

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
\$293,916.00	270-53650	10-15

By: _____ Date
 Chief Financial Officer

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

Att. B, AI 6, 5/27/10

MEMORANDUM

DATE: May 04, 2010
TO: Procurement file
FROM: Marco Yniguez
SUBJECT: Price Analysis / Single Responsive Bidder

Background

MTS/San Diego Trolley (SDTI) has 102 miles of track and operates 134 light rail vehicles to provide safety and security. SDTI mandates radio based communication system. MTS Policy No. 52 governing procurement of goods and services requires a formal competitive bid process for procurements exceeding \$100,000.

On February 25, 2010, MTS issued an Invitation for Bid (IFB) to interested parties for Radio Communication Support Services. This contract would provide continued support services for five a (5) year period. On April 22, 2010, MTS received a single responsive bid in response to the Radio Communication Support Services IFB, MTS Doc. No. L0947.0-10. MTS conducted a thorough review and found that Day Wireless System was responsive to all the requirements outlined in the IFB solicitation.

Price Analysis

In accordance with FTA Circular 4220.1F, Paragraph 2 (Chapter VI-16), grantees are required to perform a cost or price analysis in connection with receiving a single responsive bid/proposal.

- Full and open completion was required for this IFB. MTS publicly advertised the Radio Communication Support Services to various newspapers: San Diego Union Tribune, SD Daily Transcript, SD Voice and Viewpoint, and La Prensa.
- MTS did a post-bid survey to determine why other companies were not able to submit bids for this IFB. Based on the responses received. MTS staff determined the reasons were as-follows: the equipment utilized by SDTI was too old and the manufacturer would not be supporting it in the near future, no interest in bidding and requirements in the solicitation too big of a risk.
- In review of the Day Wireless Systems bid, the per item cost estimates for all five (5) years are basically unchanged from the current contract price list and the total cost differential is related to our increase of thirty eight (38%) percent radio equipment inventory. Also, Day Wireless Systems submitted only a 3.985 percent price increase per year for all five (5) years
- Day Wireless Systems, the incumbent, will be able to meet all related issue with the 2013 FCC narrow-banding requirements and any programming changes that will be warranted in the term of this contract.

Conclusion

The pricing provided by Day Wireless Systems is consistent and is similar with past and current projects completed by them. MTS has determined their bid to be fair, responsive and reasonable therefore staff highly recommends awarding a five year services agreement to Day Wireless Systems.



GRAND TOTALS - BASIS OF AWARD:

		Day Wireless system
1	Total Year 2011:	\$ 54,624.00
2	Total Year 2012:	\$ 54,648.00
3	Total Year 2013:	\$ 57,576.00
4	Total Year 2014:	\$ 61,560.00
5	Total Year 2015:	\$ 65,508.00
GRAND TOTAL:		\$ 293,916.00

MAY27-10.6.AttC.BID PRICING RADIO COMM SVCS.MYNIGUEZ.doc



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Agenda

Item No. 7

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

FIN 305

May 27, 2010

SUBJECT:

MTS: INVESTMENT REPORT – MARCH 2010

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Attachment A comprises the report of MTS investments as of March 2010. 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 balance in restricted cash and investments has decreased by \$351,000 due to the market value adjustment of one investment instrument. 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 (unrestricted investments) reports the working capital for MTS operations for employee payroll and vendors' goods and services. The balance in unrestricted cash and equivalents has increased by \$2.6 million in March due to normal variability in the timing of grant receipts and vendor payments.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Linda Musengo, 619.557.4513, Linda.Musengo@sdmts.com

MAY27-10.7.INVESTMT RPT MARCH.LMUSENGO.doc

Attachment: A. MTS Investments as of March 2010

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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.



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

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	Average rate of return
Cash and Cash Equivalents				
Bank of America - concentration sweep account	\$ 1,209,485	\$ 18,192,990	\$ 19,402,475	0.00%
Total Cash and Cash Equivalents	<u>1,209,485</u>	<u>18,192,990</u>	<u>19,402,475</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	205,200		205,200	N/A *
Local Agency Investment Fund (LAIF) Proposition 1B TSGP grant funds	2,683,459		2,683,459	0.55%
Total Cash - Restricted for Capital Support	<u>2,888,659</u>	<u>-</u>	<u>2,888,659</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)		18,065,749	18,065,749	0.55%
Bank of New York				
Total Investments - Working Capital	<u>-</u>	<u>18,065,749</u>	<u>18,065,749</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	34,244,059	-	34,244,059	
Rabobank - Payment Undertaking Agreement	84,951,545	-	84,951,545	7.69%
Total Investments Restricted for Debt Service	<u>119,195,604</u>	<u>-</u>	<u>119,195,604</u>	
Total cash and investments	<u>\$ 123,293,748</u>	<u>\$ 36,258,739</u>	<u>\$ 159,552,487</u>	

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



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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.

CIP 10940 (PC 50661)

May 27, 2010

SUBJECT:

MTS: MOTOROLA REGIONAL TRANSIT MANAGEMENT SYSTEM – CONTRACT
AMENDMENT

RECOMMENDATION:

That the Board of Directors:

1. ratify MTS Doc. No. G0867.9-03 (Attachment A) with Motorola as executed by the Chief Executive Officer (CEO) at a cost of \$25,466.51;
2. authorize the CEO to execute MTS Doc. No. G0867.10-03 (Attachment B) to the Motorola Regional Transit Management System (RTMS) contract to fund the Service Support Agreement; and
3. authorize the CEO to execute MTS Doc. No. G0868.5-03 (Attachment C) with North County Transit District (NCTD) for a Fund Transfer Agreement.

Budget Impact

MTS Doc. No. G0867.10-03 would not exceed \$774,739. The total adjusted cost of the contract would not exceed \$22,870,314.37 without prior written approval from MTS. Funding for Amendment No. 10 would be paid by MTS and NCTD operating funds. MTS's share of the \$774,739 would be \$478,159 and would be paid by operating funds. NCTD's cost share of \$296,580 would be governed by the approved Fund Transfer Agreement.



DISCUSSION:

Background Information

The RTMS is a sophisticated vehicle-tracking and communications system that provides for performance and security/safety monitoring of transit vehicles. The regional system is currently being used to support operations of San Diego Transit Corporation and NCTD fixed-route services. The system was deployed through a contract with Motorola and went into full operation in December 2006.

Amendment No. 9 to the Motorola Contract (Attachment A)

The CEO authorized this amendment for \$25,466.51 for the installation of test fixtures and associated electrical work for the Traffic Signal Priority Project. These test fixtures are for the Traffic Signal Priority System that was installed under Amendment No. 7.

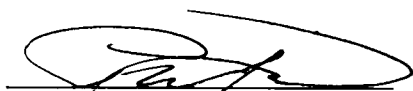
Amendment No. 10 to Motorola Service Agreement (Attachment B)

Amendment No.10 (MTS Doc. No. G0867.10-03) would extend the Motorola warranty support contract to cover the period from July 1, 2010, to June 30, 2011. The cost of the warranty contract is being shared by MTS and NCTD as outlined in the Fund Transfer Agreement.

Amendment No. 5 to the NCTD Fund Transfer Agreement (Attachment C)

As part of the original contract award, MTS and NCTD executed a Fund Transfer Agreement, which provided for the MTS contract execution and NCTD cost-sharing. The extension to the Motorola warranty support contract is a shared expense and affects NCTD's cost share, which required an amendment to the Fund Transfer Agreement.

These contract amendments are necessary to support continued project expansion activities and deliver enhancements to the RTMS system that improve service delivery to the region and the riding public.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Stevan White, 619.238.0100 Ext. 6412, stevan.white@sdmts.com

MAY27-10.8.MOTOROLA RTMS AMDMT.MLAWRENCE.doc

Attachments: A. Motorola Amendment (MTS Doc No. G0867.09-03)
B. Motorola Amendment (MTS Doc No. G0867.10-03)
C. NCTD Fund Transfer Agreement (MTS Doc No. G0868.05-03)



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November 2, 2009

ORIGINALMTS Doc. No. G0867.9-03
CIP 10940

Mr. Howard Chercoe
Director of System Integration
Motorola, Inc.
6450 Sequence Drive
San Diego, CA 92121

Dear Mr. Chercoe:

Subject: AMENDMENT NO. 9 TO MTS DOC. NO. G0867.0-03; AMENDMENT NO. 7 FOR
ADDITIONAL COSTS FOR TEST FIXTURES –REGIONAL TRANSIT MANAGEMENT
SYSTEM

This letter will serve as Amendment No. 9 to the above-referenced contract and in response to the Motorola cost proposals listed below. These proposals have been evaluated and determined to be fair and reasonable. MTS is processing this amendment to facilitate implementation and better meet the operational needs of the system and to deploy project components.

Motorola Cost Proposal	Amount
Motorola Amend 7- Additional Test Fixtures	\$25,466.51
Total Amount of this Amendment	\$25,466.51

The following table lists the current value of the contract inclusive of previous amendments.

Contract Value

Contract Phases	Amount
Initial Contract	\$19,176,856.00
Amendment No. 1	\$10,336.00
Amendment No. 2	\$678,384.00
Amendment No. 3	\$99,712.00
Amendment No. 4	\$119,461.50
Amendment No. 5	\$702,711.00
Amendment No. 6	\$0.00
Amendment No. 7	\$544,802.00
Amendment No. 8	\$737,846.52
Amendment No. 9	\$25,466.51
Contract Total	22,095,575.53
Paid to date	(\$20,393,815.50)
Balance	\$1,701,760.03



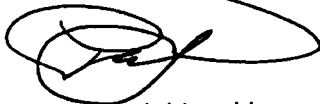
Mr. Howard Chercoe
November 2, 2009
Page 2

Att. A, AI 8, 5/27/10

MOTOROLA SHALL COMPLETE THE AMENDMENT NO. 9 WORK PER THE TRAFFIC SIGNAL PRIORITY ADDITIONAL COST SUMMARY PROPOSAL DATED JANUARY 6, 2009 AND PREVIOUS AMENDMENTS NO. 7 AS DIRECTED BY THE PROJECT MANAGER.

All previous conditions remain in effect. 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,



Paul C. Jablonski
Chief Executive Officer

CBROWN-CL
CL-G0867.9-03.MOTOROLA.DBOSSERT

Accepted:



Howard Chercoe
Motorola, Inc.

Date: 11/16/2009

DRAFT

Att. B, AI 8, 5/27/10

May 27, 2010

MTS Doc. No. G0867.10-03
CIP 10940

Mr. Howard Chercoe
Director of System Integration
Motorola, Inc.
6450 Sequence Drive
San Diego, CA 92121

Dear Mr. Chercoe:

Subject: AMENDMENT NO. 10 TO MTS DOC. NO. G0867.0-03; CHANGE TO REGIONAL
TRANSIT MANAGEMENT SYSTEM

This letter will serve as Amendment No. 10 to the above-referenced contract and in response to the Motorola cost proposals listed below. These proposals have been evaluated and determined to be fair and reasonable. MTS is processing this amendment to facilitate implementation and better meet the operational needs of the system and to deploy project components.

MOTOROLA COST PROPOSAL	AMOUNT
Motorola Service Agreement - S00001010649	\$774,738.88
Total Amount of this Amendment	\$774,738.88

The following table lists the current value of the contract inclusive of previous amendments.

CONTRACT VALUE

CONTRACT PHASES	AMOUNT
Initial Contract	\$19,176,856.00
Amendment No. 1	\$10,336.00
Amendment No. 2	\$678,384.00
Amendment No. 3	\$99,712.00
Amendment No. 4	\$119,461.50
Amendment No. 5	\$702,711.00
Amendment No. 6	\$0.00
Amendment No. 7	\$544,802.00
Amendment No. 8	\$737,846.52
Amendment No. 9	\$25,466.51
Amendment No. 10	\$774,738.88
Contract Total	\$22,870,314.37

Letter to Mr. Howard Chercoe
May 27, 2010
Page 2 of 2

MOTOROLA SHALL COMPLETE THE WORK IN AMENDMENT NO. 10 PER THE SERVICE AGREEMENT AS DIRECTED BY THE PROJECT MANAGER.

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

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Howard Chercoe
Motorola, Inc.

MAY27-10.8.AttB.MOTOROLA
G0867.10-03.MLAWRENCE.doc

Date: _____

DRAFT

May 27, 2010

MTS Doc. No. G0868.5-03
CIP 10940

Mr. Matthew Tucker
Executive Director
North County Transit District
810 Mission Avenue
Oceanside, CA 92054

Dear Mr. Tucker:

Subject: AMENDMENT NO. 5 TO MTS DOC. NO. G0868.0-03 - FUNDS TRANSFER AGREEMENT

The Metropolitan Transit System (MTS) and North County Transit District (NCTD) hereby agree to amend the Funds Transfer Agreement for Regional Transit Management System (MTS Doc. No. G0868.0-03) per the following:

Add:

9. NCTD agrees to reimburse MTS for an amount not to exceed \$296,580.00 for costs pertaining to services provided by Motorola Corporation under Amendment No. 10 (MTS Doc No. G0867.10-03).

Detail

On behalf of NCTD, MTS executed an amendment to the Motorola Corporation contract for deployment of the Regional Transit Management System. The amendment includes services and/or equipment for both NCTD and MTDB, as noted in the attached amendment letter to Motorola. Listed below is an abbreviated table identifying those specific elements and costs pertaining to NCTD.

AMENDMENT	CHANGE ORDER	COST
MTS Doc. No. G0868.5-03	Service Agreement for Fiscal Year 2011	296,580.00
	Original Contract	\$7,260,730.00
	Amendment 1	\$ 137,901.00
	Amendment 2	\$ 122,857.50
	Funds Transfer Agreement - Amendment 3	\$279,431.00
	Funds Transfer Agreement - Amendment 4	\$274,553.00
	Adjusted Contract Amount	\$8,372,052.50

The total cost of the Motorola Service Agreement is \$774,738.88 with NCTD's cost share of \$296,580.00 and MTS's cost share of \$478,158.88. The amendment of this item brings NCTD's total obligation under the Funds Transfer Agreement to \$8,372,052.50. All other conditions remain unchanged and in effect. If you agree with the above, please sign below and return the document marked "original" to Contracts Specialist at MTS. The other copy is for your records.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Matthew Tucker
Executive Director

Date: _____



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Agenda

Item No. 9

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

OPS 960.6

May 27, 2010

SUBJECT:

SDTC: LEASED BUS TIRES AND RELATED SERVICES - CONTRACT AWARD

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0530.0-10 (in substantially the same format as Attachment A) with Goodyear Tire and Rubber Company to lease bus tires on a tire-mile basis, including all related tire services. The resulting contract would be for a three-year base period with 2 one-year options.

Budget Impact

This project would be funded under Project Code 315-54410 in the amount of \$4,839,768.85. Based on the bids received, the total expenditure, including California sales tax, would not exceed \$4,079,826.36.

DISCUSSION:

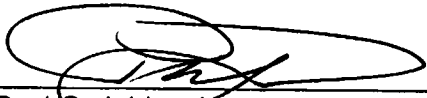
Like many other transportation agencies throughout the country, MTS leases its revenue vehicle tires by the mile and outsources related tire services. The tires are leased from the tire manufacture by the tire mile at a predetermined fixed rate. The tire mileage rate is different for each tire size used. The related tire service is also provided by the tire manufacture at a fixed monthly rate. The tire mileage rate and monthly service rate is firm-fixed-price for each one-year period.



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.

On March 4, 2010, MTS issued an Invitation for Bids to interested parties to provide tire-leasing services. On April 29, 2010, a total of three bids were received in response to the solicitation. The lowest bidder was Goodyear Tire and Rubber Company; the second lowest bidder was Michelin North America Inc. (MTS's current contractor); and the highest bidder was Bridgestone Tire Company (see Bid Summary, Attachment B).

Staff concluded that the bid submitted by Goodyear Tire and Rubber Company is fair and reasonable by conducting an independent cost estimate prior to the solicitation and by a comparison of Michelin North America Inc.'s rates under the current contract with MTS. Therefore, pursuant to MTS policy, staff recommends award of the contract to Goodyear Tire and Rubber Company.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: John Miller, 619-557-4580, john.miller@sdmts.com

MAY27-10.9.LEASED BUS TIRES AWARD.GOODYEAR.JMILLER.doc

Attachments: A. Draft Agreement MTS Doc No. B0530.0-10
B. Bid Summary

STANDARD PROCUREMENT AGREEMENT

B0530.0-10
CONTRACT NUMBER

DRAFT

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: Goodyear Tire and Rubber CompanyAddress: 1144 E. Market StreetForm of Business: Corporation
(Corporation, partnership, sole proprietor, etc.)Akron, Oh 44316-0001Telephone: 1-800-645-3243

Authorized person to sign contracts: Joseph Copeland Vice President, Commercial Tire Systems, North American Tire
Name Title

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

Provide tire leasing and related services to MTS's two bus operating divisions located at 100 16th Street and 4630 Ruffner Street as stipulated in MTS' Invitation for Bids (MTS Doc. No. B0530.0-10) including Addendum No. 1, Responses to Approved Equals/Clarifications; and in accordance with the Standard Services Agreement including the Standard Conditions for Services, MTS's Safety Program, and Goodyear Tire and Rubber Company's bid dated April 29, 2010 (hereinafter "Contract Documents"). If there are any inconsistencies between the Contract Documents, the following order of precedence will govern the interpretation of the contract.

1. MTS's Invitation for Bids, Responses to Approved Equals/Clarifications, MTS Safety Program, and Contractor's Bid.
2. Standard Services Agreement, including the Standard Conditions Services, and Federal Requirements.

This Contract shall remain in effect beginning July 1, 2010, for three base years with two 1-year options exercisable at MTS's discretion. The total cost of this contract, including the two 1-year options, shall not exceed \$4,079,826.36.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION	
By: _____		Firm: _____	
Chief Executive Officer			
Approved as to form:		By: _____	
		Signature	
By: _____		Title: _____	
Office of General Counsel			
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR	
\$4,079,826.36	315-54410	FY 11	

By: _____ Date
Chief Financial Officer

		Michelin	Bridgestone
Year One (1):	\$ 756,298.41	\$ 778,547.29	\$ 802,488.04
Year Two (2):	\$ 784,990.34	\$ 816,165.79	\$ 855,336.54
Year Three (3):	\$ 814,818.80	\$ 855,500.21	\$ 889,568.17
Year Four (4)- Option Year (1):	\$ 845,790.21	\$ 896,550.56	\$ 925,131.45
Year Five (5) – Option Year (2):	\$ 877,928.60	\$ 940,324.80	\$ 962,146.46
Grand Total (Basis of Award):	\$ 4,079,826.36	\$ 4,287,088.65	\$ 4,434,670.65



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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.

SANDAG CIP 1115700
MTS CIP 11280

May 27, 2010

SUBJECT:

MTS: COMPRESSED NATURAL GAS (CNG) STATION CAPITAL IMPROVEMENT
UPGRADES AND OPERATING AND MAINTENANCE AGREEMENT
(CLAIRE SPIELBERG)

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to award to
Trillium USA, LLC (doing business as California Trillium Company):

1. MTS Doc. No. PWB127.0-10 for capital improvement upgrades to the MTS-owned CNG fueling facilities; and
2. MTS Doc. B0522.0-09 for a ten-year follow-on operations and maintenance service agreement.

Budget Impact

MTS Doc. No. PWB127.0-10 for capital improvement upgrades to the MTS-owned CNG fueling facilities would total \$5,688,922.50, and MTS Doc. B0522.0-09 for a ten-year follow-on operations and maintenance service agreement is estimated at \$8,998,084.49. The total cost for this contract is estimated at \$14,687,006.99.

Partial funding for the capital improvements would be allocated under SANDAG fiscal year (FY) 08/09 CIP No. 1115700 (Gemini Compressor Upgrades) in the amount of \$520,000.00. Funding for the remaining capital upgrade work shall be allocated under MTS FY 11 CIP No. 11280. Funding for the ten-year operations and maintenance agreement would be allocated under MTS Project Code 54120 (CNG Fuel and Fuel-Related Expenses). The projected FY 11 costs for the operations and maintenance service agreement would be \$2,396,168.00 less than FY 10.

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

DISCUSSION:

On September 3, 2009, and in accordance with Section 4.3.2.1, Advertising and Publicizing Solicitations, of the Best Practices Procurement Manual (Procurement Manual), MTS provided for full and open competition by publicizing and publicly advertising a Request for Proposals (RFP) (MTS Doc No. B0522.0-09) for CNG fueling facilities upgrade and maintenance in three newspapers of general circulation. The RFP was publicized in the San Diego Union-Tribune on September 3, 2009, The San Diego Daily Transcript on September 3, 2009, and La Prensa on September 4, 2009.

Included in the RFP content and in accordance with the requirements outlined in FTA Circular 4220.1F, Chapter VI, Paragraph 7, Evaluations and the Procurement Manual, Chapter 4, Section 4.5.2, Evaluation of Proposals, MTS staff selected a total of four independently rated evaluation criteria. The evaluation criteria consisted of the following "evaluation factors" and are listed in their relative order of importance:

1. Operations and Maintenance Technical Approach
2. Capital Improvement Technical Approach
3. Contractor Qualifications, References, and Project Team
4. Cost Proposal and Company Financial Solvency

MTS developed a point-scale system for rating contractor proposals against the evaluation factors identified above. For technical proposals, the appropriate point rating would be assigned to each evaluation factor consistent with the narrative evaluation of strengths, weaknesses, and risks. For cost proposals, the maximum points would be given for the lowest-priced proposal. All other cost proposals would then be rated based on their cost relative to the lowest cost proposal.

On January 7, 2010, a total of two proposals were received in response to the RFP (MTS Doc. No. B0522.0-09) from Clean Energy and Trillium USA LLC. A compliant review of the proposals was conducted by the MTS Procurement Department to ensure that all required forms and submittals were included in the proposals. Based on this review, each proposal was determined to be in compliance with the submittal requirements of the RFP.

On January 13, 2010, the Evaluation Panel reconvened to discuss specific strengths and weaknesses of the proposals received. Each Evaluation Panel member was given an opportunity to talk about each firm's proposal and provide supporting justification and rationale on their evaluation remarks and scoring decisions. The agenda at this meeting included the following topics of discussion.

- Strengths and weaknesses of the proposals received
- Identifying and discussing areas of risk/issues
- Consensus on the scoring of technical proposals
- Evaluation of cost and price proposal
- Developing a competitive range and developing questions for contractors
- Determining interview dates and times

Based on the Evaluation Panel findings, the Evaluation Panel determined each proposer to be within the competitive range. This determination was based on each

proposer offering a solution that had a reasonable chance of being selected for award; provided clarifications to specific issues could be rectified. In order to identify and clarify certain risks and other issues related to each proposer's technical approach, costs, ambiguities, or weaknesses in their proposal, the Evaluation Panel determined discussion with each proposer would be appropriate.

The Evaluation Panel held oral presentations and discussions with Trillium USA, LLC on February 5, 2010, and with Clean Energy on February 6, 2010. Following those discussions (on February 16, 2010), the Evaluation Panel met to deliberate, discuss, and come to a consensus on which direction MTS would take with each proposer based on their proposed solutions and the knowledge gained from discussions with each firm. In order to make this determination, the Evaluation Panel went over each firm's technical proposal, the responses given during interview/discussions, and the value-added additive alternatives proposed (if any).

On February 19, 2010, in accordance to Section 4.5.5.1 of the Procurement Manual, a request for revised proposal letter was sent to Clean Energy and Trillium USA, LLC requesting each firm to submit revised proposals and interim pricing. The goal for MTS in requesting revised proposals from each firm was to channel the creativity and competitiveness of each proposer's proposed solution and allow each proposer an opportunity to produce the most innovative and advantageous proposal for MTS. The content of each letter identified MTS's desired approach to manifold all compressors and encouraged each firm to propose optional capital improvements that would meet both the current and future fueling demands in the most efficient and economical manner.

On March 4, 2010, revised proposals and interim pricing were received from Clean Energy and Trillium USA, LLC prior to the deadline for submitting revised proposals. This same day, the contract officer issued copies of the revised proposals to the Evaluation Panel. The contract officer instructed the Evaluation Panel on proper proposal evaluations and reviewed the evaluation criteria annotated in the RFP.

On March 5, 2010, the Evaluation Panel reconvened to discuss specific strengths and weaknesses of the revised proposals received. Each Evaluation Panel member was given an opportunity to talk about each firm's revised proposal and provide supporting justification and rationale on their interpretation of the revised proposals. Based on each proposal containing some underlying issues relating to direct and indirect labor support, quality of equipment and installation, and assumptions of risk, the Evaluation Panel determined that rescoring technical proposals prior to negotiations would not provide for a fair evaluation. The Evaluation Panel determined scoring of revised technical proposals would be conducted after final negotiations with each firm.

On March 19, 2010, an Invitation to Negotiations letter was sent to Clean Energy and Trillium USA, LLC. The negotiations were scheduled with Trillium USA, LLC on Wednesday, April 7, 2010, and with Clean Energy on Thursday, April 8, 2010. In addition, a cost breakdown of operations and maintenance services was requested from each proposer. Upon the completion of each negotiation meeting, all outstanding assumptions and issues were clarified with each proposer. Based on this meeting, Proposers were informed of the Evaluation Panel's pricing concerns and were notified of areas where their proposed equipment or operations and maintenance costs should be reduced.

On April 12, 2010, in accordance with section 4.5.5.2 of the Procurement Manual, a best and final offer letter was sent to Clean Energy and Trillium USA, LLC. Each letter contained specific information directed to each proposer's proposed approach. All Proposers were asked to review areas of their pricing where discounts could be offered and to submit their best and final offer by 3:00 p.m. on April 23, 2010. Clean Energy and Trillium USA, LLC submitted their best and final offer prior to the deadline.

At the conclusion of the final negotiation meetings, the Evaluation Panel met to discuss and debrief the topics covered during the negotiation meetings. The contract officer allowed the Evaluation Panel two weeks to conclude its evaluations of the revised technical proposals. The contract officer requested Evaluation Panel members review the revised technical proposal, use their notes as needed, and turn in their completed evaluation score sheet no later than Friday, April 23, 2010, at 5:00 p.m. to the contract officer. In addition, the contract officer reiterated the instructions of proper proposal evaluations and reviewed the evaluation criteria annotated in the RFP.

Based on the evaluations of each firm's technical proposal, past performance, discussions, negotiations, and evaluation of price, MTS staff has determined that Trillium USA, LLC (doing business as California Trillium Company) submitted a proposed approach that represents the most advantageous method of fulfilling MTS's needs. Analysis of cost/price and tradeoff considerations of qualitative technical factors to include examination of the market, indicated the pricing submitted by Trillium USA, LLC, represents the best overall value to MTS.

Therefore, staff is recommending that the Board of Directors authorize the CEO to award to Trillium USA, LLC (doing business as California Trillium Company) (1) MTS Doc. No. PWB127.0-10 for capital improvement upgrades to the MTS-owned CNG fueling facilities; and (2) MTS Doc. B0522.0-09 for a ten-year follow-on operations and maintenance service agreement.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contacts: Claire Spielberg, (619) 238-0100 ext. 6400, claire.spielberg@sdmts.com
Frank Toth, (619) 238-0100 ext. 6494, frank.toth@sdmts.com

MAY13-10 CNG OPERATING AND MAINTENANCE.FTOTH.doc

Attachments: A. Draft MTS Doc. No. PWB127.0-10
B. Draft MTS Doc. No. B0522.0-09
C. BAFO Pricing Summary

STANDARD CONSTRUCTION AGREEMENT

DRAFT

PWB127.0-10
 CONTRACT NUMBER
 CIP 11280
 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: California Trillium Company Address: 2150 South 1300 East, Suite 450
 Form of Business: Corporation Salt Lake City, UT 84106
 (Corporation, partnership, sole proprietor, etc.)
 Telephone: 800-920-1166
 Authorized person to sign contracts: Mark R. Barton President
 Name Title

The contractor shall provide all skilled labor, tools, equipment, accessories, transportation, and supervision needed to properly provide, install, and construct all capital improvements required for the Imperial Avenue Division, Kearny Mesa Division, and South Bay Maintenance Facility compressed natural gas (CNG) fueling facilities as stipulated in MTS's Request for Proposals (RFP) (MTS Doc. No B0522.0-09); including all addenda, Responses to Approved Equals/Clarifications, prevailing wage requirements, as stipulated by the California Labor Code and the Davis-Bacon Act; and in accordance with the Standard Construction Agreement, including the Standard Conditions for Construction, MTS's Safety Program, Federal Requirements, and California Trillium Company's Proposal (hereinafter "Contract Documents"). If there are any inconsistencies between the Contract Documents, the following order of precedence will govern the interpretation of the contract.

1. MTS CNG Fueling Facilities Upgrade and Maintenance Request for Proposals (MTS Doc. No. B0522.0-09), Addenda, Responses to Approved Equals/Clarifications, MTS Safety Program, and California Trillium Company's Proposal.
2. Standard Construction Agreement, including the Standard Conditions for Construction, and Federal Requirements.

All work performed under this contract shall be completed within 365 days from contract execution. The total amount of this contract shall not exceed \$5,688,922.50.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$5,688,922.50	CIP 11280	FYs 10-12

By: _____
 Chief Financial Officer Date

DRAFT

Att. B, AI 30, 5/27/10

STANDARD SERVICES AGREEMENT

B0522.0-09

Contract Number

CIP 11280

File Number

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: California Trillium Company.

Address: 2150 South 1300 East, Suite 450

Form of Business: Corporation
(Corporation, partnership, sole proprietor, etc.)

Salt Lake City, UT 84106

Telephone: 800-920-1166

Authorized person to sign contracts: Mark R. Barton
Name

President
Title

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

Provide compressed natural gas (CNG) fueling facilities operations and maintenance services for ten years for MTS's Imperial Avenue Division, Kearny Mesa Division, and South Bay Maintenance Facility locations, as specified in MTS's Request for Proposals (RFP), MTS Doc. No. B0522.0-09; including Addenda, Responses to Approved Equals/Clarifications; and in accordance with the Standard Services Agreement, Standard Conditions Services, Federal Requirements, Safety Department Standard Operating Procedures (SAF016-03), and California Trillium Company's proposal (hereinafter "Contract Documents"). If there are any inconsistencies between the Contract Documents, the following order of precedence will govern the interpretation of this contract.

1. MTS's CNG Fueling Facilities Upgrade and Maintenance Request for Proposals (MTS Doc. No. B0522.0-09), Addenda, Responses to Approved Equals/Clarifications, MTS Safety Program, and Contractor's Proposal.
 2. Standard Services Agreement, including the Standard Conditions Services, and Federal Requirements.
- This contract shall remain in effect for a ten-year base term. The contract period of performance shall be from July 1, 2010 through June 30, 2020. Compensation will be per the negotiated operations and maintenance rates as stipulated in the California Trillium Company's Best and Final Offer.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTOR AUTHORIZATION

By: _____
Chief Executive Officer

Approved as to form:

By: _____
Office of General Counsel

Firm: _____

By: _____
Signature

Title: _____

AMOUNT ENCUMBERED

BUDGET ITEM

FISCAL YEAR

\$8,998,084.49

54120

FY 10

By: _____
Chief Financial Officer
(____ total pages, each bearing contract number)

Date

MAY27-10.30.AttB.B0522.0-09.
CAL TRILLIUM.CNG FUELING.JMILLER.doc

Proposer:		Trillium USA Company dba California Trillium Company							
Line # 1	PRICE SCHEDULE-1: O&M Costs for CNG Fueling Systems at Imperial Avenue, South Bay Maintenance Facility and the Kearny Mesa Division								
1-A	Schedule of Possible Throughput Levels of CNG Dispensed Monthly	Therms per month	425,000	475,000	525,000	575,000	625,000	675,000	725,000
1-B	Weight factor for likelihood of encountering listed throughput level	100%	4%	12%	18%	25%	22%	13%	6%
1-C	Operation & Maintenance costs for all CNG systems	\$/Therm	0.180	0.170	0.163	0.159	0.155	0.151	0.146
1-D	Extended cost at each monthly throughput level (Contractor's (comprehensive costs for CNG O&M services)	\$/month	\$ 76,500	\$ 80,750	\$ 85,575	\$ 91,425	\$ 96,875	\$ 101,925	\$ 105,850
1-E	Weighted Average Monthly Throughput	Therms/Month	581,000						
1-F	Weighted average cost for O&M services across all throughput levels	\$/Therm	\$ 0.1592						
1-G	Average annual cost for O&M services (<u>weighted</u> likely through-put levels over 10-year term)	\$/year	\$ 1,109,803						
1-H	NPV of projected cost of CNG O&M services at IAD, SBMF, & KMD for 10-year base-contract period.	\$/contract	\$8,998,084						

Proposer:		<i>Clean Energy</i>							
Line # 1	<u>PRICE SCHEDULE-1: O&M Costs for CNG Fueling Systems at Imperial Avenue, South Bay Maintenance Facility and the Kearny Mesa Division</u>								
1-A	Schedule of Possible Throughput Levels of CNG Dispensed Monthly	Therms per month	425,000	475,000	525,000	575,000	625,000	675,000	725,000
1-B	Weight factor for likelihood of encountering listed throughput level	100%	4%	12%	18%	25%	22%	13%	6%
1-C	Operation & Maintenance costs for all CNG systems	\$/Therm	0.122	0.117	0.113	0.110	0.108	0.107	0.105
1-D	Extended cost at each monthly throughput level (Contractor's (comprehensive costs for CNG O&M services)	\$/month	\$ 51,850	\$ 55,575	\$ 59,325	\$ 63,250	\$ 67,500	\$ 72,225	\$ 76,125
1-E	Weighted Average Monthly Throughput	Therms/Month	581,000						
1-F	Weighted average cost for O&M services across all throughput levels	\$/Therm	\$ 0.1107						
1-G	Average annual cost for O&M services (<u>weighted</u> likely through-put levels over 10-year term)	\$/year	\$ 772,010						
1-H	NPV of projected cost of CNG O&M services at IAD, SBMF, & KMD for 10-year base-contract period.	\$/contract	<u>\$6,259,316</u>						



1255 Imperial Avenue, Suite 1000
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(619) 231-1466 • FAX (619) 234-3407

Agenda

Item No. 45

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

OPS 970.2

May 27, 2010

SUBJECT:

MTS: TROLLEY REHABILITATION PROJECT UPDATE (JOHN HAGGERTY OF SANDAG)

RECOMMENDATION:

That the Board of Directors:

1. receive a report on the Trolley Rehabilitation Project; and
2. authorize the Executive Committee to take the lead on project oversight.

Budget Impact

None.

DISCUSSION:

The San Diego Association of Governments (SANDAG) is continuing to provide project management and design services for the program of projects to upgrade the Blue Line rail infrastructure and prepare the entire trolley system for low-floor vehicle operations. The design and construction is proceeding rapidly in stages.

The initial stage of the program delivers rail infrastructure on the Blue Line needed to facilitate the major reconstruction of stations and track. This initial work provides the operational flexibility needed to maintain a consistent level of service during the major reconstruction to follow. The next stage of work reconstructs stations from Washington Street to San Ysidro on the Blue Line and downtown to La Mesa on the Orange Line to provide the eight-inch-high platforms needed for the new low-floor vehicles. The final

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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.

stages will include extensive rail and track rehabilitation on the Blue Line south of the 12th and Imperial Transfer Station to bring the rail into a state of good repair. SANDAG and MTS are working to parallel design and construction activities for all three stages to the extent possible.

Design for the reconstruction of all of the Blue and Orange Line stations to accommodate low-floor vehicles is underway, and staff will provide an update on this work.

In order to maintain the aggressive schedule for this project and have the stations ready for using the new low-floor vehicles already being manufactured on MTS's behalf by Siemens, it is recommended that the Executive Committee be authorized to lead the oversight of the project and to return to the Board at critical times when Board approval is needed. This recommendation is consistent with the way the Board handled oversight for large construction projects in the past. The Board will continue to receive regular progress reports.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Wayne Terry, 619.595.4906, wayne.terry@sdmts.com

MAY27-10.45.TROLLEY REHAB UPDATE.SCOONEY.doc



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(619) 231-1466 • FAX (619) 234-3407

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.

FIN 310.2

May 27, 2010

SUBJECT:

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

RECOMMENDATION:

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

Budget Impact

None at this time.

DISCUSSION:

This report summarizes MTS's operating results for April 2010 compared to the fiscal year 2010 amended budget. Attachment A-1 combines the operations, administration, and other activities results for April 2010. Attachment A-2 details the April 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 April 2010 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company).

MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, the year-to-date April 2010 MTS net-operating subsidy unfavorable variance totaled \$14,000 (-0.0%). Operations produced a \$184,000 (0.2%) favorable variance, and the administrative/other activities areas were unfavorable by \$198,000.

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MTS COMBINED RESULTS

Revenues

Year-to-date combined revenues through April 2010 were \$77,684,000, compared to the year-to-date budget of \$77,169,000, which represents a \$515,000 (0.7%) positive variance.

Expenses

Year-to-date combined expenses through April 2010 were \$173,519,000 compared to the year-to-date budget of \$172,990,000, which resulted in a \$529,000 (-0.3%) unfavorable variance.

Personnel Costs. Year-to-date personnel related costs totaled \$83,047,000 compared to a year-to-date budgetary figure of \$82,683,000, which resulted in an unfavorable variance of \$364,000 (-0.4%).

Outside Services and Purchased Transportation. Total outside services for the first ten months of the fiscal year totaled \$58,289,000 compared to a budget of \$58,174,000, which resulted in a year-to-date unfavorable variance of \$115,000 (-0.2%).

Materials and Supplies. Total year-to-date materials and supplies expenses totaled \$5,857,000, compared to a budgetary figure of \$5,749,000, which resulted in an unfavorable expense variance of \$107,000 (-1.9%).


Energy. Total year-to-date energy costs were \$20,838,000 compared to the budget of \$21,134,000, which resulted in a year-to-date favorable variance of \$295,000 (1.4%). Year-to-date diesel prices averaged \$2.406 per gallon compared to the midyear adjusted budgetary rate of \$2.430 per gallon. Year-to-date CNG prices averaged \$1.184 per therm compared to the midyear adjusted budgetary rate of \$1.290 per therm.

Risk Management. Total year-to-date expenses for risk management were \$3,936,000, compared to the year-to-date budget \$3,674,000, which resulted in an unfavorable variance totaling \$262,000 (-7.1%).

General and Administrative. Year-to-date general and administrative costs, including vehicle and facilities leases, were \$24,000 (1.6%) favorable to budget totaling \$1,551,000 through April 2010 compared to a year-to-date budget of \$1,576,000.

YEAR-TO-DATE SUMMARY

The April 2010 year-to-date net operating subsidy totaled an unfavorable variance of \$14,000 (-0.0%). These factors include unfavorable variances in personnel costs, other revenue, outside services, and risk management partially offset by favorable variances in passenger revenue and energy.



Paul O. Jablonski
Chief Executive Officer

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

Attachment: A. Comparison to Budget

MTS
CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2010

APRIL 30, 2010

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 72,951	\$ 72,140	\$ 811	1.1%
Other Revenue	4,733	5,029	(296)	-5.9%
Total Operating Revenue	\$ 77,684	\$ 77,169	\$ 515	0.7%
Personnel costs	\$ 83,047	\$ 82,683	\$ (364)	-0.4%
Outside services	58,289	58,174	(115)	-0.2%
Transit operations funding	-	-	-	-
Materials and supplies	5,857	5,749	(107)	-1.9%
Energy	20,838	21,134	295	1.4%
Risk management	3,936	3,674	(262)	-7.1%
General & administrative	1,059	1,069	9	0.9%
Vehicle/facility leases	492	507	15	3.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(0)	(0)	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 173,519	\$ 172,990	\$ (529)	-0.3%
Operating income (loss)	\$ (95,835)	\$ (95,821)	\$ (14)	0.0%
Total public support and nonoperating revenues	8,679	(3,949)	12,628	-319.8%
Income (loss) before capital contributions	\$ (87,156)	\$ (99,770)	\$ 12,614	-12.6%

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

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 72,951	\$ 72,140	\$ 811	1.1%
Other Revenue	484	506	(23)	-4.5%
Total Operating Revenue	\$ 73,434	\$ 72,646	\$ 788	1.1%
Personnel costs	\$ 72,031	\$ 71,610	\$ (421)	-0.6%
Outside services	50,478	50,308	(170)	-0.3%
Transit operations funding	-	-	-	-
Materials and supplies	5,846	5,733	(113)	-2.0%
Energy	20,291	20,565	274	1.3%
Risk management	3,527	3,315	(213)	-6.4%
General & administrative	275	290	16	5.5%
Vehicle/facility leases	436	459	23	4.9%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	17,014	17,014	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 169,898	\$ 169,294	\$ (605)	-0.4%
Operating income (loss)	\$ (96,464)	\$ (96,648)	\$ 184	0.2%
Total public support and nonoperating revenues	2,011	(3,041)	5,052	-166.1%
Income (loss) before capital contributions	\$ (94,453)	\$ (99,689)	\$ 5,236	-5.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)
COMPARISON TO BUDGET - FISCAL YEAR 2010
APRIL 30, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 22,259	\$ 22,337	\$ (78)	-0.3%
Other Revenue	50	51	(1)	-1.9%
Total Operating Revenue	\$ 22,309	\$ 22,389	\$ (79)	-0.4%
Personnel costs	\$ 46,536	\$ 46,088	\$ (448)	-1.0%
Outside services	1,685	1,485	(200)	-13.5%
Transit operations funding	-	-	-	-
Materials and supplies	3,508	3,511	4	0.1%
Energy	5,849	5,763	(87)	-1.5%
Risk management	1,530	1,418	(112)	-7.9%
General & administrative	105	113	9	7.5%
Vehicle/facility leases	166	177	11	6.2%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	5,984	5,984	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 65,363	\$ 64,540	\$ (823)	-1.3%
Operating income (loss)	\$ (43,053)	\$ (42,151)	\$ (902)	-2.1%
Total public support and nonoperating revenues	(1,241)	(6,293)	5,052	-80.3%
Income (loss) before capital contributions	\$ (44,294)	\$ (48,444)	\$ 4,150	-8.6%

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

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 27,424	\$ 26,708	\$ 716	2.7%
Other Revenue	386	455	(69)	-15.2%
Total Operating Revenue	\$ 27,810	\$ 27,163	\$ 647	2.4%
Personnel costs	\$ 24,647	\$ 24,626	\$ (21)	-0.1%
Outside services	2,883	2,829	(54)	-1.9%
Transit operations funding	-	-	-	-
Materials and supplies	2,336	2,209	(127)	-5.7%
Energy	7,548	7,613	66	0.9%
Risk management	1,997	1,897	(101)	-5.3%
General & administrative	144	165	22	13.0%
Vehicle/facility leases	150	160	10	6.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	10,147	10,147	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 49,851	\$ 49,646	\$ (205)	-0.4%
Operating income (loss)	\$ (22,041)	\$ (22,483)	\$ 442	2.0%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (22,041)	\$ (22,483)	\$ 442	-2.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (FIXED ROUTE)
COMPARISON TO BUDGET - FISCAL YEAR 2010
APRIL 30, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 18,888	\$ 18,515	\$ 373	2.0%
Other Revenue	47	-	47	-
Total Operating Revenue	\$ 18,936	\$ 18,515	\$ 420	2.3%
Personnel costs	\$ 212	\$ 253	\$ 42	16.4%
Outside services	32,933	32,948	15	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	1	9	8	91.2%
Energy	5,209	5,474	265	4.8%
Risk management	-	-	-	-
General & administrative	1	0	(0)	-121.4%
Vehicle/facility leases	120	122	1	1.2%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	702	702	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 39,177	\$ 39,508	\$ 331	0.8%
Operating income (loss)	\$ (20,241)	\$ (20,992)	\$ 751	3.6%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (20,241)	\$ (20,992)	\$ 751	-3.6%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (PARATRANSIT)
COMPARISON TO BUDGET - FISCAL YEAR 2010
APRIL 30, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 1,494	\$ 1,530	\$ (37)	-2.4%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 1,494	\$ 1,530	\$ (37)	-2.4%
Personnel costs	\$ 123	\$ 131	\$ 8	5.8%
Outside services	7,941	7,950	9	0.1%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	1,373	1,398	25	1.8%
Risk management	-	-	-	-
General & administrative	2	3	1	21.9%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	20	20	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 9,459	\$ 9,501	\$ 42	0.4%
Operating income (loss)	\$ (7,965)	\$ (7,971)	\$ 5	0.1%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (7,965)	\$ (7,971)	\$ 5	-0.1%

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

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 2,886	\$ 3,049	\$ (163)	-5.3%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 2,886	\$ 3,049	\$ (163)	-5.3%
Personnel costs	\$ 325	\$ 323	\$ (1)	-0.4%
Outside services	4,764	4,824	60	1.2%
Transit operations funding	-	-	-	-
Materials and supplies	1	3	2	56.9%
Energy	312	317	5	1.5%
Risk management	-	-	-	-
General & administrative	23	9	(14)	-166.3%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	161	161	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 5,587	\$ 5,638	\$ 51	0.9%
Operating income (loss)	\$ (2,701)	\$ (2,589)	\$ (112)	-4.3%
Total public support and nonoperating revenues	3,115	3,115	-	0.0%
Income (loss) before capital contributions	\$ 414	\$ 526	\$ (112)	-21.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CORONADO FERRY
COMPARISON TO BUDGET - FISCAL YEAR 2010
APRIL 30, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	118	118	-	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	-
Depreciation	-	-	-	-
Total Operating Expenses	\$ 118	\$ 118	\$ -	0.0%
Operating income (loss)	\$ (118)	\$ (118)	\$ -	0.0%
Total public support and nonoperating revenues	137	137	-	0.0%
Income (loss) before capital contributions	\$ 19	\$ 19	\$ -	0.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATION
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2010
APRIL 30, 2010
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	3,349	3,612	(262)	-7.3%
Total Operating Revenue	\$ 3,349	\$ 3,612	\$ (262)	-7.3%
Personnel costs	\$ 10,475	\$ 10,540	\$ 66	0.6%
Outside services	7,653	7,625	(29)	-0.4%
Transit operations funding	-	-	-	-
Materials and supplies	7	12	5	42.8%
Energy	538	559	21	3.8%
Risk management	381	331	(49)	-14.9%
General & administrative	694	693	(1)	-0.1%
Vehicle/facility leases	55	48	(7)	-15.3%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(17,076)	(17,076)	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 2,727	\$ 2,732	\$ 6	0.2%
Operating income (loss)	\$ 622	\$ 879	\$ (257)	29.2%
Total public support and nonoperating revenues	6,669	(908)	7,576	-834.6%
Income (loss) before capital contributions	\$ 7,291	\$ (29)	\$ 7,319	-25545.8%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OTHER ACTIVITIES

CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2010

APRIL 30, 2010

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	901	912	(11)	-1.2%
Total Operating Revenue	\$ 901	\$ 912	\$ (11)	-1.2%
Personnel costs	\$ 542	\$ 533	\$ (9)	-1.6%
Outside services	158	241	84	34.6%
Transit operations funding	-	-	-	-
Materials and supplies	4	5	0	10.3%
Energy	9	9	0	2.4%
Risk management	28	28	0	0.1%
General & administrative	91	85	(6)	-6.8%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	62	62	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 894	\$ 964	\$ 70	7.3%
Operating income (loss)	\$ 7	\$ (52)	\$ 59	113.3%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ 7	\$ (52)	\$ 59	-113.3%



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Agenda

Item No. 62

Chief Executive Officer's Report

ADM 121.7

May 27, 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 May 4, 2010, through May 18, 2010.

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EXPENSE CONTRACTS

Doc #	Organization	Subject	Amount	Day
G1063.1-07	INGENTRA HR SERVICES, INC	AMEND #1 PAYROLL PROCESS AND HRIS SVCS	\$0.00	5/6/2010
G1076.1-07	BESTBEST KRIEGER LLP	LEGAL SERVICES - LAND USE, EMINENT DOMAI	\$30,000.00	5/6/2010
L0958.0-10	JAM FIRE PROTECTION	FIRE EXTINGUISHER SERVICES	\$44,673.95	5/6/2010
L0960.0-10	VEOLIA TRANSPORTATION SVCS	ROE PERMIT PORTABLE TRAILER IRIS STATION	\$0.00	5/6/2010
L0962.0-10	BERT'S OFFICE TRAILERS	ROE PERMIT DELIVERY/INSTALL TRAILER	\$0.00	5/6/2010
L0964.0-10	RESCUE ROOTER	PLUMBING SVCS 3 YRS SDTI	\$81,351.00	5/6/2010
L4592.0-10	CITY OF SAN DIEGO/MTDB JPA	QUITCLAIM FROM CITY TO MTS FOR BAYSIDE	\$0.00	5/6/2010
L4593.0-10	CITY OF SAN DIEGO	QUITCLAIM FROM CITY TO MTS FOR BAYSIDE	\$0.00	5/6/2010
M6657.1-07	SANDAG	MOU CMS FOR MVE LANDSCAPING	\$0.00	5/6/2010
G1080.7-07	LAW OFFICES OF MICHAEL E RIPLE	LEGAL SERVICES - GENERAL & TORT LIABILIT	\$55,000.00	5/10/2010
L0965.0-10	NINYO & MOORE	ROE PERMIT SANDAG CIP 1210001 - GEOTECH	\$0.00	5/10/2010
G1087.8-07	LIEBMAN, QUIGLEY, SHEPPARD & S	LEGAL SERVICES - GENERAL AND TORT LIABIL	\$25,000.00	5/13/2010
G1325.0-10	RAEL & LETSON	GASB 45 ACTUARIAL REPORT	\$75,500.00	5/13/2010
L0954.0-10	NELECO, INC	PROCUREMENT OF RAIL NOISE SUPPRESSION LU	\$716,053.50	5/13/2010
S200-10-447	CITY OF LA MESA	ROE PERMIT FOR FLAG DAY PARADE TO CROSS	\$0.00	5/13/2010
G0740.10-02	MINCOM	CONTINUED SUPPOR SVC AND 3RD PARTY SOFT	\$114,410.25	5/18/2010
G0856.14-03	GIRO INC	CONTINUANCE SUPPORT SVC HASTUS RSS	\$133,679.00	5/18/2010
G1111.15-07	WHEATLEY BINGHAM & BAKER	LEGAL SVCS-GENERAL & TORT LIABILITY	\$95,000.00	5/18/2010
G1139.8-08	TROVILLION, INVEISS & DEMAKIS	LEGAL SERVICES - WORKERS COMPENSATION	\$55,000.00	5/18/2010
L4595.0-10	INTEGRATED SIGN ASSOCIATES	ROE PERMIT FOR CO REMOVE SIGN FROM BLDG	\$1,200.00	5/18/2010
L6635.0-10	PB AMERICAS INC	ROE PERMIT JOINT BIO FIELD SURVEY MID CO	\$0.00	5/18/2010
PWG126.0-10	ELECTRO SPECIALTY SYSTEMS	MILLS BUILDING SECURITY UPGRADES	\$86,531.96	5/18/2010
PWL124.0-10	NEAL ELECTRIC CORP	PIT LIGHTING BUILDING C	\$52,261.50	5/18/2010
S20009403.1	DAVID EVANS & ASSOCIATES, INC	ADD LOCATIONS EXTEND DURATION	\$0.00	5/18/2010
S20010443.1	AGUIRRE & ASSOCIATES	ROE PERMIT SANDAG CIP 130081 AMENDMENT	\$0.00	5/18/2010
S200-10-448	CASCADE DRILLING, LP	ROE PERMIT FOR 3 BORINGS	\$1,500.00	5/18/2010

REVENUE CONTRACT

<i>Doc #</i>	<i>Organization</i>	<i>Subject</i>	<i>Amount</i>	<i>Day</i>
G1315.0-10	MARKET ROW, LLC	SALE OF PROPERTY (EUCLID)	(\$420,000.00)	5/6/2010
L0901.0-10	THE KOBAY CORPORATION	MASTER CONCESSIONAIRE SVCS 9 YR PERIOD	(\$2,831,987.20)	5/6/2010
L0953.0-10	CITY OF S DIEGO C/O TOM ZELENY	ROE PERMIT FOR SEWER REPLACEMENT ASHER	(\$1,200.00)	5/18/2010

PURCHASE ORDERS

<i>DATE</i>	<i>Organization</i>	<i>Subject</i>	<i>AMOUNT</i>
5/6/2010	BORDEAUX PRINTERS INC	TAKE ONE 2010 JUNE SVC CHANGES	\$3,815.99
5/6/2010	AAA PRINTING COMPANY	TAKE ONE 2010 ROCK N ROLL MARATHON	\$4,347.83
5/18/2010	MULTICARD SYSTEMS	PRINTER HEAD	\$598.13

WORK ORDERS

<i>Doc #</i>	<i>Organization</i>	<i>Subject</i>	<i>Amount</i>	<i>Day</i>
L6343.52-01	URS CORPORATION	AMEND #52 TO CM CONTRACT L6343 MVE	\$40,296.00	5/6/2010