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## Agenda

### JOINT MEETING OF THE BOARD OF DIRECTORS

for the

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

January 20, 2011

9:00 a.m.

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

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

#### ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - December 9, 2010 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.
4. MTS: Elect Vice Chair, Chair Pro Tem, and Committee Appointments (Sharon Cooney) Elect/  
Appoint  
Action would: (1) elect a Vice Chair and a Chair Pro Tem for 2010; and (2) consider the nominating slate proposed by the Ad Hoc Nominating Committee for the appointment of representatives to MTS committees for 2011 and vote to appoint representatives to those committees.

Please turn off cell phones  
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.

## CONSENT ITEMS

- |     |  |         |
|-----|--|---------|
| 6.  | <u>MTS: Federal Transit Administration 5311 Program of Projects</u><br>Action would adopt Resolution No. 11-1 authorizing the use of \$235,296 of Federal Transit Administration (FTA) Section 5311 funds for operating assistance in nonurbanized areas.  | Adopt   |
| 7.  | <u>MTS: Fiscal Year 2011 Revised Transportation Development Act Article 4.0</u><br>Action would adopt Resolution No. 11-2 approving the revised fiscal year (FY) 2011 Transportation Development Act (TDA) Article 4.0 claim.  | Adopt   |
| 8.  | <u>MTS: Investment Report - November 2010</u><br>Action would receive a report for information.  | Receive |
| 9.  | <u>MTS: New Flyer Buses - Contract Amendment</u><br>Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1101.7-07 with New Flyer of America, Inc. to purchase 26 40-foot, low-floor, compressed natural gas (CNG) transit buses.   | Approve |
| 10. | <u>MTS: Security Fiber-Optic Cable Project MOU and Miscellaneous Fund Transfers</u><br>Action would: (1) approve MTS Doc. No. G1367.0-11, which is a Memorandum of Understanding (MOU) with the San Diego Association of Governments (SANDAG) to design, manage, and build a fiber-optic infrastructure project on San Diego Trolley, Inc.'s (SDTI's) Green and Orange Lines; (2) forward a request to SANDAG to transfer funds from the Substation Standardization Project (Capital Improvement Project [CIP] 1142100) to the Broadway Wye Project (CIP 1142800); and (3) forward a request to SANDAG to create a new capital project (CIP 1144500 Grantville Feeder Replacement) to replace feeder cables at the Grantville Substation and transfer funds from the Substation Standardization Project (CIP 1142100) to this new project. | Approve |
| 11. | <u>MTS: Uniform Service - Contract Award</u><br>Action would authorize the CEO to execute MTS Doc. No. G1322.0-10 for a five-year contract with Prudential Overall Supply for uniform services.  | Approve |

## CLOSED SESSION

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

Oral Report of Final Actions Taken in Closed Session

## NOTICED PUBLIC HEARINGS

25. None.

## DISCUSSION ITEMS

30. MTS: Hosted Text Messaging System - Contract Award (Devin Braun) Approve  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1326.0-10 with MIS Sciences, Inc. for the procurement of a hosted text messaging system, including a vanity short messaging service (SMS) short code with a one-year base and 4 one-year options.
31. MTS: 2011 State and Federal Legislative Programs (Sharon Cooney) Approve  
Action would: (1) receive a report on 2010 legislative and intergovernmental activities; and (2) approve staff recommendations for state and federal legislative programs.

## REPORT ITEMS

45. MTS: FY 2011 Final Budget Comparison (Tom Lynch) Receive  
Action would receive a report for information.
46. MTS: Interstate 15 Mid-City BRT Stations (Denis Desmond) Receive  
Action would receive an update on the status of planning for the Mid-City stations on the Interstate 15 (I-15) bus rapid transit (BRT) corridor.
47. MTS: Chargers Year-End Report (Tom Doogan) Receive  
Action would receive a report for information.
48. MTS: Operations Budget Status Report for November 2010 (Mike Thompson) Receive  
Action would receive an MTS budget status report for November 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: February 17, 2011
66. Adjournment

METROPOLITAN TRANSIT DEVELOPMENT BOARD  
ROLL CALL

MEETING OF (DATE): 1/20/11

CALL TO ORDER (TIME): 9:04 AM

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

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

CLOSED SESSION: 9:28 AM

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

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

RECONVENE: 9:42 AM

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

ADJOURN: 11:27 AM

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
CASTANEDA	<input type="checkbox"/> (Rindone) <input checked="" type="checkbox"/>		
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Sterling) <input type="checkbox"/>		
EMERALD	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
ENGLAND	<input checked="" type="checkbox"/> (Gastil) <input type="checkbox"/>	9:07 AM	
GLORIA	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
JANNEY	<input type="checkbox"/> (Bragg) <input checked="" type="checkbox"/>		
LIGHTNER	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/> (Vacant) <input type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Hanson-Cox) <input type="checkbox"/>		
MINTO	<input type="checkbox"/> (McNelis) <input type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		11:13 AM
VAN DEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		11:23 AM
YOUNG	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:08 AM	10:34 AM

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

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: Karen Conder

LOSSAN MEETING  
AS REPRESENTATIVE OF MTS

AG 220.4 (PC 50101)

ROLL CALL

MEETING DATE: 1-19-11

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
RINDONE <input checked="" type="checkbox"/> (Mathis - Alternate) <input type="checkbox"/>		

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

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: Paul Land

\* MTS Board members are not paid by SANDAG when they serve in an advisory capacity; therefore, MTS pays them. Mathis does not get paid for this meeting because he receives an annual stipend and no meeting fees.

JOINT MEETING OF THE BOARD OF DIRECTORS FOR THE  
METROPOLITAN TRANSIT SYSTEM (MTS),  
SAN DIEGO TRANSIT CORPORATION (SDTC), AND  
SAN DIEGO TROLLEY, INC. (SDTI)  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

December 9, 2010

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:01 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 November 18, 2010, MTS Board of Directors meeting. Mr. Van Deventer seconded the motion, and the vote was 10 to 0 in favor.

3. Public Comments

*Mikail Hussein* – Mr. Hussein is the President of the United Taxi Workers of San Diego (UTWSD) and in December 2009, city taxi drivers went on strike to protest unfair working conditions such as unjust termination, harassment by MTS taxicab inspectors, and illegal competition by charter vehicles. The UTWSD was formed to help improve the working conditions for all drivers and ultimately improve the customer service they provide. As part of its efforts, the UTWSD conducts workshops to educate drivers about MTS rules and regulations, rights, and responsibilities and tries to resolve grievances. The UTWSD also attends and provides comments at Taxicab meetings to advocate drivers' issues before the Board. Mr. Hussein is here today to continue advocating on behalf of taxicab drivers. He feels that the relationship between drivers and permit holders is highly unregulated, and UTWSD hopes to build a relationship with MTS officials to achieve its goals.

*Moni Kehinde* – Ms. Kehinde is an attorney at the Employee Rights Center working with UTWSD. She stated that since its inception, UTWSD has partnered with local organizations and has worked with local employment law and civil rights attorneys to help understand the regulatory structure and reconcile taxi industry regulations. Her work has included the review and analysis of Ordinance Number 11, and she continues to try and reconcile these regulations with the reality of a complex taxi industry. There has been at least one instance where a taxicab driver spoke at a Taxi Committee meeting and was unjustly terminated the following day. She stated a need for policy change and reform in the taxi industry. She is requesting the help of MTS to ensure the protection of workers in the taxi industry and provide fair working conditions. UTWSD is hoping to work with MTS to write and implement changes of policy reform.

*Jill Holslin* – Ms. Holslin is a professor at San Diego State University whom is working with taxicab drivers on a regular basis to help them understand the legal structure within which they are working. She is trying to understand the complex relationship between MTS, owners of the medallions, and the taxi drivers themselves. She stated that drivers are suffering retaliation

when they attempt to support the industry. When they report that repairs need to be made, often they end up making the repairs, when it is not their legal responsibility, to avoid retaliation. Ms. Holslin stated that there is a disconnect between the drivers and the owners of medallions, and she wants to work together with MTS to create a taxi industry that is helpful and protects the public.

CONSENT ITEMS:

6. MTS: Investment Report - October 2010

Action would receive a report for information.

7. MTS: Light Rail Vehicle (LRV) Tire Kits

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L0983.0-11 with Siemens Industry, Inc. for LRV tire kits for up to a five-year period (two-year base period including 3 one-year option periods for a total of five years).

8. MTS: Taxicab Committee Member Election Results

Action would approve appointing new members to the Taxicab Committee as stated in the results of the Taxicab Committee member election.

9. MTS: Compass Card Controls - Audit Report

Action would receive an internal audit report on Compass Card controls.

10. MTS: Job Order Contract and CCTV Upgrade Work Order

Action would authorize the CEO to: (1) enter into a Job Order Contract (JOC) (MTS Doc. No. PWL132.0-11) with Southland Electric, Inc.; and (2) negotiate and issue a work order with Southland Electric for CCTV System Upgrade Project construction services in an amount not to exceed \$500,000.

11. MTS: Employee Benefits Broker/Consulting Services RFP - Contract Award

Action would authorize the CEO to execute the following contracts for employee benefits broker/consulting services for up to a five-year period (three-year base with 2 one-year options):

1. MTS Doc. No. G1361.0-11 with Keenan & Associates for ongoing consulting services;
2. MTS Doc. No. G1362.0-11 with Keenan & Associates for advisory services;
3. MTS Doc. No. G1363.0-11 with Barney and Barney for advisory services; and
4. MTS Doc. No. G1364.0-11 with Rael & Letson for advisory services.

12. MTS: In-Floor Jack Body Hoist Overhaul - Contract Award

Action would authorize the CEO to execute MTS Doc. No. PWL129.0-11 with Industrial Millwright Services, Inc. for the procurement of goods, services, and parts necessary to rehabilitate two sets of light rail vehicle (LRV) in-floor jack body hoists.

13. MTS: Unallocated Transportation Development Act Funds for Transit-Related Projects

Action would approve the use of \$121,610 in unallocated TDA funds currently held by the County of San Diego for the City of Santee's Bus Stop Upgrade Project.

14. MTS: Capital Improvement Program (CIP) Funding Transfers

Action would approve the transfer of: (1) \$96,146 in State Transit Assistance (STA) funds to the San Ysidro Transit Center Project (CIP 10453) from the completed KMD Tile and Roof Repair Project (CIP 1114900); (2) \$111,182 in Transportation Development Act (TDA) funds to Miscellaneous Capital (CIP 11200) from the Blue Line Rehabilitation Project (11266); (3) \$500,000 in TDA funds from the New IT System Project (CIP 11307) to complete land procurement projects (CIPs 11303, 11305, and 11308); and (4) \$7,219,200 in Federal Formula 5307 funds (Y806) from the Kearny Mesa Land Procurement Project (CIP 11305) to fund the FY 12 CIP.

Discussion on Consent Items

Mr. Gloria wanted to make note of Agenda Item No. 8 regarding the Taxicab Committee Member Election Results. He mentioned that in the future, the Committee will improve the way these elections are handled. He stated that they will be better published and that a notification letter will be sent out to all permit holders in order to ensure the inclusion of driver representation. He would like to recommend that the Board of Directors look at ways to reconstitute the members of the Taxicab Committee to provide drivers with a larger voice than they have currently.

Mr. Gloria wanted clarification of Agenda Item No. 9 regarding the Compass Card Controls Internal Audit. He wanted to know if an audit has been performed on the sale of Compass Cards at Vons locations. Mr. Jablonski responded that SANDAG has previously conducted an audit with Vons, and staff will bring the report to the Board for review.

Mr. Ewin mentioned that internal audit reports are not reviewed by the Audit Oversight Committee before they are reviewed by the Board and feels that it may be time to expand the preview of internal audits to the Audit Oversight Committee first.

Action on Consent Items

Mr. Gloria moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, and 14. Ms. Emerald seconded the motion, and the vote was 12 to 0 in favor.

CLOSED SESSION: *(Taken Out of Order)*

24. Closed Session Items

**The Board convened to Closed Session at 10:27 a.m.**

- a. MTS: CLOSED SESSION - PUBLIC EMPLOYEE APPOINTMENT (GENERAL COUNSEL) Pursuant to California Government Code section 54957



**The Board reconvened to open session at 10:38 a.m.**

Oral Report of Final Actions Taken in Closed Session

Morgan Foley reported the following:

- a. The Board received a report on the process for the recruitment, and appointment of a new General Counsel was provided by the Chief Executive Officer.

**NOTICED PUBLIC HEARINGS:**

25. None.

**DISCUSSION ITEMS:**

30. MTS: Regional Transportation Plan Revenue-Constrained

Sharon Cooney, Chief of Staff, gave the Board a brief history of the Regional Transportation Plan (RTP) revenue-constrained scenarios already introduced at the November 18, 2010, Board meeting. She explained that MTS staff has collaborated with San Diego Association of Governments (SANDAG) staff to create a new Hybrid Scenario Transit Network. She mentioned that a handout has been provided to all the Board members, which includes a matrix of all of the scenarios proposed as well as a transit map of the new preferred Hybrid Scenario. Ms. Cooney then introduced Dave Schumacher of SANDAG. Mr. Schumacher mentioned that the Hybrid scenario would be included in the final plan that will be brought to the SANDAG Transportation Committee for recommendation and ultimately before the SANDAG Board on December 17 for a final decision.

Mr. Schumacher discussed the new Hybrid scenario and explained that the scenario merges the highway and fusion scenarios together. He explained that the Hybrid scenario network emerged based on modeling research and input from the agencies. He mentioned that the downtown trolley tunnel and support for additional funding for regional rail grade separations kept coming up in conversations. He also mentioned the importance of focusing on existing rail investment (COASTER & SPRINTER) and the need to eliminate redundant transit services. He stated that there has been great support for Bus Rapid Transit (BRT) services, particularly in South County, and that the UTC COASTER Tunnel/Station are expensive projects, but there has been continued support for providing transit connections in the UTC area.

Mr. Schumacher explained that there are two key issues; funding and networks. He explained that 2/3 of funding for the Hybrid Scenario will go towards transit, and 1/3 towards other types of projects. Mr. Schumacher mentioned that the hybrid scenario also maximizes COASTER and SPRINTER lines and does not include the UTC COASTER Tunnel/Station but instead focuses on extending the Blue Line into Sorrento Mesa and Mira Mesa and putting a transfer station where the COASTER and Blue Line would intersect.

Mr. Schumacher discussed rail options, which include the Downtown Trolley Tunnel, which would allow for frequency improvements on both the Blue and Orange Lines, introduce express-line services, and over time, upgrade the Mid-City Rapid Project that will be implemented in 2012 to extended light rail from downtown to San Diego State University. He explained that

several new rail lines have been introduced from Pacific Beach through Clairemont Mesa over to Kearny Mesa and into Mission Valley and then transferring to the Green Line over to El Cajon. Also proposed is another rail line from UTC into Kearny Mesa through Mission Valley and then transitioning into the South Bay and terminating at the Palomar Street Station. Mr. Schumacher then discussed the Bus Rapid Transit lines from the South Bay to Kearny Mesa and UTC as well as Peak Bus Rapid Transit from the East County to Kearny Mesa and Sorrento Mesa and into downtown. He stated that the Hybrid scenario also includes a number of Rapid Bus lines through the South Bay area providing faster service in the South Bay and connecting the coastal areas. Mr. Schumacher explained that the Hybrid Scenario also includes limited service Streetcar/Shuttle-Circulator but that funding for this project would need to come from non transit sources, and 10% of the cost would be given from SANDAG devoted to the planning phase. He mentioned that the Hybrid scenario focuses heavily on local bus service and, if the plan was implemented, by 2015, bus frequency would increase to every 15 minutes. He stated that \$25 billion has been budgeted for capital expenses, and \$23 billion for operating expenses over the next 40 years.

Ms. Emerald wanted to make sure that the funding was in place to start planning ahead. Mr. Schumacher explained that a detailed list is put together of possible money sources, but they have not assigned specific dollars to specific projects. Ms. Emerald wanted to know how the priorities of the RTP are decided. Mr. Schumacher explained that the next step of the process is to do the phasing, which will have several phasing years, such as 2015, 2020, 2030, 2040, and 2050 match expected revenues we get during those time periods. Ms. Emerald asked Mr. Schumacher if he had an idea as to what project would be the first priority. Mr. Schumacher responded that frequency enhancements and local bus transit would most likely be the top priority. Ms. Emerald also wanted to know if there would be any changes to paratransit. Mr. Schumacher stated that paratransit services would increase. Ms. Emerald then questioned how taxis would be integrated into the transit network. Mr. Schumacher stated that the iCommute team at SANDAG is looking more and more at first-and last-mile services. Ms. Emerald stated that she is looking forward to serving on the Taxicab Committee and will be bringing up these kinds of issues.

Mr. Gloria wanted to know how long ago this new Hybrid Scenario was created because he wanted to ensure that stakeholders had enough time to receive feedback. Mr. Schumacher stated that the new scenario was created just weeks ago with direction given from the SANDAG Board and that so far, this scenario has gotten good support. He further explained that there are not any brand new projects - just a different mix of projects. Mr. Gloria questioned the flexible funding and wanted to make sure that he understood correctly that \$3 billion are flexible funds and of those flexible funds, 2/3 of the money will be designated for transit and 1/3 for other modes of other transportation. Mr. Schumacher stated that Mr. Gloria was correct. Mr. Gloria also wanted clarification on the streetcar funding. Mr. Schumacher explained that they have gotten a cost estimate for the project, and 90% of the capital and 100% of the operating expenses would need to come from private sources or business district funds with 10% of the funding being provided by SANDAG for the coordination of planning and perhaps preliminary engineering. Mr. Gloria questioned if there are walking and biking improvements in the new Hybrid Scenario. Mr. Schumacher stated that there are \$2.6 billion in improvements set aside.

Mr. Roberts stated that when the RTP was initially released, several scenarios were presented and regionally, almost everyone said that they wanted the Highway Scenario. He is very hopeful to get the Hybrid Scenario approved by SANDAG because he feels that it is a much stronger transit plan than previously presented, and as a regional perspective the scenario is

good news. He stated that anyone who is an advocate of public transit should feel pleased with the Hybrid Scenario.

Mr. Ewin commented that even though a few dotted lines for transit in East County looks modest, it will go a long way with future business development and residents. He stated that most people make their living choices and the work location choices based on their mode of transportation, so he is happy to see transit options continuing to the East County in the future.

#### Action Taken

Mr. Ovrom moved to support the Hybrid Preferred Revenue-Constrained Scenario for use in the 2050 Regional Transportation Plan. Mr. Rindone seconded the motion, and the vote was 12 to 0 in favor.

#### 31. MTS: Siemens Light Rail Vehicle (LRV) Procurement - Contract Amendment

Wayne Terry, Chief Operating Officer of Rail, gave the Board an update on the procurement of light rail vehicles (LRV) from Siemens. He mentioned that 4 amendments have been approved thus far, and the Board is being asked to approve Amendment No. 5. He explained that Amendment No. 5 would allow the retrofitting of existing fleet of SD 100s to be communications compatible and would increase the total budget for the low-floor vehicles from \$236,000,000 to \$240,000,000.

Mr. Terry explained that 57 new S70US LRVs will have an interior passenger communication package provided by Interalia Systems Corporation. He further explained that the amendment would provide for existing fleet of 52 SD 100 LRVs to be retrofitted with the same communications package at a total fleet cost (including tax) of \$5,032,389. He mentioned that this is crucial because the technologies are dissimilar. Mr. Terry stated that a single fleet-wide communications supplier would provide clear and consistent audio/visual interior announcements in mixed-train configurations of SD 100s and S70US LRVs.

Ms. Emerald asked Mr. Terry to explain the communication system in layman's terms. Mr. Terry explained that there are different communication systems on the two types of LRVs, and the older trolleys have a communication system that is out of date, and the equipment to repair the system is no longer supported. He said that the new communication system would be state-of-the-art and would offer a system that would give consistent announcements to trolley patrons.

Mr. Cunningham asked from where the funding for Amendment No. 5 would come. Mr. Jablonski explained that the funds would come from the Blue Line Rehabilitation Project budget. He also stated that to convert the entire system to low-floor vehicles would require the purchase of 123 rail cars versus buying 57 rail cars and having mixed consists; on the Blue Line, it will be 2 new cars on the ends and an old car in the middle, and on the Orange Line, it will be 1 of each. This has saved roughly \$300 million in needed investment. One of the issues with mixing new and old vehicles has been new and old technology integrating. Mr. Jablonski stated that one of the most common complaints MTS receives is the announcements from the driver being too loud or not loud enough, and this has to do with the integrating of new technologies. There is also a safety component with this issue because there is only one driver and three rail cars, and the driver needs to be able to communicate an issue to each vehicle in case a problem or emergency arises. This is fundamental to making these cars work well in the system.

Action Taken

Ms. Emerald moved to (1) authorize the CEO to execute MTS Doc. No. L0914.5-10 retrofitting MTS's existing fleet of SD 100s to be communications compatible; and (2) increase the total budget for the procurement of low-floor vehicles (LRVs) from \$236,000,000 to \$240,000,000 and amend the San Diego Association of Governments (SANDAG) LRV procurement funding Memorandum of Understanding (MOU). Mr. Rindone seconded the motion, and the vote was 12 to 0 in favor.

REPORT ITEMS:

45. MTS: Fiscal Year 2010 Comprehensive Annual Financial Report and Auditor Presentation of New Auditing Standards

Mr. Ewin mentioned that the Audit Oversight Committee (AOC) is comprised of the Executive Committee in place at the time the CAFR is developed as well as one member of the Board who is appointed as a member and then elected as the Chair. The purpose of the AOC is to satisfy itself as to ensure the reliability of financial reporting, and the role of the Committee is one of general oversight. The AOC has had meetings with staff and the internal auditor. The role of Committee is general oversight. He has had the opportunity to be involved from the ground up, and he has seen that many items that would be of concern have been addressed. Mr. Ewin asked Cliff Telfer, Chief Financial Officer, and Linda Musengo, Finance Manager, if they believe that the financial statements fairly present the organizations net assets and activities in accordance with generally accepted accounting principles; Mr. Telfer and Ms. Musengo responded that they do. Mr. Ewin then asked them if they are satisfied that an appropriate audit was performed by the independent auditors; Mr. Telfer and Ms. Musengo responded that they are satisfied.

Mr. Ewin asked Gary Caporicci, CPA and Partner with Caporicci & Larson (C&L), if there was any audit work not performed due to any limitations placed on C&L by management, any areas scoped out by management or restrictions or fees that limited the scope of C&L work; Mr. Caporicci responded that there was not. Mr. Ewin asked Mr. Caporicci if there were any questions that in the course of the AOC work that should have been asked but were not asked; Mr. Caporicci responded not to his knowledge. Mr. Ewin thanked the AOC, staff, and the independent auditor for a comprehensive annual audit report.

Ms. Musengo stated that a PDF version of the audit will be posted to the MTS website for anyone to review it. She also mentioned that they will send the report to the Government Finance Officers Association before the end of the month to apply for consideration of the Award of Excellence, which MTS has received for the last 4 years and expects to receive again for 2010.

Mr. Caporicci gave a PowerPoint presentation on the scope of work for the audit performed by C&L that included the audit of MTS's financial statements, the review of internal control policies and procedures, and audited compliance requirements of major federal grant programs, laws, and regulations.

Mr. Caporicci gave an overview of MTS's management responsibilities, C&L's responsibilities, and summary of C&L's audit approach, which included year-to-year comparisons of specific account balances. He stated that the assessment determined that MTS is a low-risk auditee,

which means that there is no need to test a high number of transactions in order to determine that the numbers and disclosures are accurate.

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

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

Mr. Caporicci stated that compared to last year, the balance sheet is consistent. As of June 30, 2010, MTS has approximately \$1.5 billion in total assets and \$2.47 billion in total liabilities with a net result of \$1.2 billion in net assets. He added that the total revenue is \$323 million, and total operating expenses are \$326 million. He noted that there is a decrease in the net assets of almost \$8 million compared with a negative \$15 million in 2009. Mr. Caporicci summarized statements of cash flow from operating activities, which were consistent with 2009. He reviewed cash flows from operating activities, noncapital financing activities, capital, related financing activities, and investing activities with great turnaround.

Mr. Caporicci reported on the pension plan schedule of funding progress for MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) and concluded his report with a review of the new Governmental Accounting Standards Board (GASB) pronouncements. He noted that six new auditing standards have been implemented since last year. He also noted that next year, the unfunded portion of pension plans will be considered a liability.

Mr. Cunningham asked about postemployment benefits with no reserves set aside, and is that an unfunded liability. Mr. Caporicci stated that it is primarily health insurance benefits for retirees, and currently GASB does not require companies to fund reserves.

Ms. Emerald questioned how much the pension obligation fund was short. Mr. Caporicci mentioned that it is \$9 million short, and he only has 4 clients out of hundreds that have a funded pension.

#### Action Taken

Mr. Ewin moved to receive the Fiscal Year 2010 Comprehensive Annual Financial Report (CAFR). Ms. Emerald seconded the motion, and the vote was 12 to 0 in favor.

#### 46. MTS: Operations Budget Status Report for October 2010

Mike Thompson, Assistant Budget Manager, gave the Board a report summarizing MTS's operating results for October 2010 compared to the approved fiscal year 2011 budget. He explained that the year-to-date October 2010 MTS net-operating subsidy had an unfavorable variance totaling \$1,533,000. He stated that operations produced a \$2,350,000 unfavorable variance, and the administrative/other activities areas were unfavorable by \$817,000.

Mr. Thompson explained that the MTS year-to-date combine revenues through October 2010 were \$29,989,000 compared to the year-to-date budget of \$31,064,000 representing a \$1,076,000 or 3.5% negative variance. He stated that this is primarily due to unfavorable variance within passenger revenues. He stated that the year-to-date combined expenses through October 2010 were \$70,633,000 compared to the year-to-date budget of \$70,214,000 resulting in a \$419,000 or 0.6% unfavorable variance.

Mr. Thompson stated that the October 2010 year-to-date net-operating subsidy totaled an unfavorable variance of \$1,533,000 or 4.1%, and that these factors include unfavorable variances in passenger revenue, materials and supplies, and personnel costs partially offset by favorable variances in energy, outside services, and risk management.

#### Action Taken

Mr. Ewin moved to receive a status report on MTS's operations budget for October 2010. Ms. Emerald seconded the motion, and the vote was 12 to 0 in favor.

60. Chairman's Report

Chairman Mathis made no report.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin, Chairman of the Audit Oversight Committee, made no report.

62. Chief Executive Officer's Report

Mr. Jablonski mentioned that the goal for the "Stuff the Bus" food drive is 4 tons or 10 buses full of food donated to the San Diego Food Bank.

63. Board Member Communications

Mr. Cunningham wished everyone a happy and safe holiday break. Ms. Emerald mentioned the "Stuff the Bus" initiative taking place on Saturday from 9:00 a.m. to 2:00 p.m. at Vons stores throughout San Diego. She thanked staff for putting on the event and their donations.

64. Additional Public Comments on Items Not on the Agenda

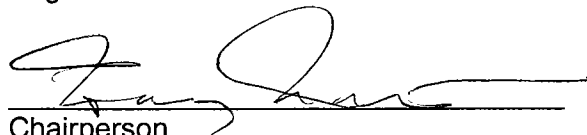
There were no additional public comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, January 20, 2011.

66. Adjournment

Chairman Mathis adjourned the meeting at 10:41 a.m.



Chairperson  
San Diego Metropolitan Transit System

Filed by:



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

Approved as to form:



Office of the General Counsel  
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

h:\minutes - executive committee, board, and committees\minutes - 2010\minutes - board 12-09-10 final.docx

METROPOLITAN TRANSIT DEVELOPMENT BOARD  
ROLL CALL

MEETING OF (DATE): December 9, 2010

CALL TO ORDER (TIME): 9:01 AM

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

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

CLOSED SESSION: 10:27 AM

RECONVENE: 10:38 AM

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

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

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

ADJOURN: 10:41 AM

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
CUNNINGHAM	<input checked="" type="checkbox"/> (Boyack) <input type="checkbox"/>	9:06 AM	
EWIN	<input checked="" type="checkbox"/> (Allan) <input type="checkbox"/>		
EMERALD	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:10 AM	
GLORIA	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		10:37 AM
JANNEY	<input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>		
LIGHTNER	<input 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"/>		10:37 AM
RINDONE	<input checked="" type="checkbox"/> (Castaneda) <input type="checkbox"/>		
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>		10:37 AM
RYAN	<input type="checkbox"/> (B. Jones) <input type="checkbox"/>		
SELBY	<input type="checkbox"/> (England) <input checked="" type="checkbox"/>		
VAN DEVENTER	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		10:37 AM
YOUNG	<input type="checkbox"/> (Faulconer) <input type="checkbox"/>		

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

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: J. Melle





AGENDA ITEM NO.

3

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

1

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

## 1. INSTRUCTIONS

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

(PLEASE PRINT)

Date	1-20-11		
Name	BOB GUTHRIE		
Address	13120 HWY 8 B4S SB		
Telephone	619-249-1529-619-3280640		
Organization Represented	Arc of San Diego		
Subject of Your Remarks	B64 Rte NO Sunday Service		
Regarding Agenda Item No.			
Your Comments Present a Position of:	<input type="checkbox"/>	SUPPORT	<input type="checkbox"/> OPPOSITION

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

## 3. DISCUSSION OF AGENDA ITEMS

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

## 4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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



AGENDA ITEM NO.

3

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

2

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

## 1. INSTRUCTIONS

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(PLEASE PRINT)

Date	JAN 20 2011		
Name	Kunnueth Fitchborn		
Address	1381 PALM AVE		
Telephone	619 575		
Organization Represented			
Subject of Your Remarks	COMPLAINT ON BUS DRIVER		
Regarding Agenda Item No.			
Your Comments Present a Position of:	<input type="checkbox"/>	<input checked="" type="checkbox"/> SUPPORT	<input type="checkbox"/> OPPOSITION

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

## 3. DISCUSSION OF AGENDA ITEMS

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

## 4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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



AGENDA ITEM NO.

3

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

3

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

## 1. INSTRUCTIONS

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

(PLEASE PRINT)

Date	January 20, 2011		
Name	Steven White		
Address	2660 Alpine Blvd. #95		
Telephone	(619) <del>204</del> 204-8035		
Organization Represented	Private Citizen		
Subject of Your Remarks	Sunday Bus Service to Alpine		
Regarding Agenda Item No.	Non-Agenda Item		
Your Comments Present a Position of:	<input checked="checked" type="checkbox"/>	SUPPORT	<input type="checkbox"/> OPPOSITION

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

## 3. DISCUSSION OF AGENDA ITEMS

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

## 4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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AGENDA ITEM NO.

3

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

4

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

## 1. INSTRUCTIONS

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

(PLEASE PRINT)

Date	JAN 20, 2011		
Name	JOHN L. WOOD		
Address	LEMON GROVE, CA.		
Telephone			
Organization Represented			
Subject of Your Remarks	FREIGHT HORW 2:30 AM CROSSING @ LEMON GROVE + BROADWAY		
Regarding Agenda Item No.	3 PUBLIC COMMENT		
Your Comments Present a Position of:	<input type="checkbox"/>	SUPPORT	<input type="checkbox"/> OPPOSITION

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

## 3. DISCUSSION OF AGENDA ITEMS

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

## 4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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



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

## Agenda

Item No. 4

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

ADM 110

January 20, 2011

### SUBJECT:

MTS: ELECT VICE CHAIR, CHAIR PRO TEM, AND COMMITTEE APPOINTMENTS  
(SHARON COONEY)

### RECOMMENDATION:

That the Board of Directors:

1. elect a Vice Chair and a Chair Pro Tem for 2011; and
2. consider the nominating slate proposed by the Ad Hoc Nominating Committee for the appointment of representatives to MTS committees for 2010 and vote to appoint representatives to those committees.

#### Budget Impact

None.

### DISCUSSION:

Public Utilities Code Section 120100 requires the Board of Directors, annually at its first meeting in January, to elect a Vice Chair who shall preside in the absence of the Chair. Policies and Procedures No. 22, "Rules of Procedure," also provides for the election of a Chair Pro Tem to serve in the absence of the Chair and Vice Chair. In 2009, Jerry Rindone served as Vice Chair, and Tony Young served as Chair Pro Tem.



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.

The Vice Chair and Chair Pro Tem nomination and election procedures pursuant to Robert's Rules of Order are as follows:


1. The Chairman of the Board opens the agenda item.
2. The Chairman requests nominations from the floor. Nominations do not require a second.
3. The Chairman closes the nominations.
4. The Chairman invites the candidate(s) to address the Board for 3 minutes.
5. The Chairman asks for any Board discussion.
6. The Chairman calls for the vote on each motion for each candidate.
7. The vote is taken on the motion(s) for each candidate based upon the order in which they were nominated. The vote continues until a candidate is elected.

In addition, each year the Board makes appointments to the various committees, including the Executive Committee, the Audit Oversight Committee, the Budget Committee, the Ad Hoc Public Security Committee, the Joint Committee on Regional Transit (JCRT), the Taxicab Committee, the Los Angeles-San Diego Rail Corridor Agency (LOSSAN), the Accessible Services Advisory Committee (ASAC), the Ad Hoc Airport Regional Policy Committee, the SANDAG Board, and the SANDAG Regional Planning Committee.

The nomination and election procedures pursuant to Robert's Rules of Order are as follows:

1. The Chairman of the Board opens the agenda item.
2. The Ad Hoc Nominating Committee makes a report and calls for a motion on the nominating slate.
3. The Chairman requests additional nominations from the floor. Nominations do not require a second.
4. The Chairman closes the nominations.
5. The Chairman invites the candidate(s) to address the Board for 3 minutes.
6. The Chairman asks for any Board discussion.

7. The Chairman calls for the vote on each motion for each candidate. The vote is taken on the motion(s) for each candidate based upon the order in which they were nominated. The vote continues until a candidate is elected.

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

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)

JAN20-11.4.ELECTIONS&COMMITTEEAPPT.SCOONEY.doc

# 2011 SLATE OF MTS COMMITTEES AND OUTSIDE AGENCY APPOINTMENTS

## Recommendations by the Ad Hoc Nominating Committee

Accessible Services Advisory Committee (ASAC)	Thomas Clabby – Chair Lorrie Bragg – Committee Representative	May be voted upon by all Representatives
Ad Hoc Airport Regional Policy Committee	Harry Mathis – Committee Representative Jerry Rindone - Alternate	May be voted upon by all Representatives except Harry Mathis May be voted upon by all Representatives except Jerry Rindone
Ad Hoc Public Security Committee	Ernie Ewin – Committee Representative Harry Mathis – Committee Representative Jim Cunningham -- Committee Representative Todd Gloria – Committee Representative Jim Janney – Committee Representative Ernie Ewin – Committee Representative Harry Mathis – Committee Representative Ron Roberts – County Representative (Alternate: Greg Cox) Tony Young – City of San Diego Representative (Alternate: Sherri Lightner) Al Ovrom – South Bay Representative (Alternate: Jim Janney) John Minto – East County Representative (Alternate: Jim Cunningham)	May be voted upon by all Representatives except Ernie Ewin May be voted upon by all Representatives except Harry Mathis May be voted upon by all Representatives except Jim Cunningham May be voted upon by all Representatives except Todd Gloria May be voted upon by all Representatives except Jim Janney May be voted upon by all Representatives except Ernie Ewin
Audit Oversight Committee*		*Appointments are governed by MTS Policy No. 22. The Board may appoint additional members from the Board or from outside of the agency to serve on this committee.
Budget Development Committee	Harry Mathis – Committee Representative Bob McClellan – Committee Representative Ron Roberts – Committee Representative Tony Young – Committee Representative Jim Cunningham – Committee Representative	May be voted upon by all Representatives except Harry Mathis May be voted upon by all Representatives except Bob McClellan May be voted upon by all Representatives except Ron Roberts May be voted upon by all Representatives except Tony Young May be voted upon by all Representatives except Jim Cunningham



Executive Committee	Harry Mathis – Chair Ron Roberts – County Representative (Alternate: Greg Cox) Tony Young– City of San Diego Representative (Alternate: Sherri Lightner) Al Ovrom– South Bay Representative (Alternate: Jim Janney) John Minto – East County Representative (Alternate: Jim Cunningham)	*Appointments are governed by MTS Policy No. 22.
Appointment governed by rotation schedule established in MTS Board Policy No. 22		
Joint Committee on Regional Transit (JCRT)	Jim Cunningham – Committee Representative Harry Mathis – Committee Representative Ernie Ewin – Committee Representative	May be voted upon by all Representatives except Jim Cunningham May be voted upon by all Representatives except Harry Mathis May be voted upon by all Representatives except Ernie Ewin
Los Angeles - San Diego Rail Corridor Agency (LOSSAN)	Jerry Rindone – Committee Representative Harry Mathis – Alternate	May be voted upon by all Representatives except Jerry Rindone May be voted upon by all Representatives except Harry Mathis
SANDAG Board	Harry Mathis - Advisory Representative Al Ovrom – Alternate	May be voted upon by all Representatives except Harry Mathis May be voted upon by all Representatives except Al Ovrom
SANDAG Regional Planning Committee	Al Ovrom - Committee Representative Mary England – Alternate	May be voted upon by all Representatives except Al Ovrom May be voted upon by all Representatives except Mary England
SANDAG Transportation Committee*	Harry Mathis – Committee Representative Al Ovrom - Alternate	*Elected by the Executive Committee at the January 13, 2011, meeting
Taxicab Committee	Marti Emerald – Chair Bob McClellan - Alternate	May be voted upon by all Representatives except Marti Emerald May be voted upon by all Representatives except Bob McClellan



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## Agenda

Item No. 6

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

January 20, 2011

**SUBJECT:**

MTS: FEDERAL TRANSIT ADMINISTRATION 5311 PROGRAM OF PROJECTS

**RECOMMENDATION:**

That the Board of Directors adopt Resolution No. 11-1 (Attachment A) authorizing the use of \$234,837 of Federal Transit Administration (FTA) Section 5311 funds for operating assistance in nonurbanized areas.

Budget Impact

None at this time.

**DISCUSSION:**

The FTA provides funds for capital and operating assistance to agencies providing rural transportation through the Section 5311 Nonurbanized Area Formula Program. These funds do not come directly to the region but are apportioned to the states. The California Department of Transportation (Caltrans), on behalf of the state, in turn reapportions the funds to the region based solely on the regional rural population as a share of the state total rural population. San Diego Association of Governments (SANDAG) allocates the region's funds to both North County Transit District (NCTD) and MTS based on the relative rural population in each service area. As shown within Attachment A, FTA 5311 funding would provide \$234,837 in operating assistance for MTS.



### Recommendation

Grant requirements include submission of a resolution by the Board of Directors authorizing its submittal and project programming. Therefore, staff recommends that the Board approve Resolution No. 11-1 (Attachment A) authorizing the use of \$234,837 of FTA Section 5311 funds for operating assistance in nonurbanized areas. Caltrans requires that SANDAG certify that it will amend the Regional Transportation Improvement Program in the event of a grant award.



Paul C. Jablonski  
Chief Executive Officer

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

JAN20-11.RESO 11-1 FTA 5311 FUNDS  
OPERATING NONURBAN AREAS.NDALL.doc

Attachment: A. Resolution No. 11-1

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 11-1

Resolution Authorizing Federal Funding Under FTA Section 5311  
with the California Department of Transportation

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

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

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

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

1. The Chief of Staff is authorized to file and execute any actions necessary on behalf of MTS with the California Department of Transportation to aid in the financing of operating or capital assistance projects pursuant to Section 5311 of the Federal Transit Act of 1964, as amended.
2. The Chief Financial Officer is authorized to provide additional information as the California Department of Transportation may require in connection with the application for Section 5311 projects.

PASSED AND ADOPTED, by the Board of Directors this \_\_\_\_\_ day \_\_\_\_\_ of 2011 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

---

Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

---

Clerk of the Board  
San Diego Metropolitan Transit System

---

Office of the General Counsel  
San Diego Metropolitan Transit System

JAN20-11.6.AttA.RESO 11-1.FTA SECTION 5311  
CALTRANS RURAL TRANSIT SVC.NDALL.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.

January 20, 2011

**SUBJECT:**

MTS: FISCAL YEAR 2011 REVISED TRANSPORTATION DEVELOPMENT ACT  
ARTICLE 4.0 CLAIM

**RECOMMENDATION:**

That the MTS Board of Directors adopt Resolution No. 11-2 (Attachment A) approving the revised fiscal year (FY) 2011 Transportation Development Act (TDA) Article 4.0 claim.

Budget Impact

The FY 2011 revised MTS TDA Article 4.0 claim would result in a \$1,614,926 reduction in funds from the July 15, 2010, approved FY 11 TDA claim.

**DISCUSSION:**

On November 18, 2010, the MTS Board of Directors approved the removal of Transportation Development Credits from the FY 11 Capital Improvement Program, which had been used as a match for federal dollars within San Diego Association of Governments' (SANDAG's) capital project transfers. MTS now needs to amend the TDA claim as a result of this, and the MTS Capital Improvement Program needs to allocate \$1,614,926 in TDA as the match on these capital project transfers.

Therefore, MTS is now eligible to receive a net amount of \$57,894,386 in Article 4.0 TDA funds for FY 2011; \$49,897,106 of the claim amount would be utilized for operating activities, and \$7,997,280 would be used to fund the Capital Improvement Program.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Mike Thompson, 619.557.4557, [mike.thompson@sdmts.com](mailto:mike.thompson@sdmts.com)

JAN20-11.7.TDA 4.0 CLAIM.MTHOMPSON.doc

Attachment: A. Resolution No. 11-2



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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

RESOLUTION NO. 11-2

Resolution Approving Fiscal Year 2011 Revised Transportation Development Act

WHEREAS, effective August 10, 2000, the MTS-area consolidated Transportation Development Act (TDA) claim process provides that MTS will be responsible for submitting a single claim for each article of the TDA for all MTS operators; and

WHEREAS, consistent with the intent of consolidating all transit funding for MTS-area operators, the San Diego Association of Governments (SANDAG) approved MTS's FY 2011 TDA claim; and

WHEREAS, MTS and SANDAG Boards must approve any alternate use of said balances differing from that for which they were originally claimed; and

WHEREAS, MTS and SANDAG staffs have analyzed this amendment and found it to be warranted pursuant to Section 6659 of Title 21 of the California Code of Regulations (CCR); NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that the MTS Board of Directors does hereby approve the FY 2011 TDA Article 4.0 MTS TDA claim of \$57,894,386. \$49,897,106 of the 4.0 TDA claim will be used for operating activities, and the remaining \$7,997,280 will be used to fund capital.

PASSED AND ADOPTED by the Board of Directors this \_\_\_\_\_ day of January 2011 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

---

Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

---

Clerk of the Board  
San Diego Metropolitan Transit System

---

Office of the General Counsel  
San Diego Metropolitan Transit System

JAN20-11.7.AttA.RESO 11-2.TDA 4.0 CLAIM.MTHOMPSON.doc





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San Diego, CA 92101-7490  
(619) 231-1466 • FAX (619) 234-3407

## Agenda

Item No. 8

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

January 20, 2011

**SUBJECT:**

MTS: INVESTMENT REPORT – NOVEMBER 2010

**RECOMMENDATION:**

That the Board of Directors receive a report for information.

Budget Impact

None.

**DISCUSSION:**

Attachment A is a report of MTS investments as of November 2010. The combined total of all investments has decreased by \$15 million in the current month largely due to capital asset expenditures totaling \$13.6 million.

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

The second column, unrestricted investments, reports the working capital for MTS operations for employee payroll and vendors' goods and services.



During October 2010, \$13 million was transferred from the short-term investment account at Local Agency Investment Fund to provide funds for settlement of capital asset expenditures.



Paul C. Jablonski  
Chief Executive Officer

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

JAN20-11.8.INVESTMT RPT NOVEMBER 2010.LMUSENGO.doc

Attachment: A. Investment Report for November 2010

**San Diego Metropolitan Transit System  
Investment Report  
November 30, 2010**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<b>Average rate of return</b>
Cash and Cash Equivalents				
Bank of America - concentration sweep account	\$ 5,291,772	\$ 8,531,425	\$ 13,823,197	0.00%
Total Cash and Cash Equivalents	<u>5,291,772</u>	<u>8,531,425</u>	<u>13,823,197</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	2,785,610		2,785,610	N/A *
Local Agency Investment Fund (LAIF) Proposition 1B TSGP grant funds	4,981,234		4,981,234	0.45%
Total Cash - Restricted for Capital Support	<u>7,766,845</u>	<u>-</u>	<u>7,766,845</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF) San Diego County Investment Pool		18,405,758	18,405,758	0.45%
		28,600,950	28,600,950	
Total Investments - Working Capital	<u>-</u>	<u>47,006,707</u>	<u>47,006,707</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	37,103,195	-	37,103,195	
Rabobank - Payment Undertaking Agreement	83,556,240	-	83,556,240	7.69%
Total Investments Restricted for Debt Service	<u>120,659,435</u>	<u>-</u>	<u>120,659,435</u>	
Total cash and investments	<u>\$ 133,718,051</u>	<u>\$ 55,538,132</u>	<u>\$ 189,256,184</u>	

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

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

## Agenda

Item No. 9

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

CIP 11310

January 20, 2011

**SUBJECT:**

MTS: NEW FLYER BUSES - CONTRACT AMENDMENT

**RECOMMENDATION:**

That the MTS Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1101.7-07 (in substantially the same format as Attachment A) with New Flyer of America, Inc. to purchase 26 40-foot, low-floor, compressed natural gas (CNG) transit buses.

Budget Impact

Encumber \$10,921,630.72 to MTS Capital Improvement Project (CIP) *40-Foot CNG Low-Floor Buses* (CIP 11310 -1300) and \$955,642.69 sales tax that MTS shall pay directly to the State of California Franchise Tax Board (CIP 11310 -1300). The total encumbrance including sales tax would be \$11,877,273.41.

**DISCUSSION:**

In February 2008, MTS awarded a five-year contract to New Flyer of America Inc., for 35-foot and 40-foot low-floor transit buses. As stipulated in the terms and conditions of the contract, MTS is required to order a minimum quantity of buses in each year of the contract. By placing an order with New Flyer of America, Inc., for 26, 40-foot, low-floor transit buses prior to February 27, 2011, MTS would meet its minimum order obligation for year three of the contract.



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

The order of 26 buses will replace the 1500 series buses, which have been in service beyond their useful lives. The 1500 series buses are 14 years old with well over 600,000 miles on each bus. Furthermore, the life expectancy of the CNG tanks on the 1997 model year buses is 15 years and will expire in calendar year 2012 rendering these buses legally inoperable.

The 26 buses that MTS seeks to order from New Flyer of America, Inc., include minor enhancements from the base model bus specification (see Attachment A for a complete list of changes). The buses would be delivered after July 1, 2011, (fiscal year 2012) with complete delivery by September 30, 2011.

Including this order for 26 buses, MTS will have ordered a total of 168 buses against this contract and assigned 39 of its "option buses" to other transit agencies.



---

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Claire Spielberg, 619.238.0100, Ext. 6400, [Claire.Spielberg@sdmts.com](mailto:Claire.Spielberg@sdmts.com)

JAN20-11.9.NEW FLYER BUSES AMENDMENT.JMILLER.doc

Attachments: A. Draft MTS Doc. No. G1101-7.07  
B. New Flyer of America, Inc. Proposal for SR1545

January 20, 2010

**DRAFT**

Mr. Paul Smith  
Executive, Vice President Sales and Marketing  
New Flyer of America, Inc. (NFA)  
711 Kernaghan Avenue  
Winnipeg, Manitoba  
R2C 3T4 Canada

Dear Mr. Smith:

Subject: AMENDMENT NO. 7 TO MTS DOC. NO. G1101.0-07 – ORDER OF 26 40-  
FOOT CNG LOW-FLOOR TRANSIT BUSES

In accordance with Article 2 "Changes" of the Standard Conditions of MTS Doc. No. G1101.0-07, MTS amends the Agreement to order 26, 40-foot, low-floor compressed natural gas (CNG) transit buses and to make changes from the base model bus as further described below:

This Amendment shall consist of the following:

	<u>Unit Price</u>	<u>Total (26 Buses)</u>
Base Price of Bus	\$389,060.31	\$10,115,568.06
4% PPI Adjustment	\$15,562.41	\$404,622.66
Engine Modification to Meet 2010 Emissions Standards	\$5,428.52	\$141,141.52
Ricon Hidden Frame Window	\$8,524.36	\$221,633.36
PS2150 Odyssey Batteries	\$1,122.96	\$29,196.96
MGM Gen 3	\$142.12	\$3,695.12
Hadley Mirrors	\$118.09	\$3,070.34
Run, Park, and Emergency Plate	\$26.61	\$691.86
Change to FC510 Hoses	\$0.00	\$0.00
Publication Manuals	<u>\$77.34</u>	<u>\$2010.84</u>

**Total: \$420,062.72 \$10,921,630.72**

SCHEDULE

Delivery of the 26 buses shall begin after July 1, 2011, and be delivered to the following location:

San Diego Metropolitan Transit System  
Imperial Avenue Division  
Attn: Julio Ortiz  
100 16<sup>th</sup> Street  
San Diego, CA 92101-7490

All 26 buses shall be received by MTS no later than September 30, 2011.

Mr. Paul Smith  
January 20, 2011  
Page 2 of 2

PAYMENT

As a result of this Amendment, the total contract price has increased by \$10,921,630.72 from \$59,277,858.36 to \$70,199,489.08.

Not included in the contract price is the 8.75% sales tax that MTS shall pay directly to the State of California Tax Board. The maximum sales tax for this order (SR1545) is \$955,642.69.

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

Sincerely,

Agreed:

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

\_\_\_\_\_  
Paul Smith  
New Flyer of America, Inc.

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

JAN20-11.9.AttA.26 NEW FLYER  
BUSES AMENDMT.JMILLER.doc



**NEW FLYER**

**QUOTATION FOR HEAVY DUTY LOW-FLOOR CNG TRANSIT BUSES**

**SECTION 1**

Contents:

Title	Submission Requirements
Price Change Summary:	Attached is our price change summary. Please indicate your acceptance by signing and returning a copy to New Flyer, attention Mark Brager, North America Transit Sales by Fax at: 204-224-4214



**NEW FLYER**

## Price Change Summary

<b>Property:</b>	San Diego
<b>Option Origin:</b>	San Diego SR1277
<b>Sales Release No.:</b>	2010-011
<b>Quantity:</b>	26
<b>Type:</b>	C40LFR
<b>Price Change No.:</b>	1
<b>Revision:</b>	C
<b>Date:</b>	12-Jan-11

	Each	Total
<b>Original Contract Price Base Coach</b>	\$ 389,060.31	\$ 10,115,568.06
Base Bus Price Change Total	\$ 30,925.07	\$ 804,051.81
Contract Spares Base Bus Price Change Total	\$ -	\$ -
<b>Revised Price Base Bus (including ADA &amp; delivery)</b>	<b>\$ 419,985.38</b>	<b>\$ 10,919,619.87</b>
 <b>Original Contract Price for Contract Spares (If priced separately)</b>	 \$ -	 \$ -
Contract Spares Changes (Priced Separately) Total	\$ 77.34	\$ 2,010.86
<b>Revised Contract Spares Priced Separately</b>		<b>\$ 2,010.86</b>
 <b>Original Contract Price for Miscellaneous (If priced separately)</b>	 \$ -	 \$ -
Miscellaneous Price Change Total	\$ -	\$ -
<b>Revised Miscellaneous Priced Separately</b>		<b>\$ -</b>
 <b>Original Total Contract Price</b>		<b>\$ 10,115,568.06</b>
Total Contract Price Changes		\$ 806,062.66
<b>Revised Total Contract Price</b>		<b>\$ 10,921,630.72</b>

**Authorized Signatures:**

New Flyer Authorization:

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

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

Property Authorization:

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

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



Price Change Detail

Property: San Diego  
 Option Origin: San Diego SF1277  
 Sales Release No.: 2010-011  
 Quantity: 26  
 Bus Type: C40LFR

Price Per Coach	Reference No.	Option No.	Option Group	SRGR No.	Description	Total	Total Contract
Prices Change Type	1	219	Engine		Include all 2010 related changes	\$ 5,428.52	141,141.51
Base Bus Price Change	2	420	Body A/P Before Paint		Change from LF to LFR, no charge to customer.	\$ -	
	3	PPI	Producer Price Index		Add PPI From contract award date to estimated PO date (Sept. 10)	\$ 15,552.42	404,692.93
	4	460	Windows		Property is requesting to change to Ricon hidden frame windows, top lip in with heat guard glass.	\$ 8,924.36	231,534.29
	5	260	Battery Compartment		Property is requesting to change to P52150 Odyssey batteries	\$ 1,122.96	29,086.88
	6	245	Air Brake & Lav System		Property is requesting MCM Gan 3	\$ 142.12	3,685.03
	7	460	Mirrors		Property is requesting to change to Hadley mirrors	\$ 118.09	3,070.36
	8	526	Seating & Stanchions		Runt, park and emergency plate riveted	\$ 26.61	681.82
	9	219	Engine		Property is requesting to change to FC510 hoses - 1/4" standard is with Manull hoses	\$ -	
Base Bus Price Change Total						\$ 30,925.07	804,051.86
Contract Shares Changes (Priced Separately)					New Flyer Recommended Publications Package	\$ 77.34	2,010.86
Contract Shares Changes (Priced Separately) Total						\$ 77.34	2,010.86
Grand Total						\$ 31,002.41	806,062.72



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

Item No. 10

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

CIPs 11277, 11288,  
1144400, 1142100

January 20, 2011

### SUBJECT:

MTS: SECURITY FIBER-OPTIC CABLE PROJECT MOU AND MISCELLANEOUS  
FUND TRANSFERS

### RECOMMENDATION:

That the Board of Directors:

1. approve MTS Doc. No. G1367.0-11 (in substantially the same format as Attachment A), which is a Memorandum of Understanding (MOU) with the San Diego Association of Governments (SANDAG) to design, manage, and build a fiber-optic infrastructure project on San Diego Trolley, Inc.'s (SDTI's) Green and Orange Lines;
2. forward a request to SANDAG to transfer funds from the Substation Standardization Project (Capital Improvement Project [CIP] 1142100) to the Broadway Wye Project (CIP 1142800) (as shown in Attachment B - Fund Transfer Summary); and
3. forward a request to SANDAG to create a new capital project (CIP 1144500 Grantville Feeder Replacement) to replace feeder cables at the Grantville Substation and transfer funds from the Substation Standardization Project (CIP 1142100) to this new project (as shown in the Fund Transfer Summary on Attachment B).



### Budget Impact

1. There would be no change to the overall CIP amount. SANDAG would be reimbursed for the new Security Fiber-Optic Cable Project from MTS CIP 11277 (Enhance Infrastructure) and CIP 11288 (Security Fiber-Optic Orange and Green Line) for total amount not to exceed \$5,960,445.00.
- 2 & 3. There would be no change to the overall CIP amount; \$400,000 and \$300,000, respectively, would be added to the Broadway Wye Project (CIP 1142800) and Grantville Feeder Replacement (CIP 1144500) from the Substation Standardization Project (CIP 1142100).

### DISCUSSION:

Currently, MTS CIP 11277 (Enhance Infrastructure) is funded from a Proposition 1B security grant, and CIP 11288 (Security Fiber-Optic Green and Orange Line) is funded from an FY 10 Transit Security Grant Program grant. These projects are intended to fill the gaps in MTS's existing system-wide fiber-optic network infrastructure.

Upon completion of these projects, the entire light rail transit system will have a high-speed fiber-optic network, which can be used for implementing future signaling, communications, closed-circuit television, and traction power upgrades. MTS currently does not have the resources to implement a project of this size; however, SANDAG is currently doing a very similar project on the Blue Line and has the resources and recent experience with implementing fiber-optic infrastructure on the light rail transit line. In addition, SANDAG also has the ability to award the contract to one of its Job Order Contractors, which would save time and reduce design costs. Attached for review and approval is the SANDAG-MTS Memorandum of Understanding (Attachment A) and Draft SANDAG Transportation Committee Agenda Item (Attachment C) for approval and creation of a new SANDAG project to implement a new fiber-optics infrastructure project (CIP 1144400 Security Fiber-Optic Cable Project).


SANDAG is currently managing the Broadway Wye Signaling and Catenary Rehabilitation Project (CIP 1142800). This project will replace old, worn catenary wire, replace old, worn track switches, and replace and upgrade the existing, inadequate signaling system in the Broadway–Santa Fe–C Street junction area. This project is one of the critical components in the overall large light rail transit system rehabilitation program that includes Blue Line rehabilitation, C Street crossover installation, station platform upgrades, and a new operating plan.

The design for this project is complete. In order to save time and costs, SANDAG will use the Job Order Contracting method to implement the project. SANDAG completed negotiations with the Job Order Contractor in late December 2010. The total cost of the project, including construction management and contingency, will come to \$2,339,200, which is \$400,000 more than the available budget in CIP 1142800 (Broadway Wye Project). Since this project is one of the critical components of the overall system rehabilitation project and delay will adversely impact other projects following it, staff recommends using \$400,000 from CIP 1142100 (Substation Standardization Project), which is a stand-alone project—delaying construction of this project would not impact any other projects. Additional funding from the FY 13 CIP program would be requested

for CIP 1142100 to replace funds transferred to the Broadway Wye Project (CIP 1142800).

A few weeks ago, one of the feeder cables supplying traction power to the catenary wire between the Grantville and Mission San Diego Stations on the Green Line shorted out resulting in reduced power operation between those two stations. In addition to slow train operations, it also reduces power redundancy whereby any other substation problem in this area will cause total power outage resulting in service interruption. This cable needs to be replaced immediately. A preliminary cost estimate to replace this feeder cable is \$300,000.00. Due to the urgency and need for this work, and availability of a Job Order Contractor with required equipment and available resources to manage the work, staff recommends that SANDAG create a new project to carry out this work and transfer \$300,000 from CIP 1142100 (Substation Rehabilitation) to this new project (CIP 1144400 Security Fiber-Optic Cable Project). In future CIPs, staff will request additional funds to replenish the budget for CIP 1142100 (Substation Rehabilitation).

Since all three projects are in SANDAG's capital budget, staff is recommending that the MTS Board forward a request to SANDAG to approve the funds transfer as shown in the Fund Transfer Summary (Attachment B).



Paul C. Jablonski  
Chief Executive Officer

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

JAN20-11.10.SECURITY FIBER OPTIC MOU  
& MISC FUND TRANSFERS.RDESAI.doc

Attachments: A. Draft MTS Doc. No. G1367.0-11  
B. Fund Transfer Summary  
C. SANDAG Transportation Committee Agenda Item

MEMORANDUM OF UNDERSTANDING  
BETWEEN THE SAN DIEGO ASSOCIATION OF GOVERNMENTS  
AND THE METROPOLITAN TRANSIT SYSTEM  
REGARDING THE SECURITY FIBER-OPTIC CABLE PROJECT

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This Memorandum of Understanding ("MOU") is made and entered into effective as of this \_\_\_\_\_ day of January 2011, by and between the San Diego Association of Governments ("SANDAG") and the Metropolitan Transit System ("MTS").

RECITALS

The following recitals are a substantive part of this Agreement:

WHEREAS, MTS currently has a Capital Improvement Project (CIP) 11288 Security Fiber-Optic Cable Project in its approved FY 11 CIP budget in the amount of \$3,381,000 funded by the federal Transportation Security Administration (TSA) for improvement to security communications systems and a CIP 11277 Enhance Infrastructure in its approved FY 11 capital budget in the amount of \$2,779,455 funded by State Proposition 1B for rail infrastructure enhancements; and

WHEREAS, the contemplated work for both projects is fiber-optic cable and appurtenance installation on the Orange and Green Lines, and at other locations on the MTS Trolley system, to close gaps in its fiber-optic communications system (herein after "the Project"); and

WHEREAS, MTS does not have the design and construction resources available to manage the Projects; and

WHEREAS, MTS desires to utilize SANDAG's project management resources and construction procurement methods, including invitations for bids and Job Order Contracting (JOC) to implement the Project in order to reduce costs and save time in the procurement of a regional security enhancement; and

WHEREAS, SANDAG has authority to construct the Project on behalf of MTS pursuant to Senate Bill 1703 (2003 Peace) and, therefore, has created CIP 1144400; and

WHEREAS, SANDAG currently has project management and delivery resources available and has contracting capacity to implement this project; and

WHEREAS, the parties wish to memorialize their agreement in this MOU to carry out the purposes set forth above;

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

### SANDAG AGREES:

1. To provide administration, design, and construction management services for the Project; and contract for construction of the Project. Design and construction management services may be through SANDAG staff, consultant services, or a combination thereof.
2. To provide design services for the Project as needed for construction procurement through invitation to bid or by a Job Order Construction (JOC) contract job orders. Design shall include the production of plans and specifications as necessary and agreed upon by SANDAG, MTS, and SANDAG's on-call General Engineering Consultant(s) and JOC contractor(s) where applicable.
3. To bid for construction or issue JOC job orders to one or more of the SANDAG JOC contractors to procure and install fiber-optic cables and other necessary equipment for the Project in accordance with SANDAG Policy No. 24 Procurement and Contracting - Construction. This policy limits JOC job orders to \$2,000,000 and prohibits separating Job Orders to avoid this limit.
4. To assign a project manager to manage the design and construction of the project.
5. To provide MTS with design products and submittals for review and comments during the development of the scope, plans, and specifications, as requested; invite MTS to attend design, construction contract and job order development meetings; and respond to MTS's comments and requests for information, including plans, specifications, estimates, and job order proposals. SANDAG shall not issue a design task order, construction bid, or construction job order without written concurrence from MTS.
6. To assign a Resident Engineer and inspectors as needed to manage the construction of the project.
7. To provide MTS with copies of consultant task orders, JOC job orders and amendments, invoices, payment requests, and to maintain all project records for ten years.
8. Invoice MTS for all costs of the Project, including administration, professional staff, consultant and contractor costs, incidentals, and other direct costs including MTS field costs for flagging and acceptance inspection. Invoices shall include names, hours, and rates for SANDAG personnel and contractor invoices with backup for task order and job order payments; and backup for other costs for equipment or services.
9. To provide MTS with final as-built drawings upon completion of the Project.

10. Neither MTS nor any officer thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by SANDAG under or in connection with any work, authority, or jurisdiction delegated to SANDAG under this MOU. It is understood and agreed that, pursuant to Government Code Section 895.4, SANDAG shall fully defend, indemnify, and save harmless MTS, all officers, and employees from all claims, suits, or actions of every name, kind, and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by SANDAG under or in connection with any work, authority, or jurisdiction delegated to SANDAG under this MOU.

MTS AGREES:

1. To pay SANDAG for the actual cost of the project, including administration, design, construction management, and construction in an amount not to exceed \$5,960,445.00 without prior written approval. This amount is the sum of the available funds in MTS CIP 11277 Security Fiber-Optic Orange and Green Line and 11277 Enhance Infrastructure less \$200,000 for MTS administration and project support, including meetings and plan reviews.
2. Upon receipt of an invoice from SANDAG with appropriate backup, MTS shall pay SANDAG within 30 calendar days.
3. In the event that SANDAG notifies MTS that the original Project estimate will be exceeded, MTS will meet with SANDAG to discuss whether an amendment to this MOU is appropriate. In no event shall SANDAG have the responsibility to move forward with the Project until the parties are able to identify sufficient funds to complete the work.
4. To provide timely response to design review submittals and other operational input/assistance when requested by SANDAG.
5. To provide staff support for project review and coordination on the Project at no cost to SANDAG, including, but not limited to, any staff support or cooperation needed to defend any contractor claims that may arise on the project.
6. Neither SANDAG nor any officer thereof is responsible for any damage or liability occurring by reason of anything done or omitted to be done by MTS under or in connection with any work, authority, or jurisdiction delegated to MTS under this MOU. It is understood and agreed that, pursuant to Government Code Section 895.4, MTS shall fully defend, indemnify and save harmless SANDAG, all officers, and employees from all claims, suits, or actions of every name, kind, and description brought for or on account of injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by MTS under or in connection with any work, authority, or jurisdiction delegated to MTS under this MOU.



THE PARTIES MUTUALLY AGREE:

1. That all obligations of SANDAG under the terms of this MOU are subject to the appropriation of the required resources by SANDAG and the approval of the SANDAG Board of Directors.
2. Any notice required or permitted under this MOU may be personally served on the other party, by the party giving notice, or may be served by certified mail, return receipt requested, to the following addresses:

For SANDAG

Attn: Ray Rizman

401 B Street, Suite 800

San Diego, CA 92101

For MTS

Attn: Office of General Counsel

1255 Imperial Avenue

San Diego, CA 92101

3. That unless it is amended by the parties in writing, this MOU shall terminate on June 30, 2012, or on such earlier or later date as the parties may agree to in writing.
4. The indemnification provisions of this MOU shall survive termination of the MOU.
5. This MOU shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this MOU, the action shall be brought in a state or federal court situated in the County of San Diego, State of California.
6. All terms, conditions, and provisions hereof shall inure to and shall bind each of the parties hereto and each of their respective heirs, executors, administrators, successors, and assigns.
7. For purposes of this MOU, the relationship of the parties is that of independent entities and not as agents of each other or as joint venturers or partners. The parties shall maintain sole and exclusive control over their personnel, agents, consultants, and operations.
8. No alteration or variation of the terms of this MOU shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on any of the parties hereto.
9. Nothing in the provisions of this MOU is intended to create duties or obligations to or rights in third parties to this MOU or affect the legal liability of the parties to this MOU to third parties.
10. This MOU may be executed in any number of identical counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument when each party has signed one such counterpart.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU effective on the day and year first above written.

SAN DIEGO ASSOCIATION OF  
GOVERNMENTS

METROPOLITAN TRANSIT SYSTEM

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GARY L. GALLEGOS  
Executive Director

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PAUL C. JABLONSKI  
Chief Executive Officer

APPROVED AS TO FORM:

APPROVED AS TO FORM:

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Office of General Counsel

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Office of General Counsel

JAN20-11.10.AttA.MOU SANDAG SECURITY  
FIBER OPTIC CABLE PROJECT.RDESAI.doc

## FUND TRANSFER SUMMARY

PROJECT (CIP NO.)	FY 11 Budget	Proposed Budget	Budget Change
1. Broadway Wye Project (CIP 1142800)	\$1,939,200	\$2,339,200	\$400,000
2. Substation Standardization Project (CIP 1142100)	\$5,498,284	\$4,798,284	-\$700,000
3. Grantville Feeder Replacement (CIP 1144500)	\$0.0	\$300,000	\$300,000

JAN20-11.10.AttB.FUND TRANSFER SUMM  
FIBER-OPTIC CABLE PROJ.RDESAI.doc

## San Diego Association of Governments

**TRANSPORTATION COMMITTEE**

January 7, 2011

AGENDA ITEM NO.: **X****Action Requested: APPROVE**

MTS MEMORANDUM OF UNDERSTANDING AND BUDGET TRANSFER

File Numbers 1144400

**Introduction**

SANDAG implements light rail improvement projects for the Metropolitan Transit System (MTS). These projects include the installation of fiber optic cable. This action recommends approval of a Memorandum of Understanding (MOU) for a fund transfer agreement with MTS and establishes a new capital project as a result of the MOU. The new project provides for the design and construction of fiber optic cable on MTS Trolley Lines. The new project would be funded from MTS federal transit security grants and state Proposition 1b funds. Approval of the MOU will be recommended to the MTS Board in January 2011.

**Recommendation**

The Transportation Committee is asked to recommend that the Board of Directors 1) approve the Security Fiber Optic Cable Project MOU with MTS in substantially the form attached in an amount not to exceed \$5,960,445 and 2) establish a new capital project CIP 1144400 Security Fiber Optic Cable Project with a total budget of \$5,960,445, pending approval by the MTS Board of Directors.

**Discussion**

SANDAG is responsible for designing, bidding, and constructing improvements for MTS including systems improvement projects. The proposed action transfers funds to SANDAG through an MOU with MTS for the purpose of having SANDAG implement fiber optic cable construction.

MTS has secured several federal grants and state funding for a project to expand its fiber optic cable network to improve security on the Trolley system. The proposed SANDAG project budget is \$5,960,445. Because of the size of the project and the need for project management, design, construction management and procurement of construction, MTS is requesting SANDAG implement the project. MTS will retain funds for its administration costs from the grants. Therefore, an MOU for the fund transfer of \$5,960,445 is being recommended in substantially the form attached. Execution of the MOU by the SANDAG Chief Executive Officer would be contingent on MTS Board approval, expected in January 2011.

Upon approval of the MOU, SANDAG would establish the Security Fiber Optic Cable Project (CIP 1144400) and implement the work. The project would install fiber optic cable on sections of the Green Line in Mission Valley and the Orange Line, and at other various locations on the Trolley system to close gaps between existing MTS fiber optic cable runs. This project is an important step toward completing a high capacity communications network on the Trolley system and is key to improving security including improving CCTV and other vital communications.

JIM LINTHICUM

Director of Mobility Management and Implementation

Key Staff Contact: John Haggerty, (619) 699-6937, [jhag@sandag.org](mailto:jhag@sandag.org)

JAN20-11.10.AttC.SANDAG MOU BUDGET

TRANSFER FIBER-OPTIC PROJ.RDESAI.doc



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## Agenda

Item No. 11

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

January 20, 2011

**SUBJECT:**

**MTS: UNIFORM SERVICE - CONTRACT AWARD**

**RECOMMENDATION:**

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

**Budget Impact**

The total amount of the contract would not exceed \$953,784.81. Prudential Overall Supply bid prices per year are as follows:

➤	Year 1	\$190,756.96
➤	Year 2	\$190,756.96
➤	Year 3	\$190,756.96
➤	Year 4	\$190,756.96
➤	Year 5	\$190,756.96

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



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.

## DISCUSSION:

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

MTS solicited an Invitation for Bids for Uniform Services for a five-year period, and three responsive bids were received. The bids were opened on July 14, 2010 (see Bid Summary - Attachment B). This item was presented to the MTS Board and approval was granted on October 14, 2010, to award the contract to Cintas Corporation. On October 29, 2010, the Procurement Department received a letter from Cintas requesting that its low bid be withdrawn due to misinterpretation of the bidding requirement as specified in the Invitation for Bids.

It was agreed at that time to accept Cintas' withdrawal. Prudential Overall Supply (Prudential), the incumbent, was the next lowest bidder. Prudential's pricing was approximately \$27,000 higher than Cintas' pricing for the five-year period. After review, it was determined that Prudential's bid price was fair and reasonable. Therefore pursuant to MTS policy, staff recommends award of MTS Doc. No. G1322.0-10 to Prudential Overall Supply for a five-year period in an amount not to exceed \$953,784.81.



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Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Marco Yniguez, 619.557.4576, [marco.yniguez@sdmts.com](mailto:marco.yniguez@sdmts.com)

JAN20-11.11.UNIFORM SVCS CONTRACT  
AWARD PRUDENTIAL.MYNIGUEZ.doc

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

## STANDARD SERVICES AGREEMENT

DRAFT

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

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2011, 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: Prudential Overall Supply Address: 740 F Street

Form of Business: Corporation Chula Vista, CA 91910  
 (Corporation, partnership, sole proprietor, etc.)

Telephone: 619.427.1240

Authorized person to sign contracts: Bryan Harris General Manager  
 Name Title

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

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

1. MTS's IFB, Responses to Written Questions/Clarifications, and Prudential Overall Supply Bid Proposal dated 7/14/10.
2. Standard Services Agreement, including the Standard Conditions Services, and Federal Requirements.

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

The total cost of this contract shall not exceed \$953,784.81.

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
\$953,784.81	620/350/650/380/370/360-53940	2011- 2016

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



**UNIFORM SERVICE  
BID SUMMARY  
Invitation for Bids**

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

\* Lowest Responsive, Responsible Bidder

JAN20-11.11.AttB.UNIFORM SVC BID  
SUMMARY.PRUDENTIAL.MYNIGUEZ.doc



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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.

January 20, 2011

**SUBJECT:**

MTS: HOSTED TEXT MESSAGING SYSTEM – CONTRACT AWARD (DEVIN BRAUN)

**RECOMMENDATION:**

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1326.0-10 (in substantially the same form as Attachment A) with MIS Sciences, Inc. for the procurement of a hosted text messaging system, including a vanity short messaging service (SMS) short code with a one-year base and 4 one-year options.

**Budget Impact**

The total budget impact for the base year and each option year is as follows:

YEAR	SHORT CODE COST	SYSTEM COST	TOTAL COST
1	\$13,275	\$31,000	\$44,275
2	\$12,000	\$26,000	\$38,000
3	\$12,000	\$26,650	\$38,650
4	\$12,000	\$27,316	\$39,316
5	\$12,000	\$27,999	\$39,999
TOTAL CONTRACT	<b>\$61,275</b>	<b>\$138,965</b>	<b>\$200,240</b>

1,000,000 annual messages are included in the yearly system cost. If needed, MTS can purchase buckets of 500,000 additional messages for \$6,500; this would provide flexibility to grow the system at a reasonable cost.



## DISCUSSION:

### Background

The Executive Committee received a report on July 9, 2009, regarding the benefits of providing real-time arrival information to passengers through text messages. Currently, according to the CTIA-The Wireless Association, 93% of the total U.S. population has a cell phone, and there are 173.2 billion text messages sent monthly. This technology is cheap, fast, and available on almost every cell phone, which makes it a good candidate for delivering real-time arrival information to our passengers.

### Procurement

On June 2, 2010, MTS issued a Request for Proposals (RFP) under MTS Doc. No. G1326.0-10 for the purchase of a Hosted Text Messaging System. On July 20, 2010, four proposals were received. An evaluation panel composed of MTS Procurement, Marketing, Planning, Information Technology, and Finance Department staff deemed all four proposers to be responsive.

Three proposers were invited for an interview to answer the evaluation panel's questions and demonstrate the specifics of their solutions. The evaluation panel then asked two proposers (Deeplocal and NextBus) to find cost savings, where appropriate, and to tender a Best and Final Offer (BAFO). MIS Sciences was not initially asked to submit a BAFO because as a result of the interview, the evaluation panel decided that the solution provided by Deeplocal and Nextbus were preferred. Finally, the evaluation panel took the responses to the RFP, the interviews, and the BAFOs into account and scored the proposals based on the following criteria:

- |    |  |     |
|----|--|-----|
| 1) | Qualifications of the Firm or Individual ..... | 20% |
| 2) | Work Plan.....                                 | 30% |
| 3) | Cost and Price .....                           | 50% |

After the final evaluation, the evaluation panel determined that Deeplocal, Inc. was the proposer with the best overall score; however, Deeplocal subsequently withdrew its offer. Nextbus' system was a comprehensive real-time information system offering many more features beyond the scope of this procurement. The price for these features was very competitive, but because the system couldn't be pared down to fit within the requirements of the RFP, the price was much higher than other bidders offering only a texting system. As a result, the evaluation panel asked MIS Sciences to submit a BAFO. Based on the provided pricing, the evaluation panel determined that MIS Sciences' text messaging system is the best option for this procurement.

While advertising is not provided by MIS Sciences, its system would have the ability to place ads in outgoing text messages, which would help to offset the cost of the system and to provide MTS with additional revenue.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Devin Braun, 619.557.4916, [Devin.Braun@sdmts.com](mailto:Devin.Braun@sdmts.com)

JAN20-11.30.TEXT MSG CONTRACT.  
MIS SCIENCES.DBRAUN.doc

Attachments: A. Draft MTS Doc. No. G1326.0-10  
B. MIS Sciences Pricing Addendum

**DRAFT**

## STANDARD SERVICES AGREEMENT

G1326.0-10  
CONTRACT NUMBER

FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2011, 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: MIS Sciences, Inc.Address: 2550 North Hollywood Way, Ste. 404Form of Business: Corporation  
(Corporation, partnership, sole proprietor, etc.)Burbank, CA 91505Telephone: 818.847.0213Authorized person to sign contracts: Jeff WillisVice President

Name

Title

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

Provide a hosted text messaging system for up to five years for the MTS as specified in MTS's Request for Proposals (RFP) MTS Doc. No. G1326.0-10; including Addenda, Responses to Approved Equals/Clarifications; and in accordance with the Standard Services Agreement, Standard Conditions Services, Scope of Work, and Hosted Text Messaging System 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 Hosted Text Messaging System Request for Proposals, Addendum, Responses to Approved Equals/Clarifications, MTS Safety Program, and Contractor's Bid.
2. Standard Services Agreement, including the Standard Conditions Services.

This contract shall remain in effect for a one-year base term with 4 one-year options. The term of the base contract shall be February 1, 2011, through January 31, 2012. MTS shall have the sole discretion to exercise option years at the prices set forth in the Contractor's Cost Proposal. Compensation will be per the negotiated rates as stated in the proposal document for pricing with the Private Vanity Short Code. The Private Vanity Short Code will be procured by MIS Sciences on behalf of MTS but will belong to MTS and will be assignable by MTS to any contractor it chooses at the conclusion of this contract.

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM****CONTRACTOR AUTHORIZATION**By: \_\_\_\_\_  
Chief Executive Officer

Firm: \_\_\_\_\_

Approved as to form:

By: \_\_\_\_\_  
SignatureBy: \_\_\_\_\_  
Office of General Counsel

Title: \_\_\_\_\_

AMOUNT ENCUMBERED

BUDGET ITEM

FISCAL YEAR

\$200,240.002011

By: \_\_\_\_\_

Chief Financial Officer

Date

(\_\_\_\_ total pages, each bearing contract number)

**MODIFIED PRICING ADDENDUM**  
Fixed Price

NOTE: CSCA (short code) and provisioning fees are NOT included. See attached for fees

**Fixed Price**

Included Messages	Year 1 Annual	Year 2 Annual	Year 3 Annual	Year 4 Annual	Year 5 Annual	Total
500,000	\$27,000.00	\$22,000.00	\$22,550.00	\$23,114.00	\$23,692.00	\$118,356.00
1,000,000	\$31,000.00	\$26,000.00	\$26,650.00	\$27,316.00	\$27,999.00	\$138,965.00
1,500,000	\$35,000.00	\$30,000.00	\$30,750.00	\$31,519.00	\$32,307.00	\$159,576.00
2,000,000	\$39,000.00	\$34,000.00	\$34,850.00	\$35,721.00	\$36,614.00	\$180,185.00
5,000,000	\$63,000.00	\$58,000.00	\$59,450.00	\$60,936.00	\$62,459.00	\$303,845.00
10,000,000	\$103,000.00	\$98,000.00	\$100,450.00	\$102,961.00	\$105,535.00	\$509,946.00

Additional Messages for fixed price model:

500,000      \$6,500

**MODIFIED PRICING ADDENDUM  
CSCA and Provisioning Fees**

These are fees imposed by the carriers and the short code registration agency and are "pass through". MIS does not mark up these fees

SMS Short Code and provisioning	Year 1	Year 2	Year 3	Year 4	Year 5	Total
CSCA FEES - Vanity Code	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$60,000
Provisioning -AT&T	\$500	\$0	\$0	\$0	\$0	\$500
Provisioning - Sprint/Nextel/Bost	\$100	\$0	\$0	\$0	\$0	\$100
Provisioning - T-Mobile	\$500	\$0	\$0	\$0	\$0	\$500
Provisioning - Virgin	\$175	\$0	\$0	\$0	\$0	\$175
<b>Total</b>	<b>\$13,275</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$12,000</b>	<b>\$61,275</b>



AGENDA ITEM NO.

36

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

1

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

## 1. INSTRUCTIONS

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

(PLEASE PRINT)

Date	1/24/2011		
Name	Joshua Callington		
Address			
Telephone			
Organization Represented			
Subject of Your Remarks	Question —		
Regarding Agenda Item No.	30		
Your Comments Present a Position of:	<input checked="checked" type="checkbox"/>	SUPPORT	<input type="checkbox"/> OPPOSITION

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

## 3. DISCUSSION OF AGENDA ITEMS

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

## 4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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



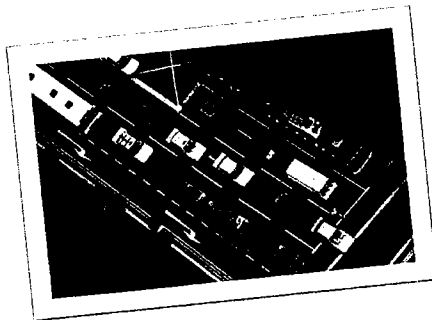
## Alerts and Arrivals by Text Message Contract Award

MTS Board of Directors Meeting  
January 20, 2011



①

### Passengers Want to Know When the Bus is Coming



Passengers know the scheduled  
time of the bus from printed  
timetables, but not the actual  
time it will arrive

Unlike rail, buses are  
susceptible to fluctuating  
traffic conditions

<b>E</b>	<b>F</b>
University Ave. & 30th St.	City Heights Transit Plaza @ 15-Fwy.
6:38a	6:43a
7:08	7:13
7:40	7:46
8:10	8:16



②

## Passengers Need to Know About Service Disruptions

Signing up for  
system alerts  
keeps passengers  
informed of  
planned and  
unplanned delays  
and detours



3

3

## Text Messaging Facts

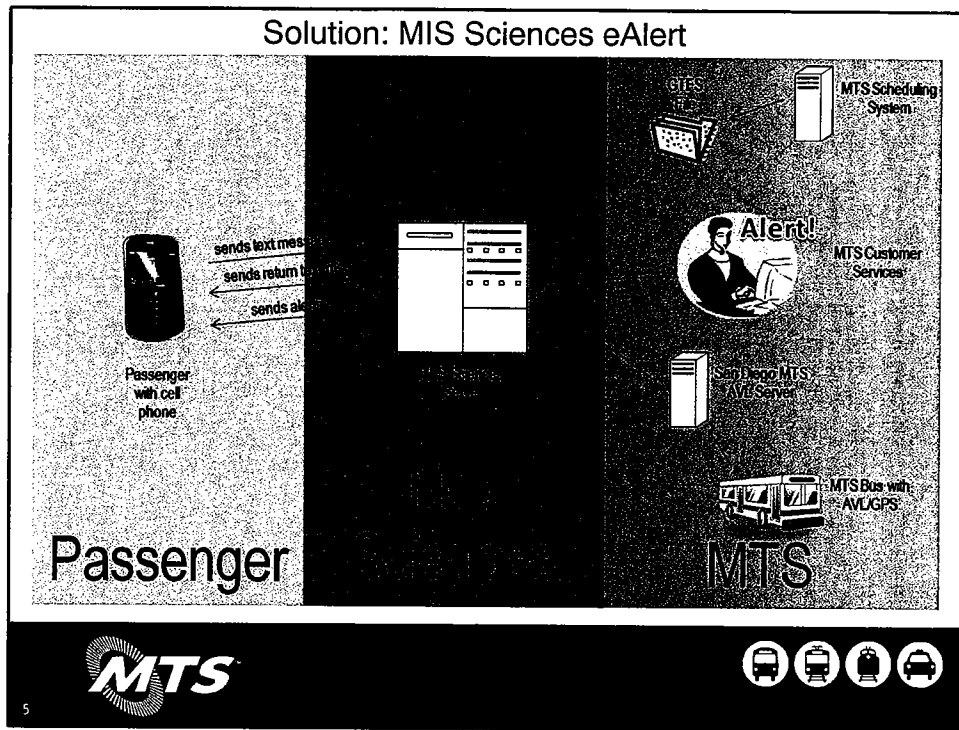
- 93% of total U.S. population has a cell phone<sup>1</sup>
- 86% of MTS users surveyed have texting capabilities
- 173.2 billion text messages are sent each month<sup>1</sup>

<sup>1</sup> – CTIA Wireless Quick Facts, [http://www.ctia.org/media/industry\\_info/index.cfm/AID/10323](http://www.ctia.org/media/industry_info/index.cfm/AID/10323)

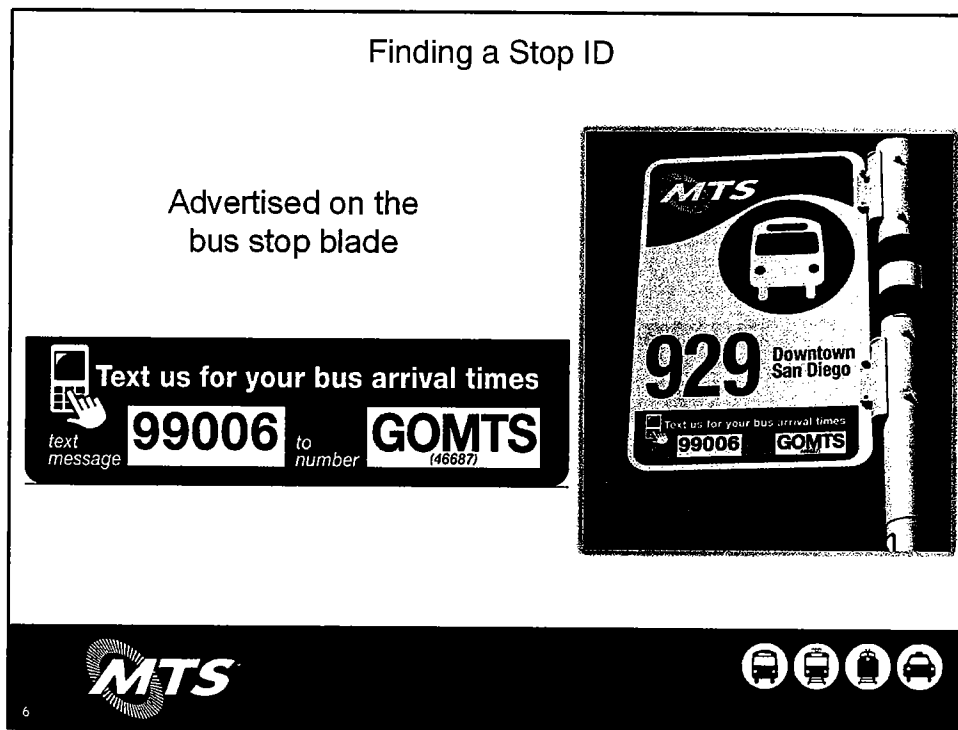


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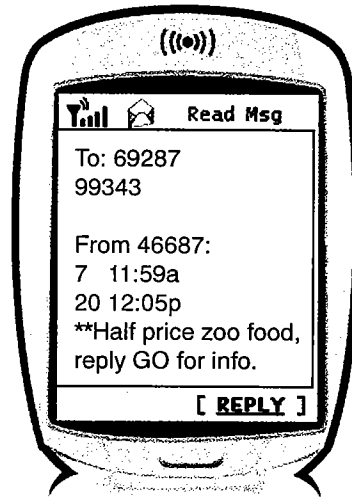
### Schedule Info Example

- Send a Stop ID to 69287
- Receive the results back
- Can include a geo-targeted advertisement if sold by MTS

Try it out now:

Send the following codes to 69287 (NJ Transit):

10996  
10180  
18787



7

7

### Alert Example

- User subscribes to alerts via website or via text message
- MTS sends the alert to subscribers.

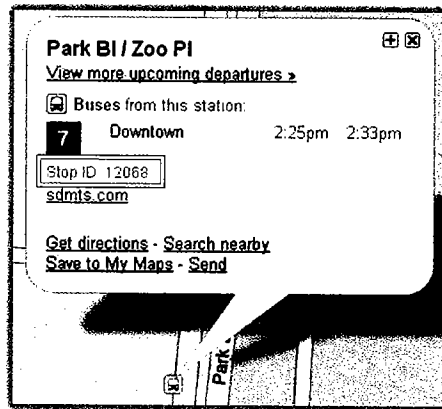


8

8

### Finding a Stop ID

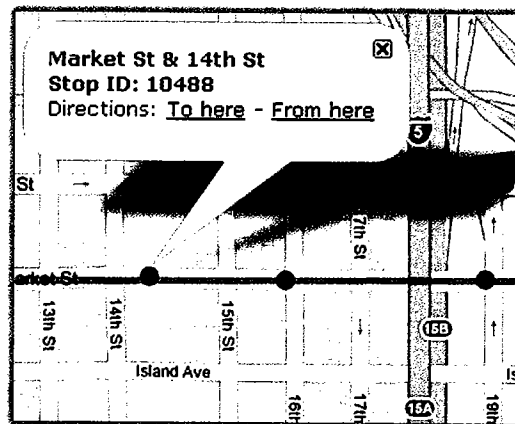
Advertised on Google  
Maps



9

### Finding a Stop ID

On sdmts.com



10

### Pricing

- MTS will pay for a "vanity" short code
  - MTS leases the short code from the wireless carriers
  - \$12,000 per year, with a \$1,275 setup fee
- The cost includes 1,000,000 messages. If needed, MTS will buy messages in buckets of 500,000 based on the contract price and pay for each outgoing message sent to users.
- The total cost for the contract over five years including the cost of leasing the short code is \$200,240.
- One year base contract with 4 one-year options.



11

(11)

### Recommended Action

Forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1326-10.0 with MIS Sciences, Inc. for the procurement of a hosted text messaging system, including a vanity short messaging service (SMS) short code with a one-year base and four one-year options.



12

(12)



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## Agenda

Item No. **31**

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

January 20, 2011

**SUBJECT:**

MTS: 2011 STATE AND FEDERAL LEGISLATIVE PROGRAMS (SHARON COONEY)

**RECOMMENDATION:**

That the Board of Directors:

1. receive a report on 2010 legislative and intergovernmental activities; and
2. approve staff recommendations for state and federal legislative programs.

Budget Impact

None.

Executive Committee Recommendation

The MTS Executive Committee met on January 13, 2011, and approved forwarding this recommendation to the Board of Directors.

**DISCUSSION:**

Staff will provide a report on 2010 legislative and intergovernmental activities. The draft state and federal legislative programs (Attachments A and B) are attached for review. The federal legislative program includes recommended capital project appropriation requests. Upon approval by the MTS Board, these programs will be used to define MTS legislative advocacy efforts in calendar year 2011.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [sharon.cooney@sdmts.com](mailto:sharon.cooney@sdmts.com)

JAN20-11.31.LEG PROGRAMS.COONEY.doc

Attachments: A. Draft Federal Legislative Program  
B. Draft State Legislative Program

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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 (MTS) 2011 Federal Legislative Program

### I. Transit Funding

- Oppose legislation that would reduce direct funding to transit agencies or transportation funding in general.
- Reauthorization of the Surface Transportation Act:
  - a. Support appropriation of MTS earmarks and New Starts designation for Mid-Coast Trolley Extension.
  - b. Seek favorable revision of the Rail Modernization Program.
  - c. Seek more flexibility in use of funding for capital projects and operations.
  - d. Support the continuation of guaranteed funding levels for the transit and highway programs.
  - e. Support retention of a central formula program supplemented by discretionary programs.
  - f. Support reforms to the Federal Transit Administration's (FTA's) evaluation/rating process for New Starts projects as follows: (a) utilizing a multi-measure approach that weighs all project benefits comparably to determine whether a project should be recommended for funding; (b) ensuring that the process considers in a meaningful way situations where local communities have stepped forward with significant local resources to fund their projects; (c) incorporating the consideration of job creation and other economic benefits into process; and (d) streamlining the process to shorten the length of time it takes for meritorious New Starts projects to progress from preliminary engineering to a Full Funding Grant Agreement (FFGA).
  - g. Seek a requirement that FTA review the recently issued charter and school bus regulations to remove onerous provisions which prevent transit systems from fairly serving their communities.
  - h. Seek a definition of "state of good repair" review that takes into account state and local efforts to achieve a state of good repair, to assure past efforts are not penalized and instead are rewarded.
- Seek a permanent compressed natural gas credit program for transit operators.
- Support legislation that would help offset the impact on transit budgets caused by increases in fuel costs.
- Support legislation that would generate new revenue for transit projects and operating costs.
- Support legislation to bring funding to railroad corridors.
- Seek funding for railroad bridge and infrastructure rehabilitation.
- Seek funding to offset the costs associated with implementation of hybrid and alternative technologies in the transit fleet.
- In partnership with interested cities, seek funding dedicated to grade-separation projects.
- Seek programs in the defense appropriation process that would help offset the cost to provide transit services for military facilities.
- Oppose attempts to discontinue federal funding for school paratransit services or for nonemergency medical transport.
- Oppose actions by the General Services Administration that might adversely impact transit functions at the San Ysidro Border and seek funding to mitigate any changes to transit facilities currently used or owned by MTS.

### II. Public Safety

1. Oppose attempts to create duplicative state rail safety regulatory agencies.
2. Seek Tier 1 status under the Transit Security Grant Program.
3. Seek stiffer criminal penalties for vandalism or theft of transit property.



4. Support legislation that increases funding for transit security projects and personnel.
5. Support legislation that provides reimbursement to transit operators for lost employee work hours due to emergency preparedness and antiterrorism training.
6. Oppose legislation or regulations that would have an adverse impact on transit agencies' ability to provide safe transportation to their customers.
7. Support legislation that assists transit operators to carry out their responsibilities as first responders to emergency situations.
8. Support efforts to enhance the transit agency's ability to coordinate with other local emergency personnel for disaster response and evacuation preparedness.

### III. Regulatory Matters

1. Support legislation that would facilitate the delivery of capital projects.
2. Oppose unfunded mandates that impact transit operators.
3. Support efforts to increase competition in the fuel market.
4. Support legislation that would require manufacturers of wheelchairs and scooters to notify customers prior to purchase of any vehicles that are larger than what the Americans with Disabilities Act requires transit agencies to accommodate for boarding.
5. Oppose proposals that limit the use of eminent domain for public transportation projects.
6. Monitor and respond to legislation in the areas of finance, employment, and safety that could affect agency governance or operations, including issues related to contractors.
7. Support efforts to ensure that climate change legislation recognizes that transit investment can help achieve emission reduction goals, and seek inclusion of transit funding in any climate change legislation.
8. Oppose efforts to enlarge the universe of paratransit service eligibility to classifications of individuals that could effectively be served through fixed-route services.
9. Monitor and respond to attempts to alter access guidelines in a way that would financially burden transit operators without providing funding.
10. Oppose regulatory interpretations of Title VI that are not in keeping with the policy's intent or which cause actions by transit agencies that constitute unfunded mandates.

### IV. Support for Legislative Programs of Other Agencies or Organizations

1. Support the legislative programs of other agencies, such as SANDAG, NCTD or other jurisdictions, where consistent with the MTS legislative program.
2. Support provisions in the legislative programs of organizations, such as the California Transit Association and American Public Transportation Association, where consistent with the MTS legislative program.

### V. Capital Projects

1. Seek funding for the following capital projects in the Fiscal Year 2011 Transportation, Housing and Urban Development Appropriations Bill, any economic stimulus or jobs programs, and in the reauthorization of the Surface Transportation Act:
  - Mid Coast Trolley Extension
  - MTS Bus Replacement Vehicles
  - East County Bus Maintenance
  - Blue Line Station Improvements
  - South Bay Bus Maintenance Facility
  - Regional Transportation Management System

## San Diego Metropolitan Transit System (MTS) 2011 State Legislative Program

### I. Transit Funding

1. Seek expeditious reimbursement of funds that the Court has ruled are owed to transit agencies by the State.
2. Seek legislation to expedite the allocation of state infrastructure bond funding designated for transit operators/projects.
3. Oppose legislation that would reduce direct funding to transit agencies, or transportation funding in general; support legislation that would generate new revenue for transit projects and operating costs.
4. Oppose legislation that would expand the use of Transportation Development Act (TDA) funds to non-transit purposes not currently covered by statute.
5. Support legislation that would help offset the impact on transit budgets caused by increases in fuel costs.
6. In partnership with interested cities, seek funding dedicated to grade-separation projects.
7. Seek legislation to exempt transit agencies from state sales tax.

### II. Transit-Oriented Development

1. Seek legislation to expedite the allocation of state infrastructure bond funding for transit-oriented development and support legislation that provides funding incentives for mixed-use projects and transit-oriented development.
2. Support legislation that aids transit operators' efforts to create transit-oriented development.

### III. Public Safety

1. Seek actions that would expedite the allocation of the \$1 billion in Proposition 1B bond funding designated for transit security projects.
2. Oppose legislation or regulations that would have an adverse impact on transit agencies' ability to provide safe transportation to their customers.
3. Support efforts to enhance penalties for crimes against transit staff or related to transit property.
4. Seek legislation that would protect the records of transit code compliance officers to the same degree as sworn officers.
5. Seek legislation that would allow agencies to pass an ordinance to allow national criminal background checks for taxicab operators.

### IV. Climate Change

1. Advocate for favorable implementation of AB 32.
2. Oppose efforts to require actions by the transit operators in support of state climate change initiatives that constitute unfunded mandates.

## V. Regulatory Matters

1. Support legislation that would facilitate the delivery of transit capital projects—especially through the availability of alternative procurement practices, such as design build.
2. Oppose unfunded mandates that impact transit operators.
3. Support legislation that would require manufacturers of wheelchairs and scooters to notify customers prior to purchase of any vehicles that are larger than what the Americans with Disabilities Act requires transit agencies to accommodate for boarding.
4. Oppose legislation that adversely limits the use of eminent domain for public transportation projects.
5. Support legislation that would remedy Bonanno v. Central Contra Costa Transit Authority, which is a case that substantially broadened the liability exposure of transit agencies.
6. Seek relief from regulations which prevent MTS from providing service in the most cost efficient way possible.
7. Support legislation that would clarify Public Utilities Commission rail oversight authority.
8. Monitor and respond to efforts to regulate MTS operations.
9. Seek clarification of regulations governing the disposition of real property purchased with TDA funds to prevent using the property for nontransit purposes.
10. Oppose efforts to eliminate or restrict transit exemption provisions in the California Environmental Quality Act (CEQA); seek legislative clarification that service and fare adjustments are always exempt from CEQA.

## VI. Labor Relations

1. Monitor and respond to legislation relating to personnel matters.
2. Support legislation that protects the integrity of collective bargaining agreements, and oppose efforts to mandate benefits or working conditions.

## VII. Support Legislative Programs of Other Agencies or Organizations

1. Support the legislative programs of other agencies, such as SANDAG and NCTD, where consistent with the MTS legislative program.
2. Support provisions in the legislative programs of organizations, such as the California Transit Association and American Public Transportation Association, where consistent with the MTS legislative program.



AGENDA ITEM NO.

31

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

1

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

## 1. INSTRUCTIONS

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

(PLEASE PRINT)

Date	2011-01-20		
Name	Clive Richard		
Address	5153 La Jolla Village San Diego		
Telephone	619.867.7049		
Organization Represented			
Subject of Your Remarks			
Regarding Agenda Item No.			
Your Comments Present a Position of:	<input type="checkbox"/>	<input checked="" type="checkbox"/> <b>SUPPORT</b>	<input type="checkbox"/> <b>OPPOSITION</b>

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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

## 3. DISCUSSION OF AGENDA ITEMS

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

## 4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

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

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

# Legislative Program

Board of Directors  
January 20, 2011



1



①

## 2010 Federal Year in Review

- Transit Security Grant Program (TSGP)
  - \$3.9 million for MTS projects (Fiber Optic backbone, vulnerability assessment, CCTV for buses)
- Earmarks in FY 2010 Appropriations:
  - \$800,000 earmark for Regional Transportation Management System (Davis)
- State of Good Repair Bus NOFA
  - \$3 million for bus replacements
- Clean Fuels NOFA
  - \$1.546 million for Southbay CNG Fueling Station



2



②

- Energy Security and Climate Change
  - On hold
- Mid Coast Trolley New Start Update
- San Ysidro Border Reconfiguration
  - Pedestrian bridge near completion
  - New design
    - Made changes to original designs that will improve transit access-north/south crossing
- Reauthorization of the Surface Transportation Act
  - Continuing Resolution extending SAFETEA-LU until March
- Highway Trust Fund
  - House leadership acted to remove firewall
  - Potential ability to siphon off funds to General Fund
- CNG Credits extended through 2011



3



3

## 2010 State Year in Review

- FY 2011 Budget
  - Gas Tax Swap: sales tax on diesel to fund transit
  - Provides \$330 million statewide (\$13.5 million for MTS)
  - Approval of Prop. 22 to protect transit, local funding
  - But approval of Prop. 24 could affect its results
- Proposition 1B
  - Submitted applications for \$15.65 million for capital grants and \$2.78 million for safety/security grants in FY 2009
  - Bond sale inadequate to fully allocate FY 2009 allocations
  - Seeking final FY 2009 allocation: \$10 million



4



4

## 2011 Federal Legislative Priorities

- Reauthorization -- not before September
  - Restructure rail modernization program
  - Seek FFGA for Mid-Coast Light Rail extension
  - Advocate for greater flexibility in funding
  - Charter regulations
  - Reward past "state of good repair" efforts
- Seek permanent CNG tax credit
- Advocate for funding for transit under a cap and trade program



5



5

## Federal Funding Priorities

- Mid Coast Trolley Extension
- Bus Replacement Vehicles
- East County and South Bay Bus Maintenance Facilities
- Blue Line Station Improvements
- RTMS for Contract Services



6



6

## 2011 State Legislative Priorities

- Oppose loss of funding
- Seek sales tax exemption for transit purchases
- Seek delays in implementation of ZEB requirements
- Oppose restrictive interpretations of transit exemptions in CEQA
- Seek relief from regulations that prevent MTS from providing transit services in the most cost-effective way



7



7

## Recommendation

- Approve 2011 Federal Legislative Program (Attachment A) and 2011 State Legislative Program (Attachment B)



8



8





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## Agenda

Item No. 45

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

FIN 310.2

January 20, 2011

### SUBJECT:

MTS: FY 2011 FINAL BUDGET COMPARISON (TOM LYNCH)

### RECOMMENDATION:

That the Board of Directors receive a report for information.

#### Budget Impact

None.

### DISCUSSION:

With the completion of the FY 2010 Comprehensive Annual Financial Report (CAFR), the FY 2010 budget can be reviewed with audited numbers. Attachment A-1 summarizes the results with the variances to budget on a consolidated basis for the agency as a whole. Attachments A2-A7 show the results for transit operations (San Diego Transit Corporation [SDTC]), rail operations (San Diego Trolley, Inc. [SDTI]), Contract Services, General Fund, Taxicab Administration, and San Diego and Arizona Eastern (SD&AE) Railway Company, respectively.

#### Overall Results

MTS produced an overall positive variance to budget of \$265,000 (as shown on Attachment A-1). The budget assumed a reserve utilization of \$9,784,000. The actual amount needed was \$9,519,000. The reserve utilization in the budget consisted of two primary parts. The first part was \$1,749,000 of surplus from FY 2009; the second part was \$7,856,000, which was used to refinance the variable portion of the pension obligation bonds.



A comparison of the results against the amended budget is outlined below.

## REVENUES

### Fare Revenue

As shown on Attachment A-1, passenger revenues were favorable to budget by \$1,878,000 (2.3%). This was due to higher-than-anticipated ridership.

### Other Operating Revenue

As shown on Attachment A-1, other operating revenue was unfavorable to budget by \$329,000. The largest part of this unfavorable variance was lower advertising revenue.

## EXPENSES

As shown on attachment A-1, overall operating expenses were \$211,593,000 compared to an amended budget of \$211,913,000 for a favorable variance of \$320,000. The larger variances were in personnel and energy.

Total personnel expenses for the fiscal year totaled \$107,711,000 compared to a budget of \$106,811,000, which resulted in an unfavorable variance of \$900,000 (.8%). This is primarily due to operator wages coming in higher than estimated on the amended budget.

Total year-end energy costs were \$22,892,000 compared to the budget of \$24,167,000, which resulted in a favorable variance of \$1,275,000 (5.3%). This favorable variance is primarily due to lower compressed natural gas (CNG) costs (\$1.10 per therm vs. \$1.29 budgeted).

### Subsidy Revenue and Other Nonoperating Revenue and Expenses

Attachment A-8 details subsidy revenue and other nonoperating revenue and expenses. The larger variances will be discussed here.

Federal revenue was \$44,368,000 compared to a budgeted amount of \$47,654,000 for an unfavorable variance of \$3,286,000. This is related to a federal compressed natural gas rebate program. In prior years, MTS has received funding from this program and budgeted on the assumption of continued funding. As of the date of the audit's close, Congress had not yet reauthorized the program and, as such, MTS could not recognize the revenue in its financial statements. Subsequently, Congress has passed legislation reauthorizing the program.

Transportation Development Act funding was \$54,326,000 compared to a budgeted amount of \$53,246,000 for a favorable variance of \$1,080,000. This was primarily due to receiving prior-year's funding in the current year.

## Reserves

Attachment A-9 details MTS's contingency reserve. The ending reserve balance on June 30, 2009, was \$31,343,000.

For FY 2010, MTS had an excess of expenses over revenues of \$9,519,000. As discussed earlier, \$7,856,000 of these expenses was related to paying down debt on the refinance of the variable pension obligation bonds. After adjusting for interest, other adjustments, and the income or loss from SD&AE and Taxicab Administration results (which are self-funded), the change for the year is a negative amount of \$9,458,000. The new contingency reserve balance on June 30, 2010, thus became \$21,885,000.

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



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Paul C. Jablonski  
Chief Executive Officer

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

JAN20-11.45.FY 11 FINAL BUDGET COMPARISON.TLYNCH..doc

Attachment: A. Schedules and Balance Tables

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

**FY 2010**

**CONSOLIDATED**

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 84,168	\$ 82,290	\$ 1,878	2.3%
Other Revenue	5,089	5,418	(329)	-6.1%
<b>Total Operating Revenue</b>	<b>89,257</b>	<b>87,708</b>	<b>1,549</b>	<b>1.8%</b>
Personnel costs	107,711	106,811	(900)	-0.8%
Outside services	63,567	63,607	40	0.1%
Transit operations funding	3,759	3,596	(163)	-4.5%
Materials and supplies	6,643	6,975	332	4.8%
Energy	22,892	24,167	1,275	5.3%
Risk management	4,615	4,226	(389)	-9.2%
Miscellaneous operating expenses	2,406	2,531	125	4.9%
<b>Total Operating Expenses</b>	<b>211,593</b>	<b>211,913</b>	<b>320</b>	<b>0.2%</b>
<b>Operating income (loss)</b>	<b>(122,336)</b>	<b>(124,205)</b>	<b>1,869</b>	<b>1.5%</b>
Subsidy Revenue	119,696	121,687	(1,991)	-1.6%
Other Non-Operating Revenue	(6,879)	(7,266)	387	-5.3%
<b>Total Non-Operating Revenue</b>	<b>112,817</b>	<b>114,421</b>	<b>(1,604)</b>	<b>-1.4%</b>
<b>Income (loss) before Reserve Utilization</b>	<b>(9,519)</b>	<b>(9,784)</b>	<b>265</b>	<b>-2.7%</b>
Reserve Usage	9,784	9,784	0	0.0%
<b>Net Income (loss)</b>	<b>\$ 265</b>	<b>\$ 0</b>	<b>\$ 265</b>	<b>-</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET**  
**FY 2010**  
**TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)**  
**(in \$000's)**

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 26,708	\$ 26,660	\$ 48	0.2%
Other Revenue	182	90	92	102.2%
<b>Total Operating Revenue</b>	<b>26,890</b>	<b>26,750</b>	<b>140</b>	<b>0.5%</b>
Personnel costs	64,385	63,552	(833)	-1.3%
Outside services	2,000	1,788	(212)	-11.9%
Transit operations funding	0	0	0	-
Materials and supplies	4,081	4,223	142	3.4%
Energy	6,227	6,826	599	8.8%
Risk management	1,769	1,614	(155)	-9.6%
Miscellaneous operating expenses	7,591	7,615	24	0.3%
<b>Total Operating Expenses</b>	<b>86,053</b>	<b>85,618</b>	<b>(435)</b>	<b>-0.5%</b>
<b>Operating income (loss)</b>	<b>(59,163)</b>	<b>(58,868)</b>	<b>(295)</b>	<b>-0.5%</b>
Subsidy Revenue	55,972	56,074	(102)	-0.2%
Other Non-Operating Revenue and Expense	(6,414)	(6,811)	397	-5.8%
<b>Total Non-Operating Revenue</b>	<b>49,558</b>	<b>49,263</b>	<b>295</b>	<b>0.6%</b>
<b>Income (loss) before Reserve Utilization</b>	<b>(9,605)</b>	<b>(9,605)</b>	<b>0</b>	<b>0.0%</b>
Reserve Usage	0	0	0	-
<b>Net Income (loss)</b>	<b>\$ (9,605)</b>	<b>\$ (9,605)</b>	<b>\$ 0</b>	<b>0.0%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET**  
**FY 2010**  
**RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)**  
**(in \$000's)**

	<b>ACTUALS ON A BUDGET BASIS</b>	<b>AMENDED BUDGET</b>	<b>DOLLAR VARIANCE</b>	<b>PERCENT VARIANCE</b>
Passenger Revenue	\$ 33,050	\$ 31,788	\$ 1,262	4.0%
Other Revenue	<u>462</u>	<u>537</u>	<u>(75)</u>	<u>-14.0%</u>
<b>Total Operating Revenue</b>	<b><u>33,512</u></b>	<b><u>32,325</u></b>	<b><u>1,187</u></b>	<b><u>3.7%</u></b>
Personnel costs	29,575	29,525	(50)	-0.2%
Outside services	3,542	3,407	(135)	-4.0%
Transit operations funding	0	0	0	-
Materials and supplies	2,540	2,715	175	6.4%
Energy	8,835	8,895	60	0.7%
Risk management	2,269	2,199	(70)	-3.2%
Miscellaneous operating expenses	<u>12,671</u>	<u>12,718</u>	<u>47</u>	<u>0.4%</u>
<b>Total Operating Expenses</b>	<b><u>59,433</u></b>	<b><u>59,459</u></b>	<b><u>27</u></b>	<b><u>0.0%</u></b>
<b>Operating income (loss)</b>	<b><u>(25,921)</u></b>	<b><u>(27,134)</u></b>	<b><u>1,213</u></b>	<b><u>4.5%</u></b>
Subsidy Revenue	25,921	27,134	(1,213)	-4.5%
Other Non-Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
<b>Total Non-Operating Revenue</b>	<b><u>25,921</u></b>	<b><u>27,134</u></b>	<b><u>(1,213)</u></b>	<b><u>-4.5%</u></b>
<b>Income (loss) before Reserve Utilization</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
Reserve Usage	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
<b>Net Income (loss)</b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>-</u></b>

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

**FY 2010**

**CONTRACT SERVICES**

(in \$000's)

	<b>ACTUALS ON A BUDGET BASIS</b>	<b>AMENDED BUDGET</b>	<b>DOLLAR VARIANCE</b>	<b>PERCENT VARIANCE</b>
Passenger Revenue	\$ 24,410	\$ 23,842	\$ 568	2.4%
Other Revenue	47	0	47	-
<b>Total Operating Revenue</b>	<b>24,457</b>	<b>23,842</b>	<b>615</b>	<b>2.6%</b>
Personnel costs	432	485	53	10.9%
Outside services	48,949	48,885	(64)	-0.1%
Transit operations funding	0	0	0	-
Materials and supplies	0	15	15	-
Energy	7,642	8,300	658	7.9%
Risk management	0	0	0	-
Miscellaneous operating expenses	1,014	1,022	8	0.8%
<b>Total Operating Expenses</b>	<b>58,037</b>	<b>58,708</b>	<b>670</b>	<b>1.1%</b>
<b>Operating income (loss)</b>	<b>(33,580)</b>	<b>(34,866)</b>	<b>1,286</b>	<b>3.7%</b>
Subsidy Revenue	33,580	34,866	(1,286)	-3.7%
Other Non-Operating Revenue	0	0	0	-
<b>Total Non-Operating Revenue</b>	<b>33,580</b>	<b>34,866</b>	<b>(1,286)</b>	<b>-3.7%</b>
<b>Income (loss) before Reserve Utilization</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
Reserve Usage	0	0	0	-
<b>Net Income (loss)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>-</b>

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

**FY 2010**

**GENERAL OPERATIONS (less Taxicab and SD&AE)**

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

	<b>ACTUALS ON A BUDGET BASIS</b>	<b>AMENDED BUDGET</b>	<b>DOLLAR VARIANCE</b>	<b>PERCENT VARIANCE</b>
Passenger Revenue	\$ 0	\$ 0	\$ 0	-
Other Revenue	<u>3,372</u>	<u>3,794</u>	<u>(422)</u>	<u>-11.1%</u>
<b>Total Operating Revenue</b>	<u><b>3,372</b></u>	<u><b>3,794</b></u>	<u><b>(422)</b></u>	<u><b>-11.1%</b></u>
Personnel costs	12,654	12,616	(38)	-0.3%
Outside services	8,866	9,210	344	3.7%
Transit operations funding	3,758	3,596	(162)	-4.5%
Materials and supplies	15	17	2	11.8%
Energy	177	137	(40)	-29.2%
Risk management	543	379	(164)	-43.3%
Miscellaneous operating expenses	<u>(19,055)</u>	<u>(19,002)</u>	<u>53</u>	<u>-0.3%</u>
<b>Total Operating Expenses</b>	<u><b>6,959</b></u>	<u><b>6,953</b></u>	<u><b>(5)</b></u>	<u><b>-0.1%</b></u>
<b>Operating income (loss)</b>	<u><b>(3,587)</b></u>	<u><b>(3,159)</b></u>	<u><b>(428)</b></u>	<u><b>-13.5%</b></u>
Subsidy Revenue	4,222	3,613	609	16.9%
Other Non-Operating Revenue	<u>(464)</u>	<u>(454)</u>	<u>(10)</u>	<u>2.2%</u>
<b>Total Non-Operating Revenue</b>	<u><b>3,758</b></u>	<u><b>3,159</b></u>	<u><b>599</b></u>	<u><b>19.0%</b></u>
<b>Income (loss) before Reserve Utilization</b>	<b>171</b>	<b>0</b>	<b>171</b>	<b>-</b>
Reserve Usage	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
<b>Net Income (loss)</b>	<u><u><b>\$ 171</b></u></u>	<u><u><b>\$ 0</b></u></u>	<u><u><b>\$ 171</b></u></u>	<u><u><b>-</b></u></u>



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

**FY 2010**

**TAXICAB ADMINISTRATION**

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 0	\$ 0	\$ 0	-
Other Revenue	830	840	(10)	-1.2%
<b>Total Operating Revenue</b>	<b>830</b>	<b>840</b>	<b>(10)</b>	<b>-1.2%</b>
Personnel costs	578	544	(34)	-6.3%
Outside services	150	264	114	43.2%
Transit operations funding	0	0	0	-
Materials and supplies	6	6	0	0.0%
Energy	9	10	1	10.0%
Risk management	0	0	0	-
Miscellaneous operating expenses	183	176	(7)	-4.0%
<b>Total Operating Expenses</b>	<b>926</b>	<b>999</b>	<b>74</b>	<b>7.4%</b>
<b>Operating income (loss)</b>	<b>(96)</b>	<b>(159)</b>	<b>63</b>	<b>39.6%</b>
Subsidy Revenue	0	0	0	-
Other Non-Operating Revenue	0	0	0	-
<b>Total Non-Operating Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Income (loss) before Reserve Utilization</b>	<b>(96)</b>	<b>(159)</b>	<b>63</b>	<b>-39.6%</b>
Reserve Usage	159	159	0	0.0%
<b>Net Income (loss)</b>	<b>\$ 63</b>	<b>\$ 0</b>	<b>\$ 63</b>	<b>-</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET**  
**FY 2010**  
**SAN DIEGO & ARIZONA EASTERN RAILWAY (SD&AE)**  
**(in \$000's)**

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 0	\$ 0	\$ 0	-
Other Revenue	195	157	38	24.2%
<b>Total Operating Revenue</b>	<b>195</b>	<b>157</b>	<b>38</b>	<b>24.2%</b>
Personnel costs	87	87	0	0.0%
Outside services	60	53	(7)	-13.2%
Transit operations funding	0	0	0	-
Materials and supplies	0	0	0	-
Energy	0	0	0	-
Risk management	34	34	0	0.0%
Miscellaneous operating expenses	2	2	0	0.0%
<b>Total Operating Expenses</b>	<b>183</b>	<b>176</b>	<b>(7)</b>	<b>-4.0%</b>
<b>Operating income (loss)</b>	<b>12</b>	<b>(19)</b>	<b>31</b>	<b>163.2%</b>
Subsidy Revenue	0	0	0	-
Other Non-Operating Revenue	0	0	0	-
<b>Total Non-Operating Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Income (loss) before Reserve Utilization</b>	<b>12</b>	<b>(19)</b>	<b>31</b>	<b>-163.2%</b>
Reserve Usage	18	19	(1)	-5.3%
<b>Net Income (loss)</b>	<b>\$ 30</b>	<b>\$ 0</b>	<b>\$ 30</b>	<b>-</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET**  
**FY 2010**

**COMBINED SUBSIDY AND OTHER NON OPERATING REVENUE AND EXPENSES**

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
<b><u>Subsidy Revenue</u></b>				
Federal Revenue	\$ 44,368	\$ 47,654	\$ (3,286)	-6.9%
Transportation Development Act	54,326	53,246	1,080	2.0%
State Transit Assistance	0	0	0	-
State Revenue - Other	810	1,000	(190)	-19.0%
TransNet funds	18,930	18,551	379	2.0%
Other Local subsidies	1,262	1,237	25	2.0%
<b>Total Subsidy Revenue</b>	<b>119,696</b>	<b>121,687</b>	<b>(1,992)</b>	<b>-1.6%</b>
<b><u>Other Non Operating Revenue and Expense</u></b>				
Investment Earnings	8,024	8,051	(27)	-0.3%
Other Non Operating Income	0	0	0	-
Other Non Operating Expenses	(14,903)	(15,318)	415	-2.7%
<b>Total Other Non Operating Revenue Revenue and Expense</b>	<b>(6,879)</b>	<b>(7,267)</b>	<b>388</b>	<b>-5.3%</b>
<b>Total Subsidy and Non Operating Revenue and Expense</b>	<b>\$ 112,817</b>	<b>\$ 114,420</b>	<b>\$ (1,604)</b>	<b>-1.4%</b>

# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

## Contingency Reserve

FY 2010

(in \$000's)

Balance, June 30, 2009		31,343
FY 2010 Operations	(9,519)	
FY 2010 Interest and Other Adjustments	(23)	
Addback (deduct)		
SDAE	(12)	
Taxi	96	
Operations, Net		(9,458)
		<hr/>
Balance, June 30, 2010		<u><u>21,885</u></u>

# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

## Reserve Balances

FY 2010

(in \$000's)

Title	Amount	Explanation
Contingency	21,885,418	For ongoing operations, future matching of grants; minimum 4% of operating budget per Policy 36
Capital Project Reserve	870,965	To hold prior year's CNG rebate for an existing capital project
Taxicab capital	11,697	For replacement of office equipment and vehicles
Insurance	2,000,000	Established for potential future liability claims, minimum \$2 million per policy 46
Billboard San Diego	57,153	Per agreement with city, used for improvements to right of way
Billboard Chula Vista	1,008,101	Per agreement with city, used for improvements to right of way
SD&AE	890,172	Established from 1984 state payments for storm damage, restricted for repair/improvement of line
MTS JPA residual	530,178	Established from proceeds of legal settlement, restricted for repairs to MTS Tower
Land management	432,286	For for repair and maintenance of rental property
	<u>27,685,970</u>	

# Metropolitan Transit System Final Year End Budget Comparison FY 2010

Board of Directors Meeting  
January 20, 2011



①

## SAN DIEGO METROPOLITAN TRANSIT SYSTEM FINAL YEAR END BUDGET COMPARISON - FY 2010 COMPARISON OF OPERATIONS TO BUDGET (in \$ 000's)

	Actual	Amended Budget	Variance
Operating Revenue	\$ 89,257	\$ 87,708	\$ 1,549
Operating Expenses	<u>211,593</u>	<u>211,913</u>	<u>320</u>
Operating Income (Loss)	(122,336)	(124,205)	1,869
Non Operating Revenue	<u>112,817</u>	<u>114,421</u>	<u>(1,604)</u>
Income (Loss) before Reserve Utilization	(9,519)	(9,784)	265
Reserve Usage	<u>9,784</u>	<u>9,784</u>	<u>-</u>
Net Income (Loss)	\$ <u>265</u>	\$ <u>-</u>	\$ <u>265</u>



②

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
FINAL YEAR END BUDGET COMPARISON - FY 2010  
NON OPERATING REVENUE**

(in \$ 000's)

	Actual	Amended Budget	Variance
Federal Revenue	\$ 44,368	\$ 47,654	\$ (3,286)
TDA Revenue	54,326	53,246	1,080
TransNet Revenue	18,930	18,551	379
Other Subsidy Revenue	<u>2,072</u>	<u>2,237</u>	<u>(165)</u>
Total Subsidy Revenue	119,696	121,688	(1,992)
Other Non Operating Revenue/(Expense)	<u>(6,879)</u>	<u>(7,267)</u>	<u>388</u>
Total Non Operating Revenue	<u>\$ 112,817</u>	<u>\$ 114,421</u>	<u>\$ (1,604)</u>



③

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
FINAL YEAR END BUDGET COMPARISON - FY 2010  
CONTINGENCY RESERVE**

(in \$ 000's)

Balance, June 30 , 2009	\$ 31,343
FY 2010 operations	(9,519)
Interest and other adjustments	(23)
Taxicab/SD&AE Net Income to their reserves	<u>84</u>
Adjusted total from operations	<u>(9,458)</u>
Balance, June 30 , 2010	<u>\$ 21,885</u>



④

# Metropolitan Transit System Final Year End Budget Comparison FY 2010

Board of Directors Meeting  
January 20, 2011



⑤





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San Diego, CA 92101-7490  
(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.

January 20, 2011

### SUBJECT:

MTS: INTERSTATE 15 MID-CITY BRT STATIONS (DENIS DESMOND)

### RECOMMENDATION:

That the Board of Directors receive an update on the status of planning for the Mid-City stations on the Interstate 15 (I-15) bus rapid transit (BRT) corridor.

#### Budget Impact

None.

### DISCUSSION:

The I-15 BRT corridor between Escondido and downtown San Diego will include two stations on I-15 in the Mid-City area—at University Avenue and El Cajon Boulevard.

The San Diego Association of Governments (SANDAG) has been working with the local community, MTS, and the California Department of Transportation on design alternatives, which were narrowed down to three: two alternatives for stations in the median of the freeway at freeway level, and one alternative for stations on the sides of the existing on-ramps near the cross streets. An environmental document including these three scenarios was released in December 2010 for public comments. Staff will provide a briefing on the three alternatives and an update on the environmental process.

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

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Denis Desmond, 619.515.0929, [denis.desmond@sdmts.com](mailto:denis.desmond@sdmts.com)

JAN20-11.46.I-15 MID CITY STATIONSUPDATE.DDESMOND.docx



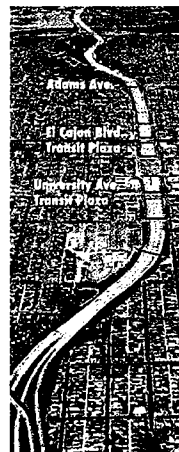
## I-15 BRT Project Mid-City Stations Update

MTS Board of Directors  
January 20, 2011



①

## SR-15 Mid-City BRT PA/ED



②

## I-15 Bus Rapid Transit: Mid-City Stations

### Background

- CalTrans dedicated SR-15 median for future light rail
- Design & safety issues with BRT in median
- SANDAG organized Community Working Group (MTS, SANDAG, CalTrans included)
- Over 40 alternatives narrowed to **three** that are acceptable to all stakeholders



3

## I-15 Bus Rapid Transit: Mid-City Stations

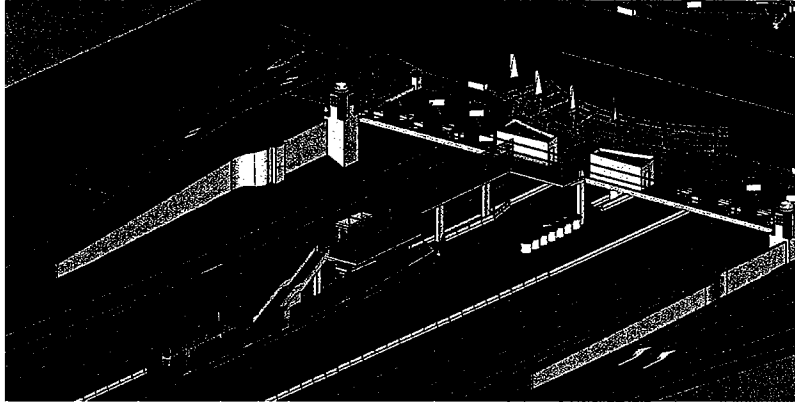
### Alt. 1: Median Stations, Center Platform



4

## I-15 Bus Rapid Transit: Mid-City Stations

Alt. 2: Median Stations, Side Platforms



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## I-15 Bus Rapid Transit: Mid-City Stations

Alt. 3: Shoulder Stations

*Eliminated due to safety issues:  
MTS, SANDAG, and CalTrans in  
agreement.*

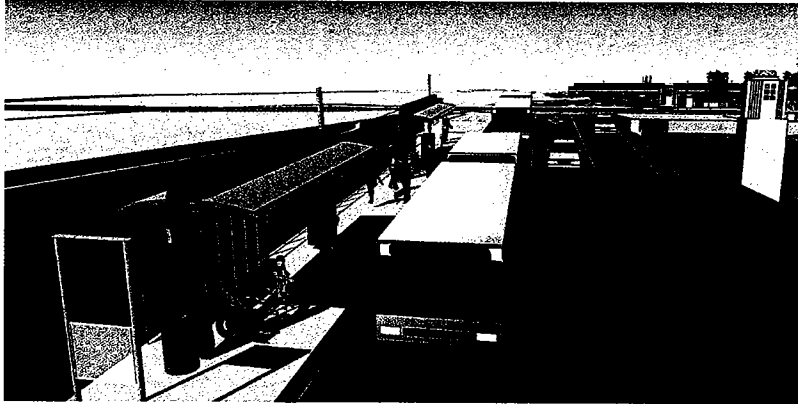


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## I-15 Bus Rapid Transit: Mid-City Stations

### Alt. 4: Ramp Stations



7

⑦

## I-15 Bus Rapid Transit: Mid-City Stations

	Capital Cost	Daily Corridor Patronage	Operating Costs	Issues
<b>Alternative 1:</b> Median w/ Grade Separated Crossovers	\$58.5 M	35,379	Lower bus operating costs; Higher maintenance/ security	Requires 805/15 HOV connectors* to maximize operating flexibility; Future LRT conversion?
<b>Alternative 2:</b> Median w/ Staggered Platforms	\$45.5 M	35,379		
<b>Alternative 4:</b> Ramp w/ Shoulder Bus Operations	\$15.6 M (+\$8.5 M if Adams added)	32,448	Higher bus operating costs; Lower maintenance/ security	Needs legislation for shoulder operations
* HOV connectors at 805/15 = \$160M				



⑧



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## Agenda

Item No. 47

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

January 20, 2011

SUBJECT:

MTS: CHARGERS YEAR-END REPORT (TOM DOOGAN)

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

The 2010 season represented the 13<sup>th</sup> complete season that San Diego Trolley, Inc. (SDTI) has provided special service to Chargers games at Qualcomm Stadium. Service was also provided to the final 3 games of the 1997 season after the opening of the Mission Valley West trolley line extension in November 1997. In addition, 2010 marked the 6th season for Green Line operations to Qualcomm Stadium providing direct service to the games from East County locations.

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

Paul C. Jablonski  
Chief Executive Officer

JAN20-11.47.CHARGERS 2010 YEAR-END SUMM.TDOOGAN.doc

Key Staff Contact: Tom Doogan, 619.595.4984, [tom.doogan@sdmts.com](mailto:tom.doogan@sdmts.com)



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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.

# Chargers Football

## 2010 Year-End Summary

Board of Directors Meeting  
January 20, 2011



①

## LRT Service Overview

- Sixth year of Green Line service to the stadium  
(13<sup>th</sup> full season overall)
- Green Line operated 4-car trains for each weekend game  
(except S-70 trains, which operated as 3-cars each)
- Shuttle service operated between Old Town and the stadium
- Mid-line trips operated beginning at the Hazard Center station  
eastbound and at the 70<sup>th</sup> Street station westbound
- Additional pre-game service added from East County due to  
increasing demand



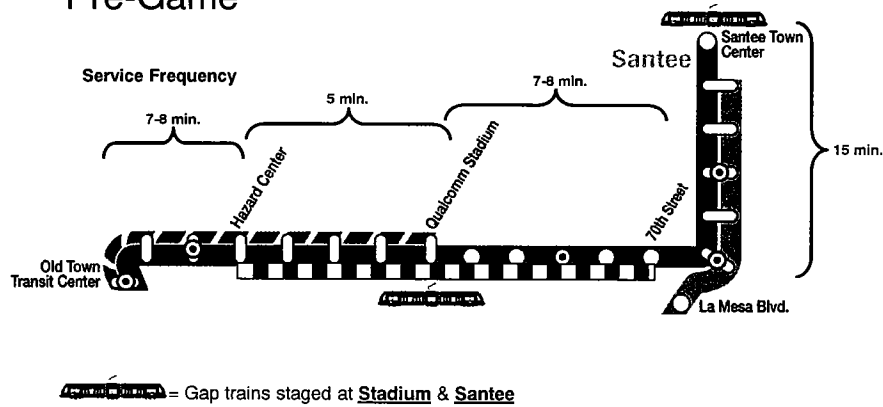
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## LRT Service Overview (continued)

### Pre-Game



3



3

## Weeknight Games

- The 2010 season included two weeknight games with start times around 5:00pm.
- Major events occurring during peak service hours place a substantial burden on the entire system
- Number of trips generated by these two events = 63,966
- Event ridership is historically higher on weeknights
- Existing Green Line ridership is much higher, leaving even less space for event ridership
- Less than half of the number of light rail vehicles are available to serve the stadium on a weeknight compared to a Sunday afternoon

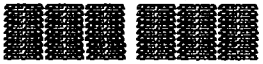


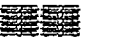
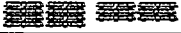
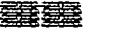
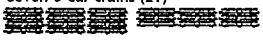
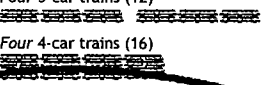
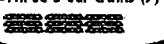
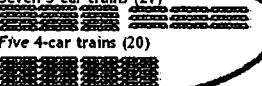


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	Weekday Peak	Sunday
Blue Line	<ul style="list-style-type: none"> <li>• Eighteen 3-car trains (54)</li> </ul> 	<ul style="list-style-type: none"> <li>• Nine 3-car trains (27)</li> </ul> 
Orange Line	<ul style="list-style-type: none"> <li>• Nine 3-car trains (27)</li> </ul> 	<ul style="list-style-type: none"> <li>• Five 2-car trains (10)</li> </ul> 
Green Line: Non Event	<ul style="list-style-type: none"> <li>• Seven 2-car trains (14)</li> </ul> 	<ul style="list-style-type: none"> <li>• Four 2-car trains (8)</li> </ul> 
Green Line: Event	<ul style="list-style-type: none"> <li>• Seven 3-car trains (21)</li> </ul> 	<ul style="list-style-type: none"> <li>• Four 3-car trains (12)</li> <li>• Four 4-car trains (16)</li> </ul> 
Event Shuttles	<ul style="list-style-type: none"> <li>• Three 3-car trains (9)</li> </ul> 	<ul style="list-style-type: none"> <li>• Seven 3-car trains (21)</li> <li>• Five 4-car trains (20)</li> </ul> 
Total Cars in Service	<ul style="list-style-type: none"> <li>• Non-event date = 95</li> <li>• Event date = 111 (entire system)</li> <li>• Event = 30 (serving stadium)</li> </ul>	<ul style="list-style-type: none"> <li>• Non-event date = 45</li> <li>• Event date = 106 (entire system)</li> <li>• Event = 69 (serving stadium)</li> </ul>



5



5

## Attendance & Ridership

2010 figures compared to 2009 Season

- 10 games in 2010 vs. 11 in 2009
- Overall Stadium attendance down 11% (644,454)
  - Average attendance down only 2% (64,445)
- Overall Trolley ridership down 13% (146,466)
  - Average ridership down only 3% (14,647)
- Gate % = 22.7%  
(vs. 23.1% in 2009)



6



6

## Attendance & Ridership (cont.)

### 8-Game Regular Season Comparison

- Attendance Averages
  - 2009 - 67,553
  - 2010 - 65,530 (- 3%)
- Ridership Averages
  - 2009 - 15,559
  - 2010 - 15,518 (- <1%)
- Gate %
  - 2009 - 23.0%
  - 2010 - 23.7% ↑

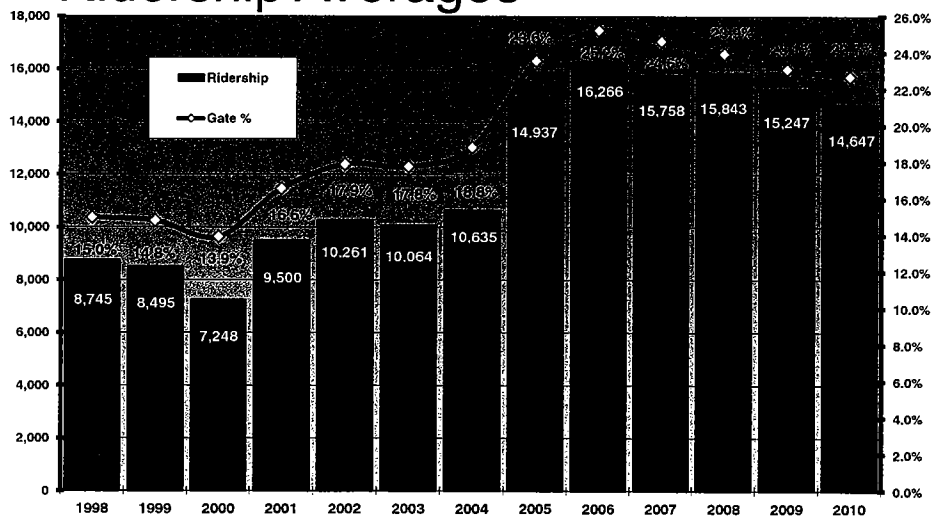


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7

## Ridership Averages



8



8

## Ticket Sales Revenue

### Season Summary

- Manual tickets sales were conducted at 11 locations between Old Town and El Cajon (same as in 2009)
- Ticket booth revenue was down 12% vs. 2009
  - Average booth revenue was down < 2%
- Inbound and outbound fare inspections conducted at stadium turnstiles for all games.



9



9

## Pre-Game Fare Inspection

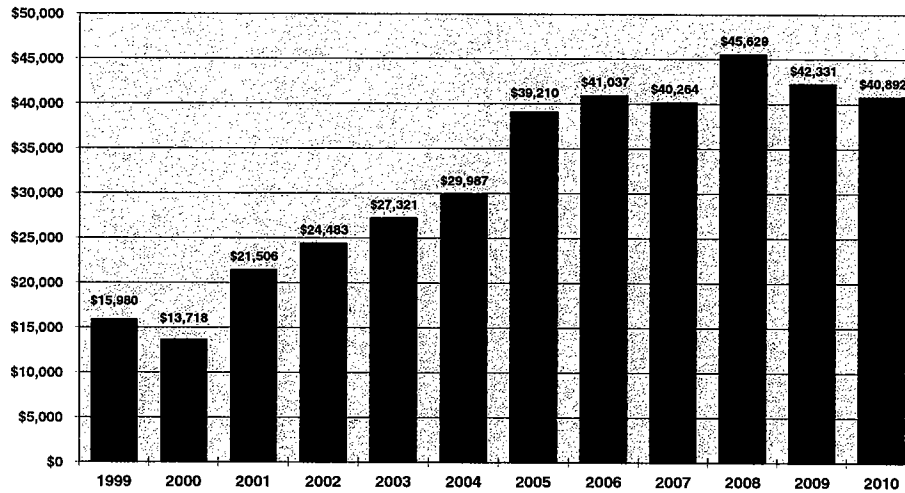


10



10

## Ticket Booth Sales Averages



11



11

## Compass Card Readers

Prior to the 7<sup>th</sup> game of the season, custom fabricated PCID units were incorporated into the existing turnstile cabinets. This provides a total of nine card readers in use during post-event operations; one at each entrance point.

Compass card use over the final four games:

- 11/22 263 (1.9% of riders)
- 12/5 379 (2.8%)
- 12/12 444 (3.4%)
- 12/16 437 (2.7%)



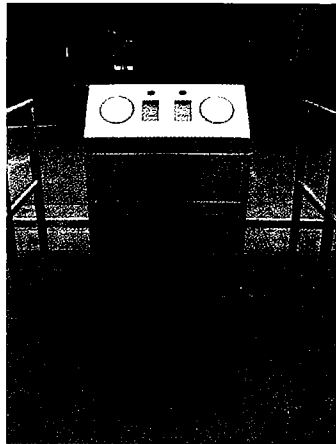
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12

## Compass Card Readers

(Continued)



13



(13)

## Cost Recovery Exercise

- One game was selected to provide comparison data for event operating expenses vs. revenue generated
- All marginal operating costs were included;
  - personnel hours
  - contract services
  - power consumption
  - car miles
- Goal: To measure event service efficiencies



14



(14)

## Cost Recovery (Chargers vs. Patriots, 10/24/2010)

Category	Revenue	Expenses
Ticket sales (Booth)	\$41,017	
Ticket sales (TVM)	\$26,249	
AMTRAK	\$2,840	
Security (TSS)		(\$328) *
Security (Heritage)		(\$566)
Transportation Dept.		(\$5,751)
Car Miles (Traction power)		(\$4,454)
Revenue Dept.		(\$1,495)
Facilities Dept.		(\$269)
LRV Dept.		(\$2,291)
MOW Dept.		(\$360)
<b>TOTAL EXPENSES</b>		<b>(\$15,514)</b>
<b>TOTAL REVENUE</b>	<b>\$70,106</b>	
<b>NET OPERATING REVENUE (1 GAME)</b>		<b>\$54,592</b>

(15)

## Average Net Revenue

- Gross revenue: 2010 Season = \$666,669
- Average Revenue = \$66,667
- Average Event Costs = (\$15,514)
- Average Net Revenue = \$51,153
- Estimated Net Revenue – Season = \$511,530



(16)



## Poinsettia Bowl

Thursday, December 23, 2010  
Kickoff 5:00pm  
SDSU vs. Navy

## NCAA Bowl Games

Attendance	48,049*	up 47%
Ridership	15,519*	up 246%
Gate %	32.3%*	up from 13.7% in 2009

\* = event records



## Holiday Bowl

Thursday, December 30, 2010  
Kickoff 7:00pm  
Nebraska vs. Washington

Attendance	57,281	down 11%
Ridership	16,534	down 21%
Gate %	28.9%	down from 32.4% in 2009



17



(17)



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## Agenda

Item No. 48

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

January 20, 2011

### SUBJECT:

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

### RECOMMENDATION:

That the Board of Directors receive an MTS budget status report for November 2010.

#### Budget Impact

None at this time.

### DISCUSSION:

This report summarizes MTS's operating results for November 2010 compared to the approved fiscal year 2011 budget. Attachment A-1 combines the operations, administration, and other activities results for November 2010. Attachment A-2 details the November 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 November 2010 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company/debt service).

#### MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, the year-to-date November 2010 MTS net-operating income unfavorable variance totaled \$4,777,000 (-10.2%), \$3,000,000 of which is due to the accounting adjustment for the additional \$7,200,000 pay down of the variable pension debt loan (Dexia). The original budget included \$5,000,000 in Dexia payments.

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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.



After the FY 2011 budget was approved, MTS received \$18,800,000 in STA funds, and part of the Board-directed strategy to spend these funds included paying an additional \$7,200,000, or \$12,200,000 overall. The \$3,000,000 unfavorable variance in operations reflects the five months' amortization of the \$12,200,000 payment compared to the original \$5,000,000 amortization. This adjustment is offset by a favorable variance in STA revenue in subsidy producing a net income unfavorable variance of \$1,702,000. As part of the midyear amended budget, the expense and subsidy revenue budgets will be updated to incorporate these Board-approved changes.

## MTS COMBINED RESULTS

### Revenues

Year-to-date combined revenues through November 2010 were \$39,111,000 compared to the year-to-date budget of \$40,610,000, which represents a \$1,499,000 (-3.7%) negative variance. This is primarily due to unfavorable variance within passenger revenue.

### Expenses

Year-to-date combined expenses through November 2010 were \$90,626,000 compared to the year-to-date budget of \$87,348,000, which resulted in a \$3,278,000 (-3.8%) unfavorable variance. Adjusting for the Dexia payment mentioned above, combined expenses are unfavorable by \$278,000 or -0.3%.

Personnel Costs. Year-to-date personnel-related costs totaled \$46,859,000 compared to a year-to-date budgetary figure of \$43,683,000, which produced an unfavorable variance of \$3,177,000 (-7.3%). Adjusting for the Dexia payment mentioned above, personnel costs are unfavorable by \$177,000 or -0.4%.

Outside Services and Purchased Transportation. Total outside services for the first four months of the fiscal year totaled \$28,797,000 compared to a budget of \$28,994,000, which resulted in a year-to-date favorable variance of \$197,000 (0.7%). This is primarily due to favorable variances within Administration outside services partially offset by unfavorable purchased transportation variances within paratransit operations.

Materials and Supplies. Total year-to-date materials and supplies expenses totaled \$3,070,000 compared to a budgetary figure of \$2,939,000, which resulted in an unfavorable expense variance of \$130,000 (-4.4%). This is primarily due to materials and supplies unfavorable variances within rail operations.

Energy. Total year-to-date energy costs were \$9,436,000 compared to the budget of \$9,189,000 resulting in a year-to-date unfavorable variance of \$247,000 (-2.7%). Year-to-date diesel prices averaged \$2.459 per gallon compared to the budgetary rate of \$2.600 per gallon. Year-to-date compressed natural gas prices averaged \$0.932 per therm compared to the budgetary rate of \$0.941 per therm.

Risk Management. Total year-to-date expenses for risk management were \$1,595,000, compared to the year-to-date budget of \$1,722,000, which resulted in a favorable variance totaling \$127,000 (7.4%).

General and Administrative. Year-to-date general and administrative costs, including vehicle and facilities leases, were \$48,000 (-5.8%) unfavorable to budget, totaling \$870,000 through November 2010, compared to a year-to-date budget of \$822,000.

#### YEAR-TO-DATE SUMMARY

The November 2010 year-to-date net income totaled an unfavorable variance of \$1,702,000 (-3.6%). These factors include unfavorable variances in passenger revenue, materials and supplies, energy and personnel costs, which were partially offset by favorable variances in outside services and risk management.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Mike Thompson, 619.557.4557, [mike.thompson@sdmts.com](mailto:mike.thompson@sdmts.com)

JAN20-11.48.OPS BUDGET NOV

Attachment: A. Comparison to Budget

MTS  
CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2011  
NOVEMBER 30, 2010  
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	% VARIANCE
Passenger Revenue	\$ 36,810	\$ 38,218	\$ (1,408)	-3.7%
Other Revenue	2,301	2,392	(91)	-3.8%
<b>Total Operating Revenue</b>	<b>\$ 39,111</b>	<b>\$ 40,610</b>	<b>\$ (1,499)</b>	<b>-3.7%</b>
Personnel costs	\$ 46,859	\$ 43,683	\$ (3,177)	-7.3%
Outside services	28,797	28,994	197	0.7%
Transit operations funding	-	-	-	-
Materials and supplies	3,070	2,939	(130)	-4.4%
Energy	9,436	9,189	(247)	-2.7%
Risk management	1,595	1,722	127	7.4%
General & administrative	622	538	(84)	-15.5%
Vehicle/facility leases	248	284	36	12.6%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(0)	(0)	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 90,626</b>	<b>\$ 87,348</b>	<b>\$ (3,278)</b>	<b>-3.8%</b>
<b>Operating income (loss)</b>	<b>\$ (51,516)</b>	<b>\$ (46,738)</b>	<b>\$ (4,777)</b>	<b>-10.2%</b>
<b>Total public support and nonoperating revenues</b>	<b>2,698</b>	<b>(378)</b>	<b>3,076</b>	<b>-814.4%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (48,818)</b>	<b>\$ (47,116)</b>	<b>\$ (1,702)</b>	<b>3.6%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**CONSOLIDATED OPERATIONS**  
**COMPARISON TO BUDGET - FISCAL YEAR 2011**  
**NOVEMBER 30, 2010**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ 36,810	\$ 38,218	\$ (1,408)	-3.7%
Other Revenue	151	327	(176)	-53.8%
<b>Total Operating Revenue</b>	<b>\$ 36,961</b>	<b>\$ 38,545</b>	<b>\$ (1,584)</b>	<b>-4.1%</b>
Personnel costs	\$ 41,680	\$ 37,991	\$ (3,688)	-9.7%
Outside services	25,226	24,881	(345)	-1.4%
Transit operations funding	-	-	-	-
Materials and supplies	3,061	2,930	(131)	-4.5%
Energy	9,227	8,887	(340)	-3.8%
Risk management	1,336	1,573	238	15.1%
General & administrative	130	128	(2)	-1.5%
Vehicle/facility leases	183	239	57	23.7%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	8,841	8,841	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 89,683</b>	<b>\$ 85,472</b>	<b>\$ (4,211)</b>	<b>-4.9%</b>
<b>Operating income (loss)</b>	<b>\$ (52,722)</b>	<b>\$ (46,927)</b>	<b>\$ (5,795)</b>	<b>-12.3%</b>
<b>Total public support and nonoperating revenues</b>	<b>3,594</b>	<b>518</b>	<b>3,076</b>	<b>593.2%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (49,128)</b>	<b>\$ (46,408)</b>	<b>\$ (2,720)</b>	<b>5.9%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2011**  
**NOVEMBER 30, 2010**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ 10,784	\$ 11,541	\$ (757)	-6.6%
Other Revenue	8	25	(17)	-67.3%
<b>Total Operating Revenue</b>	<b>\$ 10,793</b>	<b>\$ 11,566</b>	<b>\$ (773)</b>	<b>-6.7%</b>
Personnel costs	\$ 28,796	\$ 24,946	\$ (3,850)	-15.4%
Outside services	764	771	6	0.8%
Transit operations funding	-	-	-	-
Materials and supplies	1,768	1,740	(28)	-1.6%
Energy	2,357	2,263	(94)	-4.1%
Risk management	635	715	80	11.2%
General & administrative	50	55	5	9.4%
Vehicle/facility leases	94	107	13	12.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	3,070	3,070	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 37,534</b>	<b>\$ 33,666</b>	<b>\$ (3,868)</b>	<b>-11.5%</b>
<b>Operating income (loss)</b>	<b>\$ (26,742)</b>	<b>\$ (22,100)</b>	<b>\$ (4,641)</b>	<b>-21.0%</b>
<b>Total public support and nonoperating revenues</b>	<b>1,962</b>	<b>(1,113)</b>	<b>3,076</b>	<b>-276.2%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (24,780)</b>	<b>\$ (23,214)</b>	<b>\$ (1,566)</b>	<b>6.7%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2011**  
**NOVEMBER 30, 2010**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ 15,313	\$ 15,169	\$ 144	0.9%
Other Revenue	143	302	(159)	-52.6%
<b>Total Operating Revenue</b>	<b>\$ 15,456</b>	<b>\$ 15,472</b>	<b>\$ (15)</b>	<b>-0.1%</b>
Personnel costs	\$ 12,386	\$ 12,506	\$ 120	1.0%
Outside services	1,310	1,384	74	5.3%
Transit operations funding	-	-	-	-
Materials and supplies	1,293	1,182	(111)	-9.3%
Energy	3,639	3,603	(36)	-1.0%
Risk management	700	858	158	18.4%
General & administrative	79	69	(10)	-15.1%
Vehicle/facility leases	71	88	16	18.6%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	5,151	5,151	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 24,629</b>	<b>\$ 24,840</b>	<b>\$ 211</b>	<b>0.8%</b>
<b>Operating income (loss)</b>	<b>\$ (9,173)</b>	<b>\$ (9,368)</b>	<b>\$ 196</b>	<b>2.1%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (9,173)</b>	<b>\$ (9,368)</b>	<b>\$ 196</b>	<b>-2.1%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**MULTIMODAL OPERATIONS (FIXED ROUTE)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2011**  
**NOVEMBER 30, 2010**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ 8,799	\$ 9,447	\$ (647)	-6.9%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 8,799</b>	<b>\$ 9,447</b>	<b>\$ (647)</b>	<b>-6.9%</b>
Personnel costs	\$ 115	\$ 139	\$ 24	17.0%
Outside services	16,359	16,308	(51)	-0.3%
Transit operations funding	-	-	-	-
Materials and supplies	-	6	6	-
Energy	2,252	2,140	(113)	-5.3%
Risk management	-	-	-	-
General & administrative	0	2	2	81.9%
Vehicle/facility leases	17	45	28	61.6%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	420	420	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 19,164</b>	<b>\$ 19,060</b>	<b>\$ (104)</b>	<b>-0.5%</b>
<b>Operating income (loss)</b>	<b>\$ (10,364)</b>	<b>\$ (9,613)</b>	<b>\$ (751)</b>	<b>-7.8%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (10,364)</b>	<b>\$ (9,613)</b>	<b>\$ (751)</b>	<b>7.8%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**MULTIMODAL OPERATIONS (PARATRANSIT)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2011**  
**NOVEMBER 30, 2010**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ 782	\$ 653	\$ 129	19.8%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 782</b>	<b>\$ 653</b>	<b>\$ 129</b>	<b>19.8%</b>
Personnel costs	\$ 54	\$ 70	\$ 17	23.6%
Outside services	4,398	3,943	(455)	-11.5%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	786	692	(94)	-13.6%
Risk management	-	-	-	-
General & administrative	1	2	1	48.4%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	147	147	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 5,385</b>	<b>\$ 4,854</b>	<b>\$ (531)</b>	<b>-10.9%</b>
<b>Operating income (loss)</b>	<b>\$ (4,604)</b>	<b>\$ (4,201)</b>	<b>\$ (402)</b>	<b>-9.6%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (4,604)</b>	<b>\$ (4,201)</b>	<b>\$ (402)</b>	<b>9.6%</b>



**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**CONSOLIDATED CHULA VISTA TRANSIT OPERATIONS**  
**COMPARISON TO BUDGET - FISCAL YEAR 2011**  
**NOVEMBER 30, 2010**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ 1,131	\$ 1,409	\$ (278)	-19.7%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 1,131</b>	<b>\$ 1,409</b>	<b>\$ (278)</b>	<b>-19.7%</b>
Personnel costs	\$ 140	\$ 142	\$ 2	1.6%
Outside services	2,182	2,262	80	3.5%
Transit operations funding	-	-	-	-
Materials and supplies	1	2	2	74.2%
Energy	193	190	(3)	-1.7%
Risk management	-	-	-	-
General & administrative	0	1	1	80.1%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	53	53	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 2,568</b>	<b>\$ 2,650</b>	<b>\$ 81</b>	<b>3.1%</b>
<b>Operating income (loss)</b>	<b>\$ (1,437)</b>	<b>\$ (1,241)</b>	<b>\$ (196)</b>	<b>-15.8%</b>
<b>Total public support and nonoperating revenues</b>	<b>1,577</b>	<b>1,577</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 139</b>	<b>\$ 335</b>	<b>\$ (196)</b>	<b>-58.5%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

**OPERATIONS  
CORONADO FERRY**

**COMPARISON TO BUDGET - FISCAL YEAR 2011**

**NOVEMBER 30, 2010**

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

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	58	58	-	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	-
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 58</b>	<b>\$ 58</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Operating income (loss)</b>	<b>\$ (58)</b>	<b>\$ (58)</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total public support and nonoperating revenues</b>	<b>55</b>	<b>55</b>	<b>-</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (3)</b>	<b>\$ (3)</b>	<b>\$ -</b>	<b>0.0%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**ADMINISTRATION**  
**CONSOLIDATED**  
**COMPARISON TO BUDGET - FISCAL YEAR 2011**  
**NOVEMBER 30, 2010**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	1,975	1,888	87	4.6%
<b>Total Operating Revenue</b>	<b>\$ 1,975</b>	<b>\$ 1,888</b>	<b>\$ 87</b>	<b>4.6%</b>
Personnel costs	\$ 4,937	\$ 5,421	\$ 484	8.9%
Outside services	3,519	4,034	514	12.7%
Transit operations funding	-	-	-	-
Materials and supplies	8	8	(0)	-1.2%
Energy	206	297	91	30.6%
Risk management	245	135	(111)	-82.2%
General & administrative	446	367	(79)	-21.6%
Vehicle/facility leases	66	44	(21)	-47.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(8,875)	(8,875)	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 552</b>	<b>\$ 1,430</b>	<b>\$ 878</b>	<b>61.4%</b>
<b>Operating income (loss)</b>	<b>\$ 1,422</b>	<b>\$ 457</b>	<b>\$ 965</b>	<b>-211.0%</b>
<b>Total public support and nonoperating revenues</b>	<b>(896)</b>	<b>(896)</b>	<b>0</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 526</b>	<b>\$ (439)</b>	<b>\$ 965</b>	<b>-219.8%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

**OTHER ACTIVITIES**

**CONSOLIDATED**

**COMPARISON TO BUDGET - FISCAL YEAR 2011**

**NOVEMBER 30, 2010**

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

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>% VARIANCE</b>
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	175	177	(2)	-1.1%
<b>Total Operating Revenue</b>	<b>\$ 175</b>	<b>\$ 177</b>	<b>\$ (2)</b>	<b>-1.1%</b>
Personnel costs	\$ 243	\$ 270	\$ 27	10.0%
Outside services	51	79	27	34.9%
Transit operations funding	-	-	-	-
Materials and supplies	0	1	1	61.8%
Energy	3	5	2	39.5%
Risk management	14	14	(0)	-0.3%
General & administrative	45	43	(2)	-5.3%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	34	34	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 391</b>	<b>\$ 446</b>	<b>\$ 55</b>	<b>12.3%</b>
<b>Operating income (loss)</b>	<b>\$ (216)</b>	<b>\$ (269)</b>	<b>\$ 53</b>	<b>19.6%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (216)</b>	<b>\$ (269)</b>	<b>\$ 53</b>	<b>-19.6%</b>

# Metropolitan Transit System FY 2011 - November 2010 Financial Review

MTS Board of Directors Meeting  
January 20, 2011



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## COMBINED MTS TRANSIT OPERATORS COMPARISON TO BUDGET - NOVEMBER 30, 2010 - FY 2011 (in \$000's)

	ACTUAL	BUDGET	VARIANCE	% VAR
Fare Revenue	\$36,810	\$38,218	(\$1,408)	-3.7%
Other Revenue	151	327	(176)	-53.8%
<b>Total Operating Revenue</b>	<b>\$36,961</b>	<b>\$38,545</b>	<b>(\$1,584)</b>	<b>-4.1%</b>

### Fare Revenue variance compared to Budget

- Ridership: -3.3% lower than budget, -\$1,240,000 variance
- Average Fares: -0.4% lower than budget, -\$168,000 variance

### Fare Revenue comparison to Prior Year

- Ridership decreased by -2.7%
- Average Fares increased by 3.4%



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**COMBINED MTS TRANSIT OPERATORS**  
**COMPARISON TO BUDGET - NOVEMBER 30, 2010 - FY 2011**  
(in \$000's)

	ACTUAL	BUDGET	VARIANCE	% VAR
Personnel Costs	\$36,596	\$35,908	(\$688)	-1.9%
Personnel Costs - Dexia	5,083	2,083	(3,000)	-144.0%
Purchased Transportation	22,366	21,896	(470)	-2.1%
Other Outside Services	2,860	2,985	125	4.2%
Energy	9,227	8,887	(340)	-3.8%
Other Expenses	13,550	13,712	162	1.2%
<b>Total Expenses</b>	<b>\$89,683</b>	<b>\$85,472</b>	<b>(\$4,211)</b>	<b>-4.9%</b>

**Personnel:**

- Transit operations: Unfavorable by \$850,000 due to pension contribution rate adjustment
- Dexia: Board directed STA Proceeds to pay additional \$7.2M, year to date adjustment, \$3M offset in Non-Operating Revenues

**Other**

- Purchased Transportation: Paratransit revenue hours 17% higher than budget, -\$455,000



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(3)

**METROPOLITAN TRANSIT SYSTEM**

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

**Combined Net Operating Variance**

MTS Operating Revenue	\$ (1,584)
MTS Operating Expenses	<u>(4,211)</u>
Combined MTS Operators	\$ (5,795)
MTS Administration / Other Activities	<u>1,018</u>

**Total Combined Net Operating Variance** **\$ (4,777)**

Total Combined Non-Operating Variance 3,076

**Total Revenues less Expenses** **\$ (1,701)**



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(4)  
2

**METROPOLITAN TRANSIT SYSTEM**  
COMPARISON TO BUDGET - NOVEMBER 30, 2010 - FY 2011  
ON-GOING CONCERNS DASHBOARD

	FY11			Status
	Budget	YTD	Projection	
<b>Sales Tax Subsidy Revenue</b>	1.9%	6.7%	1.9%	<b>(Y)</b>
<b>Energy Prices</b>				
CNG	0.941	0.932	0.941	<b>(Y)</b>
Diesel	2.600	2.459	2.600	
Gas	2.800	2.968	2.800	
<b>Passenger Levels</b>	82.6 M	34.9 M	81.7 M	<b>(R)</b>
<b>State of California Budget</b>	0	\$18.8 M	\$18.8 M	<b>(G)</b>

**(G)** Positive    **(Y)** Holding    **(R)** Negative



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(5)

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

MTS Board of Directors Meeting  
January 20, 2011



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(6)<sub>3</sub>



1255 Imperial Avenue, Suite 1000  
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## Agenda

Item No. 62

Chief Executive Officer's Report

ADM 121.7

January 20, 2011

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 December 1, 2010, through January 10, 2011.

H:\Agenda Item 62 (45, then 61)\2010\AI 62 1-10-11.docx





# EXPENSE CONTRACTS

Doc #	Organization	Subject	Amount	Day
L5246.0-11	A-1 ALL AMERICAN ROOFING CO	RE-ROOF 9805 PROSPECT AVE. SANTEE, CA	\$25,817.00	12/1/2010
G1365.0-11	BEST BEST & KRIEGER, LLP	GENERAL LEGAL SERVICES - ADVICE & SVCS -	\$25,000.00	12/2/2010
L0974.2-10	SANDAG	LOSSAN BYLAWS	\$0.00	12/6/2010
L1004.0-11	NIETO & SONS TRUCKING	ROE PERMIT VAC TRUCK OPS ETIC H ST TRANS	\$0.00	12/6/2010
L6648.0-11	NEXTG NETWORKS OF CALIFORNIA	LICENSE DOCUMENT FOR AERIAL CROSSING	\$1,500.00	12/6/2010
G1136.0-08	MEDIA ACCESS PARTNERS, INC.	AGREEMENT TO WRAP ONE TROLLEY FOR 4	\$40,000.00	12/7/2010
G1156.0-08	SDSU INTERCULTURAL RELATIONS	GROUP SALES DAY PASS	\$1,450.00	12/7/2010
G1167.0-08	CARLA DYKEMAN	SAN YSIDRO BANNER ADVERTISING	\$850.00	12/7/2010
G1172.0-08	AETNA	BANNER POLE ADS	\$1,010.00	12/7/2010
G1186.0-08	JUSTICE OVERCOMING BOUNDARIES	FIESTA DEL SOL EVENT 8/19/08	\$15,000.00	12/7/2010
G1251.1-09	SANDAG	AMEND EASEMENT GROSSMONT TROLLEY STA	\$0.00	12/7/2010
G1254.0-09	AIR RESOURCES BOARD	SETTLEMENT AGREEMENT AND RELEASE MTS STA	\$47,750.00	12/7/2010
G1258.0-09	FELD ENTERTAINMENT	SEALIFE AQUARIUM SUMMER PROMOTION	\$0.00	12/7/2010
G1261.0-09	FIRST TRANSIT, INC.	RELEASE OF CLAIMS BETWEEN FIRST T AN MTS	\$0.00	12/7/2010
G1289.0-10	DOMESTIC VIOLENCE COUNCIL	AGREEMENT FOR PURCHASE OF DAY PASSES	\$438.75	12/7/2010
L5246.1-11	A-1 ALL AMERICAN ROOFING	AMENDMENT TO ADD UNFORSEEN ITEMS	\$2,627.00	12/7/2010
G1283.0-10	EXXON MOBILE ENVIRONMENTAL	TOLLING AGREE FOR H STREET REMEDIATION	\$0.00	12/8/2010
B0553.0-11	STEVE CRESENCIA	TEMPORARY CONSTRUCTION EASEMENT - SBMF	\$0.00	12/13/2010
B0555.0-11	NACCARI FAMILY TRUST	TEMPORARY CONSTRUCTION EASEMENT - SBMF	\$0.00	12/13/2010
PWB131.0-11	PARK WEST LANDSCAPE	12 MONTH LANDSCAPING MAINTENANCE - RB	\$21,220.62	12/13/2010
L6651.0-11	TRI COUNTY DRILLING	JROE PERMIT SANDAG CIP 1239801	\$0.00	12/14/2010
G1369.0-11	JACOBS CENTER FOR NEIGHBORHOOD	HOLIDAY MUSIC AND ENTERTAINMENT - ORG LN	\$5,000.00	12/15/2010
L1007.0-11	JACOBS CENTER FOR NEIGHBORHOOD	ROE PERMIT - TROLLEY ENTERTAINMENT	\$0.00	12/15/2010
L5245.0-11	MIKE MATI	LEASE AGREEMENT	\$1,750.00	12/15/2010
L6650.0-11	URS CORPORATION	JROE PERMIT - SANDAG CIP 1239801	\$0.00	12/15/2010
G1050.2-07	FAIRFIELD GROSSMONT TROLLEY	FIRST AMENDMENT TO GROUND LEASE	\$0.00	12/16/2010
G1370.0-11	TIFFANY LORENZEN	LEGAL CONSULTING SERVICES	\$10,000.00	12/16/2010
L6649.0-11	DAVID EVANS & ASSOC	JROE PERMIT SANDAG CIP 1239801	\$0.00	12/16/2010
L1008.0-11	HELIX WATER DISTRICT	ENCROACHMENT AGREEMENT - GROSSMONT	\$0.00	12/20/2010

### EXPENSE CONTRACTS

Doc #	Organization	Subject	Amount	Day
L0974.0-10	SANDAG	MOU BETWEEN LOSSAN MEMBER AGENCIES	\$0.00	12/22/2010
G1147.1-08	BANK OF AMERICA	BANKING SERVICES	\$56,523.39	12/23/2010
B0521.1-09	APOLLO VIDEO TECHNOLOGY	AMENDMENT TO REPLACE INTEGRIAN CAMERA	\$14,400.00	1/3/2011
B0552.1-11	STEVE CRESCENCIA	ESCROW INSTRUCTIONS	\$1,345.00	1/3/2011
B0554.1-11	RONALD NACCARI	ESCROW INSTRUCTIONS	\$1,350.00	1/3/2011
B0557.0-11	SAV-ON SYSTEMS	TEMPORARY CONSTRUCTION EASEMENT	\$4,331.00	1/3/2011
G1200.3-09	BAKER & MILLER, PLLC	LEGAL SERVICES - RAILROAD LAW	\$25,000.00	1/3/2011
G1373.0-11	RV INVESTMENT CA II, LLC	MEMORANDUM OF LEASE FOR 7550 COPLEY PARK	\$0.00	1/5/2011
G1374.0-11	HOLLAND MOTOR HOMES	SUBLEASE FOR 7550 COPLEY PARK PLACE	\$0.00	1/5/2011
G1375.0-11	RV INVESTMENT CA, LLC	GRANT DEED FOR 7490 COPLEY PARK PLACE	\$0.00	1/5/2011
G1376.0-11	RV INVESTMENT CA, LLC	GENERAL ASSIGNMENT FOR 7490 COPLEY PARK	\$0.00	1/5/2011
L5248.0-11	MARJAN STONE	LEASE AGREEMENT	\$300.00	1/7/2011

### REVENUE CONTRACTS

Doc #	Organization	Subject	Amount	Day
L6639.0-10	TYLIN INTERNATIONAL	JROE PERMIT NCTD N TORREY PINE RD BRDG	(\$500.00)	12/1/2010
G0878.6-03	SCRIPPS HEALTH CARE	AMENDMENT TO ECO PASS PROGRAM	(\$76,032.00)	12/6/2010
G0975.6-06	EVANS HOTELS	ECO PASS RENEWAL 9 MONTHS	(\$54,432.00)	12/6/2010
G0668.10-02	EMBASSY SUITES HOTEL	ECO PASS 9 MONTH RENEWAL	(\$23,328.00)	12/7/2010
G0668.9-02	EMBASSY SUITES HOTEL	ECO PASS	(\$9,914.40)	12/7/2010
G1191.0-08	INT'L RESCUE COMMITTEE	ECO PASS	(\$4,320.00)	12/7/2010
G1228.0-09	RADY CHILDREN'S HOSPITAL	3-MONTH ECO PASS PILOT PROGRAM	(\$4,410.00)	12/7/2010
L6636.0-11	XO COMMUNICATIONS SVCS, INC.	LICENSE AGREEMENT FOR AERIAL CROSSING	(\$1,500.00)	12/9/2010
B0552.0-11	STEVE CRESCENCIA	RIGHT OF WAY CONTRACT	(\$1,000.00)	12/13/2010
B0554.0-11	NACCARI FAMILY TRUST	RIGHT OF WAY CONTRACT - SBMF	(\$1,000.00)	12/13/2010
L6652.0-11	FLATIRON WEST, INC.	JROE PERMIT (BRIDGE RETRO) DEL MAR PROJ.	(\$500.00)	12/13/2010
L1005.0-11	SCHILLING PARADISE CORP	ROE PERMIT	(\$1,500.00)	12/15/2010
S200-11-472	W.C. COMMUNICATIONS	ROE PERMIT - COX COMM	(\$2,000.00)	12/15/2010

**PURCHASE ORDERS**

<b>DATE</b>	<b>PO NUMBER</b>	<b>Organization</b>	<b>Subject</b>	<b>AMOUNT</b>
12/1/2010	2944	THE PINNACLE GROUP	DESKTOP HP	\$5,414.66
12/1/2010	2945	COMPVIEW INC.	TELECOMM EQUIP AND LABOR	\$8,172.53
12/1/2010	2946	NUMARA	TRADE TO TRACK IT	\$15,562.68
12/1/2010	2947	DYNAMIC INSTRUMENTS INC	COMMUNICATION RECORDER VOICE LOGGER	\$20,587.06
12/1/2010	2948	US POSTAL SERVICE	POSTAGE	\$6,000.00
12/1/2010	2949	WEST COAST CABLING INC.	TASKE MAINT.	\$1,486.00
12/1/2010	2950	WEST COAST CABLING INC.	STRATA ACD MAINT.	\$1,720.00
12/9/2010	2951	NTH GENERATION COMPUTING, INC.	HP C7000 BLADE SERVERS & SUPPORT	\$8,470.50
12/9/2010	2952	MADDEN CONSTRUCTION, INC.	DOOR REPAIR AT FASHION VALLEY TROL.	\$979.83
12/9/2010	PW1061	MADDEN CONSTRUCTION, INC.	REPAIR FASHION VALLEY BATHROOM	\$3,528.52
12/20/2010	2953	IKON OFFICE SOLUCATIONS, INC.	KOFAX MAINTENANCE	\$2,430.00
12/22/2010	2954	IPKEYS	IRON PORT E-MAIL SCANNING LICENSES	\$8,280.93
12/22/2010	2955	TRAPEZE SOFTWARE	SOFTWARE SUPPORT RENEWAL	\$5,250.00
12/22/2010	2956	LOS ANGELES COUNTY METRO	HANDHELD VALIDATORS	\$2,743.75
1/4/2011	2957	BORDEAUX PRINTERS, INC.	REPRINT BANKS BUS/TROLLEY	\$3,316.88
1/7/2011	2959	PHONE SUPPLEMENTS	HEADSET - AUDIO PROCESSOR	\$550.28

**WORK ORDERS**

<b>Doc #</b>	<b>Organization</b>	<b>Subject</b>	<b>Amount</b>	<b>Day</b>
G1130.0-08.01.02	KIMLEY-HORN & ASSOC	ENGINEERING SERVICES WO AMENDMENT	\$50,000.00	12/1/2010
G1131.0-08.01.01	PGH WONG ENG	INCREASE TO CM YARD SECURITY PROJEC	\$8,092.06	12/7/2010
G1246.0-09.03.1	DAVID EVANS & ASSOC., INC.	AMDT #1 - STORM WATER MONITORING	\$39,000.00	12/7/2010
G1245.0-09.02.01	KIMLEY-HORN & ASSOC.	GEN. ENGINEERING SERVICES - SURVEY	\$13,700.00	12/9/2010